



News Release

For Immediate Release

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Medicaid Health Plans of America Urges Congress to Pass Economic Recovery Package This Session Featuring Additional Funding for Medicaid

Washington, DC; November 10, 2008 — Medicaid Health Plans of America (MHPA), the leading trade association solely focused on representing Medicaid health plans, today joined the chorus of noted organizations calling on the United States Congress to pass an economic stimulus package this session that includes additional funding for Medicaid.

In a letter sent to Senators Harry Reid and Mitch McConnell, Speaker Nancy Pelosi and Representative John Boehner, MHPA echoed the call by the National Governors Association to temporarily enhance the Federal Medical Assistance Percentage (FMAP) for at least two years. In the November 6th letter, MHPA's Executive Director Thomas L. Johnson stated his support of the economic recovery package explaining that "Funding for FMAP is a particularly effective tool because it allows states to eliminate planned budget cuts required to meet balanced budget requirements and continue services for those with the greatest need." Mr. Johnson went on to explain that the Kaiser Family Foundation recently issued a report showing that as the country faces another economic downturn, many states are scrambling to deal with the impact of poor economic conditions on programs, like Medicaid and the State Children's Health Insurance Program (SCHIP), that are reliant on state funding.

"To be better able to cope, states are looking for fiscal relief from the federal government," states Johnson. "The Kaiser report specifically noted that a one percent rise in the nation's unemployment rate is projected to increase the number of uninsured by 1.1 million and result in an additional 1 million (600,000 children and 400,000 adults) enrolling in Medicaid, increasing state Medicaid spending by \$1.4 billion at time when their tax revenues would fall by three to four percent."

In closing, Johnson confirmed MHPA's strong commitment in partnering with Congress to help "stabilize the economy, find solutions to our complex fiscal and health care challenges, and speed our nation's recovery during this difficult time."

Medicaid Health Plans of America or "MHPA" is the leading trade association solely focused on representing Medicaid health plans. The Association provides advocacy, research, analysis and organized forums that support the development of effective policy solutions to promote and enhance the delivery of quality healthcare. For more information, visit Medicaid Health Plans of America at www.mhpa.org or email at mhpa@rcn.com

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