

NATIONAL ASSOCIATION OF URBAN HOSPITALS

Private Safety-Net Hospitals Caring for Needy Communities

February 24, 2010

The Honorable Neil Abercrombie
1502 Longworth HOB
Washington, DC 20515

Dear Representative Abercrombie:

I am writing on behalf of the National Association of Urban Hospitals to urge you to work to secure a six-month extension of the increase in the federal Medical Assistance percentage (FMAP) that was such a vital and successful part of the American Recovery and Reinvestment Act of 2009 (ARRA).

The purpose of the original FMAP increase in the ARRA bill was to provide additional resources to state governments at a time when their ability to generate their usual level of revenue was greatly compromised by the troubled national economy. This additional FMAP money truly made a difference throughout the country, helping to preserve the health care safety net at a time when many states were in considerable financial distress and it appeared entirely possible that they would not be able to meet their financial obligations to the urban safety-net hospitals that are the providers of last resort for so many of their low-income residents.

Unfortunately, the economy has not recovered to the extent envisioned when the ARRA was passed more than a year ago. Many states continue to deal with serious budget problems, and it is now clear that the loss of the additional FMAP funds would be disastrous to many states, potentially jeopardizing access to care for their many low-income and medically vulnerable residents while simultaneously jeopardizing the financial health of many of the private, non-profit urban safety-net hospitals on which those states depend to ensure that access. Many states already are considering drastic Medicaid cutbacks because of their economic problems; those cutbacks will be exacerbated greatly without the additional FMAP funds.

For these reasons, we hope you will work to extend the additional FMAP for state governments for six more months, thereby ensuring the continued ability of state Medicaid programs, and the private, non-profit urban safety-net hospitals on which they so heavily depend, to meet the health care needs of millions of medically vulnerable Americans.

I appreciate your consideration of this request and welcome any questions you may have about the National Association of Urban Hospitals or our position on this most important issue.

Sincerely,

Ellen J. Kugler
Executive Director