

Safety-Net Association of Pennsylvania

112 Walnut Street ♦ Harrisburg, PA 17101 ♦ 717-234-6970 ♦ 717-234-6971 fax ♦ www.pasafetynet.org

January 16, 2009

Dear Representative :

I am writing on behalf of the Safety-Net Association of Pennsylvania (SNAP) to convey our interest in current legislation to increase temporarily the federal contribution to state Medicaid programs.

As the national economic downturn continues, SNAP believe it is wise for Congress to consider increasing the federal contribution to state Medicaid programs as part of economic recovery legislation. With people losing their jobs in growing numbers and many companies ending or reducing their health insurance benefits, the demand for Medicaid services will undoubtedly continue to rise. It will do so, moreover, at a time when states' ability to generate revenue to support these services is seriously compromised by current economic conditions.

SNAP supports legislation to increase the federal contribution to state Medicaid programs but believes that in enacting such legislation, Congress should ensure that states use this supplemental Medicaid funding first and principally to protect Medicaid. After all, the purpose of this additional funding is to help states deal with both increased demand for Medicaid services and their reduced ability to pay for those services. For this reason, we believe that at the same time that Congress provides such funding, it should require of states a commitment to maintain their Medicaid programs at least at state fiscal year 2008-2009 budget-enacted levels.

Specifically, SNAP encourages you to work with your colleagues to ensure that any economic recovery legislation providing such additional funding includes a "maintenance of effort" provision that requires states to maintain the standards of their current Medicaid programs. We believe this maintenance of effort provision should address three specific aspects of state Medicaid programs:

1. It should prohibit states from changing Medicaid eligibility standards in a manner that would make it more difficult for applicants to qualify for Medicaid.
2. It should prohibit states from reducing the benefits they currently provide to Medicaid recipients.
3. It should prohibit states from reducing payments to providers of services to Medicaid patients.

In this time of national economic trouble, Medicaid will be a vital safety net for millions of Americans. We appreciate congressional efforts to ensure that this safety net has the resources we need to do our jobs and hope you will convey the urgency of this mission to state governments by including a strong maintenance of effort provision in economic recovery legislation that provides such resources.

The Safety-Net Association of Pennsylvania represents the interests of private, acute-care hospitals that play the leading role in caring for the poor, the disadvantaged, and the uninsured residents of the commonwealth. Safety-net hospitals are the 25 percent of hospitals in Pennsylvania that care for the highest combined

Page Two

proportion of uninsured patients, Medicaid recipients, and Medicare SSI recipients and that therefore constitute the state's health care safety net. Pennsylvania's safety-net hospitals are large and small and are located in urban, suburban, and rural communities in all parts of the state. As a result of the patients they serve, safety-net hospitals face a significant, continuing, disproportionate challenge to their financial health.

We appreciate your attention to this matter and welcome any questions you may have about our organization or our position on this issue of vital importance to Pennsylvania's safety-net hospitals.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Chirieleison". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael Chirieleison
President