



## News Release

*For Immediate Release*

Contact: Karen Seidman; [karen@seidmansays.biz](mailto:karen@seidmansays.biz)  
(202) 364-8134; fax (202) 364-0131

### **Medicaid Health Plans of America Lauds Stimulus Bill's Conference Agreement Which Provides \$90 Billion in Medicaid Relief for Nation's Most Vulnerable Citizens**

Washington, DC; February 12, 2009 — Today, the [Medicaid Health Plans of America \(MHPA\)](#), the leading trade association solely focused on representing Medicaid health plans, applauded House and Senate negotiators who agreed to include provisions in the American Recovery and Reinvestment Act Conference Report that will maintain coverage for 57 million Americans enrolled in Medicaid.

“The Medicaid provisions in this agreement will allow states to continue coverage at a time when their budgets are bleeding,” explained Thomas Johnson, MHPA’s executive director. “On behalf of Medicaid health plans serving 12.5 million low-income children, pregnant women, aged, blind and disabled Americans, we thank Congressional leaders and President Obama for recognizing that the economic crisis has also caused an urgent crisis in the states that has threatened the Medicaid coverage for millions of our most vulnerable citizens.

The agreement would increase the Federal Medical Assistance Percentage (FMAP) formula temporarily by 6.2% in every state, through December 2010. This increases the federal share of Medicaid costs, reducing the state share and providing states significant financial relief. The agreement also provides additional bonus payments to states with the highest unemployment rates. These two provisions provide \$87 billion in state Medicaid relief over the next two years. Without action, states would have been forced to reduce Medicaid eligibility, benefits, or payments to providers.

House and Senate negotiators included a provision extending a moratorium on six Medicaid regulations promulgated by the Bush Administration that would have reduced access to rehabilitative services, targeted case management, school-based services, reimbursement to public and teaching hospitals, and graduate medical education payments in Medicaid. It also places a new moratorium on a rule that limits the outpatient hospital services that states may provide in Medicaid. The agreement will extend these moratoria to July 1, 2009, giving the Obama Administration time to rescind these regulations. Yesterday, MHPA signed a [letter](#) with 79 other organizations urging House and Senate negotiators to include the moratoria.

MHPA had also supported including a two-year extension of a grandfather clause contained in the Deficit Reduction Act of 2005 allowing eight states to maintain stable financing mechanisms already in place for Medicaid funding. While not contained in this bill, MHPA urged Congress to extend this provision before it expires on October 1, 2009.

“While we were disappointed the grandfather clause was not included in this package, we look forward to working with Congress to include it elsewhere to maintain a reliable funding source for low-income health care in these states. It is a priority for our organization,” said Johnson.

###

Medicaid Health Plans of America or “MHPA” is the leading trade association solely focused on representing Medicaid health plans. Founded in 1993, MHPA’s mission is to develop and advance public policy that controls costs and improves access and delivery of quality health care to Medicaid members. For more information, visit Medicaid Health Plans of America at [www.mhpa.org](http://www.mhpa.org) or email them at [mhpa@rcn.com](mailto:mhpa@rcn.com)