

Partnership for Medicaid Partnership for Medicaid

September 8, 2011

President Barack Obama
1600 Pennsylvania Ave. NW
Washington, DC 20500

The Honorable Harry Reid
Senate Majority Leader
S-221 The Capitol
Washington, DC 20510

The Honorable Mitch McConnell
Senate Minority Leader
S-230 The Capitol
Washington, DC 20510

The Honorable John A. Boehner
Speaker
H-232 The Capitol
Washington, DC 20515

The Honorable Nancy Pelosi
House Minority Leader
H-204 The Capitol
Washington, DC 20515

Dear President Obama, Majority Leader Reid, Speaker Boehner, Minority Leader McConnell and Minority Leader Pelosi:

The Partnership for Medicaid, a nonpartisan, nationwide coalition of organizations representing providers in the Medicaid program, writes to thank you for coming to an agreement that exempts Medicaid and the Children's Health Insurance Program (CHIP) from sequestration in the recent Budget Control Act of 2011. In exempting Medicaid, CHIP, and other low-income programs from sequestration, you have kept with long-standing precedent set by the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings) and subsequent budget control measures.

Together, these two programs serve about 60 million low-income children, pregnant women, disabled, and elderly Americans. Recent budgetary constraints have already caused states to reduce provider payments in these programs to levels that significantly underfund the cost of care. For example, today the average Medicaid reimbursement to providers is 30% less than Medicare for similar services. Further across-the-board reductions in program funding would have a negative impact on access to care for our most vulnerable citizens—whether it is in the form of further cutting provider rates and thereby threatening access, or from reducing eligibility or benefits. Medicaid is particularly important during challenging economic times with high unemployment, and is also a significant contributor to the creation of private sector jobs in local communities.

The Partnership for Medicaid understands the need for deficit and debt reduction and for considering mandatory spending entitlement programs as a part of that effort. However, instead of arbitrary across-the-board budget reductions in Medicaid spending, the Partnership has proposed a number of policy changes that would improve the quality of care provided and program performance while also providing budget savings. Our policy options document can be found on our website www.thepartnershipformedicaid.org.

Again, we thank you for exempting Medicaid and CHIP from the sequestration process. We urge you to continue to carefully weigh the importance of protecting Medicaid and CHIP as the Joint Select Committee on Deficit Reduction develops its' proposal to reduce the Federal Deficit by at least \$1.2 trillion.

American Congress of Obstetricians and Gynecologists
American Dental Association
Association for Community Affiliated Plans
Association of Clinicians for the Underserved
Catholic Health Association of the United States
The Jewish Federations of North America
Medicaid Health Plans of America
National Association of Children's Hospitals
National Association of Community Health Centers
National Association of Public Hospitals
National Council for Community Behavioral Healthcare
National Health Care for the Homeless Council
National Hispanic Medical Association