

The Honorable Harry Reid
Majority Leader
528 Hart Senate Office Building
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
361-A Russell Senate Office Building
Washington, DC 20510

The Honorable Nancy Pelosi
Office of the Speaker
H-232, U.S. Capitol
Washington, DC 20515

The Honorable John Boehner
Office of the House Republican Leader
H-204, U.S. Capitol
Washington, DC 20515

Dear Leader Reid, Senator McConnell, Madam Speaker Pelosi and Representative Boehner:

The undersigned organizations **urge you to pass a second stimulus measure which includes a temporary increase in the federal Medicaid match.** With Congress planning to adjourn by the end of September, timely action now will protect the health care of millions of vulnerable Americans and would be a prudent and responsive way to stimulate the economy.

The fiscal crisis confronting states poses an increasing risk to the health care services upon which tens of millions of American's children, seniors, people with disabilities and families depend. As of early August 2008, there are 13 states implementing or considering cuts that will eliminate or reduce health care services for low-income children and their families. As unemployment rises and the ranks of the uninsured grow, the pressure on safety net providers to provide uncompensated care increases. Cuts in eligibility in state Medicaid programs will add significant strain to hospital budgets and enlarge the cost-shift onto private insurance and families' health insurance premiums.

An increase in federal support for rising state Medicaid costs, a provision based on the successful 2003 bi-partisan legislation, is a proven and effective way to help protect the health care of millions of Americans. According to the Kaiser Commission on Medicaid and the Uninsured, the 2003 Jobs and Growth Tax Relief, which included \$10 billion going directly to help state Medicaid programs, helped avert cuts and preserve Medicaid coverage for millions of vulnerable Americans and, in some cases, allowed cuts to be reversed.

What is more, an increase in the federal match for Medicaid is a potent economic stimulus. According to Mark Zandi, Chief Economist for Moody's Economy.com, a \$1 increase in federal Medicaid spending and grants to states would boost the GDP by \$1.36. This in turn protects and generates jobs, wages and business activity because of a new injection of funding into state budgets. States that receive a temporary increase in federal Medicaid match could see job, wage and economic growth as a result.

Congress should act before adjournment to protect and stimulate state economies, stabilize state budgets and help avert health care cuts. As in 2003, a short-term increase in federal support for state Medicaid programs could preserve coverage for millions of Americans who rely on Medicaid. We urge you in the strongest terms possible to act quickly with a second stimulus that provides states with increased federal support for Medicaid and additional state aid.

Respectfully yours,

