

NATIONAL ASSOCIATION OF URBAN HOSPITALS

Private Safety-Net Hospitals Caring for Needy Communities

June 22, 2010

Please Act NOW to Extend Enhanced Medicaid FMAP for Six Months

Dear Senator Begich:

The National Association of Urban Hospitals urges you and the Senate to pass a six-month extension of the increase in the federal medical assistance percentage (FMAP) authorized in the American Recovery and Reinvestment Act of 2009 and to do so as soon as possible.

The purpose of the FMAP increase was to help states with their Medicaid programs at a time when the weak economy was hurting state revenue. This increase expires at the end of 2010, but the economy has not recovered sufficiently to return states to their pre-recession revenue levels.

While the current FMAP extension runs until the end of the current calendar year, passage of a six-month renewal is now quite urgent: 30 states are currently considering proposed fiscal year 2011 budgets that in one way or another assume this extension, and the new fiscal year in many of these states begins in just a week. This means they need to know whether they can count on these funds to help support their Medicaid programs. The stakes for these states are high, including for \$1.5 billion for California, \$263.5 million for Connecticut, \$85.5 million for Maine, \$689 million for Massachusetts, \$514 million for Michigan, \$1.1 billion for New York, \$848.5 million for Pennsylvania, and \$95.2 million for Rhode Island.

The economic crisis that inspired Congress to provide this much-needed help to the states continues. State revenues remain well below their pre-recession levels and the high rate of unemployment has swelled the Medicaid rolls to levels that in many places are higher than they have ever been. The public's need for a strong health care safety net has never been greater, and we hope you will renew the enhanced rate of FMAP for another six months and do so in the next few days.

Private, non-profit urban safety-net hospitals serve communities in need, and those needs have never been greater than they are today. A swift extension of the FMAP increase will ensure that states have the resources they need to meet their commitment to their Medicaid programs, which in turn will enable safety-net hospitals to meet our commitments to our communities – and to many of your constituents as well.

Sincerely,

Ellen Kugler, Esq.
Executive Director