



March 28, 2008

The Honorable John D. Dingell
Chairman, Committee on Energy & Commerce
2328 Rayburn House Office Building
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Tim Murphy
322 Cannon House Office Building
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Dingell and Representative Murphy,

We are writing in support of your proposed legislation, H.R. 5613, the “Protecting the Medicaid Safety Net Act of 2008.”

Medicaid is a vital source of insurance for millions of low-income Americans. The program currently provides health insurance coverage to over 50 million low-income parents, children, pregnant women, elderly and people with disabilities, and seventy percent of adults on Medicaid are women. For those individuals that qualify, who are the poorest among us, Medicaid provides coverage for a panoply of important health care services. Yet, policy makers on the federal level have recently called for “reforms” to the Medicaid program, including limiting federal funding to the states.

In 2007, the Centers for Medicare and Medicaid Services (CMS) proposed regulations that would significantly and suddenly limit federal Medicaid payments to public providers and towards key patient services such as rehabilitation services, hospital clinic services and targeted case management services. Their rules would disrupt care among current Medicaid enrollees, destabilize the hospitals, emergency rooms and clinics serving the 46 million Americans currently without health insurance and disproportionately affect children with special health care needs. These proposed regulations stand in sharp contrast to the objectives, principles and history of the Medicaid program.

Furthermore, with states across the country confronting the effects of the current economic downturn—budget shortfalls, increased caseloads and growing populations of eligible individuals—the Administration’s proposal to reduce federal Medicaid payments by what the House Committee on Oversight and Government Reform estimates to be \$49.7 billion over the next five years could not be less timely. While “saving” the federal government money, these regulations would shift costs to states already struggling to keep up with rising health care costs. The regulations may force states to scale back their Medicaid programs and thus compromise the health of their lowest-income populations—a change that will cost this country far more in the long run.

We agree that a one-year moratorium is necessary to give legislators, administrators and advocates an opportunity to better assess the probable effects of this shift in longstanding Medicaid policy and develop more effective and principled strategies for protecting the integrity of the Medicaid program and ensuring that the American people continue to have access to the important health care services on which they depend.

We endorse H.R. 5613 and thank you for your efforts to protect our country's most vulnerable populations. If NWLC can be of any assistance in this matter, please do not hesitate to contact me at 202-319-3032 or jwaxman@nwlc.org.

Sincerely,



Judy Waxman
Vice-President, Health and Reproductive Rights