

# Safety-Net Association of Pennsylvania

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## **Please Act NOW to Extend Enhanced FMAP and Protect Pennsylvania's Medical Assistance Program**

Dear Senator Specter:

I am writing on behalf of the Safety-Net Association of Pennsylvania to urge you to work with your colleagues in Congress 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.

At stake for Pennsylvania is \$850 million that the state desperately needs to help finance its Medical Assistance program in the coming state fiscal year, which begins on July 1.

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. Pennsylvania currently faces a revenue shortfall of \$1.6 billion for the coming year, and without the continuation of the enhanced FMAP, that shortfall would rise to more than \$2.4 billion. This could lead to potentially massive reductions in Medical Assistance payments to safety-net hospitals as well as lay-offs of state employees and reductions in other state programs as well.

While the continuation of the FMAP increase until the end of 2010 suggests that there should be no urgency about passing an extension, *it is actually imperative that this extension be passed as soon as possible*. Pennsylvania is among 30 states currently assuming a six-month extension of the FMAP increase, and with the start of the state's next fiscal year less than a month away, the state needs to assured of these funds as soon as possible.

The economic crisis that inspired Congress to provide this much-needed help to the states continues, and enrollment in Medical Assistance is higher than it has been in decades. 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 as soon as possible.

In a state with no public hospitals, Pennsylvania's private safety-net hospitals serve communities in need, and those needs have never been greater than they are today. The timely extension of the FMAP increase will ensure that the state has the resources it needs to meet its commitment to its Medical Assistance program, which in turn will enable safety-net hospitals to meet our commitments to our communities and to many of your constituents.

Sincerely,

Michael Chirieleison  
President