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March 19, 2008

The Honorable John D. Dingell
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

On behalf of the 1.4 million members of the American Federation of State, County and Municipal Employees (AFSCME), I am writing to express our vigorous support for the Protecting the Medicaid Safety Net Act of 2008 (H.R. 5613). Over the past year, the Department of Health and Human Services (HHS) has taken a series of regulatory actions that deviate from longstanding practices, reflect novel and unsupported interpretations of the law, and shift additional federal Medicaid costs onto states and localities. Your bipartisan legislation would block the implementation of these regulations. H.R. 5613 would preserve access to needed services for low-income children and people with disabilities, relieve the mounting strain on public safety-net hospitals, and stop HHS from imposing additional Medicaid costs on to states.

Medicaid spending represents 17 percent of states' general fund expenditures and is the largest component of state spending overall. The HHS regulations do not save Medicaid dollars but simply transfer significant federal Medicaid costs onto state budgets. Even during a positive economy these regulations would adversely affect state budgets. By delaying the implementation of the regulations, H.R. 5613, provides an urgent and important step in protecting Medicaid. Importantly, H.R. 5613 would maintain current long-standing policies which are the foundation for the federal-state Medicaid cost-sharing partnership.

Moreover, as the economic shock waves of a faltering economy continue to throw more and more states into budgetary crisis, temporary state fiscal relief is needed to augment the current level of federal support for state Medicaid programs. Such support would help prevent states, which are bound to maintained balanced budgets, from being forced to take actions that would jeopardize the health care of millions of Americans. We stand ready to work with you to press for necessary state fiscal relief to keep the Medicaid program fully intact and to address the fiscal distress in state budgets.

Sincerely,

Charles M. Loveless
Director of Legislation

CML:lb:gm