



The Honorable Frank Pallone, Jr.
Chairman
Subcommittee on Health
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

Dear Chairman Pallone,

At the conclusion of our Annual Conference in Jackson County (Kansas City), Missouri, on July 15, 2008, the National Association of Counties unanimously adopted a resolution calling on Congress "...to provide fiscal relief to counties for the financing and delivery of health care during the present – and any future – economic downturn."

Accordingly, we congratulate you, along with Chairman Dingell and Representatives King and Reynolds, for introducing **H.R. 5268**, to provide for a temporary increase of the Federal medical assistance percentage under the Medicaid Program. **NACo heartily endorses your efforts to enact this important legislation.**

NACo strongly supports the mechanism you have built into **H.R. 5268** to provide a temporary increase to the Federal Medical Assistance Percentage (FMAP) for Medicaid matching funds while requiring that a portion of the FMAP be passed through to counties contributing to the state share of Medicaid. As you proceed to mark up we would also encourage you to consider adding language which would ensure that counties operating and/or funding public hospitals and health systems through Intergovernmental Transfers (IGTs) and Certified Public Expenditures (CPEs) would also be guaranteed meaningful relief.

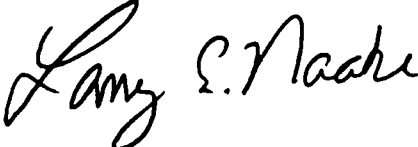
I must add that the resolution adopted in Jackson County also calls on Congress to take action to prevent the Centers for Medicare and Medicaid Services (CMS) from negating the stimulus effects and other benefits from a temporary FMAP increase by implementing any regulations that reduce Medicaid payments. One way to achieve this goal would be to place the pending CMS regulation on Outpatient Services under moratorium and to act to block the August 17 Directive on the State Children's Health Insurance Program (SCHIP).

Finally NACo does thank you and your colleagues for working so effectively to place under moratorium six of the seven CMS regulations that, otherwise unchecked, would have significantly reduced Medicaid funding for counties and the vulnerable

populations they serve. With the local health care safety net already at the breaking point, we could not have withstood implementation of these ill-conceived rules.

On behalf of county governments throughout the country that finance and deliver health care, serving as the providers of last resort to millions of the nation's most vulnerable people who are uninsured or underinsured, I again thank you for offering **H.R. 5268** and stand ready to do what we can to see it enacted without delay.

Sincerely

A handwritten signature in black ink that reads "Larry E. Naake". The signature is written in a cursive style with a large, stylized initial "L".

Larry E. Naake.
Executive Director