

AMERICA'S HOSPITALS AND HEALTH SYSTEMS

May 13, 2010

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
Washington, DC 20515

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

The Honorable John Boehner
Minority Leader
United States House of Representatives
Washington, DC 20515

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

Dear Speaker Pelosi, Majority Leader Reid, Representative Boehner and Senator McConnell:

On behalf of the members of the undersigned hospital organizations, we urge Congress to immediately pass a six-month extension of enhanced federal Medicaid payments to states. Last year, Congress enhanced Medicaid's Federal Medical Assistance Percentage (FMAP) as part of the *American Recovery and Reinvestment Act* (ARRA). This critical federal support has allowed states to weather the economic downturn without slashing their Medicaid programs. To protect Medicaid patients, ARRA also required states to maintain Medicaid eligibility requirements as a condition of receiving the enhanced FMAP.

While the economy is showing signs of improvement, at least 47 states are facing massive budget shortfalls in the coming fiscal year. ARRA's enhanced FMAP is scheduled to end on December 31, 2010, in the middle of most state fiscal years. Extending the enhanced FMAP funding for six months, until June 30, 2011, is critical to ensuring Medicaid patients have access to care at America's hospitals and other health care providers. If Congress fails to extend the enhanced FMAP provision, many states will be forced to make significant reductions in Medicaid costs through cuts to eligibility, benefits, and already low provider payment rates.

On March 10, the Senate passed a six-month extension of enhanced Medicaid payments as part of H.R. 4213, the *American Workers, State and Business Relief Act*. The House passed similar provisions in two separate pieces of legislation last year. To ensure patient access to care, America's hospitals call on Congress to finish the job and pass a six-month extension of the enhanced FMAP – with the Medicaid eligibility maintenance requirement – as soon as possible.

Sincerely,

American Hospital Association
Association of American Medical Colleges
Catholic Health Association of the United States
Federation of American Hospitals
National Association of Children's Hospitals
National Association of Public Hospitals and Health Systems

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