

Partnership for Medicaid Partnership for Medicaid

April 8, 2010

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Harry Reid
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, D.C. 20510

Dear Madam Speaker, Representative Boehner, Senator Reid and Senator McConnell:

We, the undersigned members of the Partnership for Medicaid, urge Congress to extend a temporary increase in Medicaid's Federal Medical Assistance Percentages (FMAP). Recognizing the significant burden of the economic recession on state budgets, Congress enacted a temporary increase in the Medicaid match rate for all states as part of the *American Recovery and Reinvestment Act of 2009* (ARRA). The additional federal support has allowed states to minimize cuts to state Medicaid programs, protecting 42 million Medicaid enrollees during the economic recession. We thank you for your commitment to the Medicaid program by providing this assistance.

While the economy is showing signs of improvement, states are grappling with significant projected budget deficits in Fiscal Year 2011. According to the National Governors Association and the National Association of State Budget Officers, states face a collective \$55.4 billion shortfall in FY 2011, and a combined \$136.1 billion in deficits FY 2010-2012. ARRA's enhanced FMAP ends on December 31, 2010 – in the middle of many state fiscal years. Congress has already taken steps to extend the FMAP increase through June 30, 2011 (both chambers have passed separate bills which would do so), but final legislation is still pending.

We urge Congress to act swiftly on extending the FMAP enhancement upon its return from the Easter district work period. While enhanced federal Medicaid assistance through year's end may give states adequate protection in the short term, states cannot budget for Fiscal Year 2011 without knowing whether this assistance will continue. Most states are now in the midst of Fiscal Year 2011 budgeting cycles and must consider cuts to Medicaid as a tool to balance budget shortfalls. Some 20 state legislatures are scheduled to adjourn by the end of April and 11 others are scheduled to adjourn by the end of May. Given this, it is critical for Congress to accelerate consideration of the FMAP extension as soon as possible. Doing so will allow states to avert Medicaid cuts at a time when the economic recession requires a strong safety net.

Extending the FMAP assistance for another six months is consistent with the Partnership's core principles of preserving the federal guarantee of Medicaid coverage, strengthening the federal financial role, and assuring adequate provider participation. Through this action Congress can ensure that Medicaid continues its crucial role as a safety net for vulnerable populations.

Thank you for your consideration of our views. We look forward to working with you on behalf of the more than 42 million recipients who rely on Medicaid for vital coverage, and the providers who serve them. Should you have any questions about these or other issues please feel free to contact any of our organizations or call Thomas Johnson at (202) 857-5725.

American Academy of Family Physicians
American Academy of Pediatrics
American Dental Association
American Federation of Labor – Congress of Industrial Organizations
American Health Care Association
Association for Community Affiliated Plans
Association of Clinicians for the Underserved
American Public Health Association
Easter Seals
Medicaid Health Plans of America
National Association of Children's Hospitals
National Association of Community Health Centers
National Association of Counties
National Association of Public Hospitals and Health Systems
National Center for Assisted Living
National Council for Community Behavioral Healthcare
National Health Care for the Homeless Council
National Hispanic Medical Association

cc: Rep. Henry Waxman, Chair, House Committee on Energy and Commerce
Rep. Joe Barton, Ranking Member, House Committee on Energy and Commerce
Sen. Max Baucus, Chair, Senate Committee on Finance
Sen. Charles Grassley, Ranking Member, Senate Committee on Finance