



April 7, 2010

The Honorable Nancy Pelosi
Speaker of the House
H-232 The Capitol
Washington, DC 20515

Dear Madam Speaker,

We write in support of the six-month extension of the temporary FMAP assistance for state Medicaid programs in the American Workers, State, and Business Relief Act of 2010, H.R. 4213, and urge you to make it a priority to pass this provision expeditiously after the Easter District Work Period. Extending the FMAP assistance for six additional months was in the President's Budget, and has the support of the National Governors Association and the National Conference of State Legislators, as well as 47 individual state and territorial governors and hundreds of provider and advocacy groups.

The American Workers, State, and Business Relief Act of 2010, also called the "Extenders Act," was recently passed by the Senate. Among other things, this legislation would provide a six-month extension of the temporary FMAP assistance provided in the American Recovery and Reinvestment Act (ARRA). The assistance provided in ARRA has proven effective in preventing widespread state eligibility, benefit, and provider payment reductions. It has also had a positive effect on jobs.

Aid to states is an important component of a jobs strategy and has an immediate impact on the economy. Economist Mark Zandi estimates that every dollar in federal Medicaid aid results in \$1.41 in increased economic activity, which translates into jobs and stronger economic growth nationwide. Further temporary assistance would similarly help prevent job losses and generate additional jobs.

While the national economy is showing signs of recovery, economists and experts on state budgets are predicting that 2011 will be the toughest year for states stemming from the current economic crisis. Yet the temporary Medicaid relief provided in ARRA is set to expire on December 31, 2010. Congress can help the states when they need it most by extending this temporary FMAP increase in the federal share of Medicaid expenditures.

With governors, state budget officers and state legislators budgeting now for State Fiscal Year 2011, now is a critical time for Congress to act. Twenty state legislatures are scheduled to adjourn by the end of April and eleven others are scheduled to adjourn by the end of May, making Congressional action on this urgent. Without a clear signal from

Congress, states will take actions to raise taxes or cut Medicaid spending that could be detrimental to low-income women and children in the program.

The House has already passed a six-month temporary FMAP extension in two other pieces of legislation; however it has yet to be enacted. We also understand the House may have concerns with other aspects of the Extenders Act as passed by the Senate. We would respectfully ask you to work through those issues expeditiously to enact this particular provision, on which the House and Senate appear to agree and which is relatively noncontroversial. On behalf of health plans that partner with states to provide benefits to more than half of all Medicaid beneficiaries, we thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas L. Johnson". The signature is fluid and cursive, with the first name being the most prominent.

Thomas L. Johnson
President & CEO