



National Association of State Medicaid Directors

an affiliate of the American Public Human Services Association

February 5, 2010

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

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

Dear Mr. Majority Leader Reid; Mr. Minority Leader McConnell; Madam Speaker; and Mr. Minority Leader Boehner:

As you know, the American Recovery and Reinvestment Act (ARRA) provided \$87 billion in fiscal relief to states and localities through an increase in Medicaid assistance (FMAP). This relief has helped stabilize the state budgets and protected the Medicaid programs from having to implement cuts because of severe state budget shortfalls. Most of all, it allowed the Medicaid programs to provide vital and necessary services to the most vulnerable populations in our states. This temporary assistance has been and will continue to be essential and necessary, particularly at a time when the state Medicaid programs are further being called upon to assist those individuals who have lost their jobs during the recession and the economic downturn.

The additional FMAP assistance provided under ARRA is scheduled to expire on December 31, 2010. Unfortunately, states continue to face budget shortfalls totaling \$140 billion in fiscal year 2011. Most states, unlike the federal government, begin their fiscal year in July, which means states are already being forced to plan draconian spending cuts and revenue increases for FY 2011. Many states have already announced plans to decrease funding to safety-net providers and scale back Medicaid coverage if the ARRA fiscal relief is not extended.

As the Chair of the National Association of State Medicaid Directors, I strongly encourage you to support the efforts to extend the ARRA FMAP for, at a minimum, six months. I also encourage you to pass this extension quickly given the state budget cycles and the need to finalize states' FY 2011 budgets for states that have July State Fiscal Years. I have attached a White Paper outlining some of the decisions states are being forced to take in order to balance their budgets without this extension.

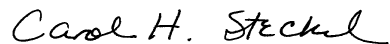
Page 2 - Mr. Majority Leader Reid; Mr. Minority Leader McConnell; Madam Speaker;
and Mr. Minority Leader Boehner

The Medicaid Directors stand ready to help you in any way possible; however, it is imperative that this extension be in place soon. As you know, the Medicaid programs throughout our country are the safety net programs that finance health care services for over 40 million citizens of our country. We are financing these services efficiently and effectively but cannot support the growing need for services due to the economic downturn. Your support on this issue is critical.

Please do not hesitate to contact me at 334-242-5600 or Ann Clemency Kohler, our Executive Director at 202-682-0100 ext. 299 if you have any questions or if we can assist you in any way.

Thank you for your support of the Medicaid program.

Sincerely,

A handwritten signature in cursive script that reads "Carol H. Steckel".

Carol H. Steckel, MPH

Enclosure