

July 16, 2010

Dear [Member of Congress]:

AARP urges Congress to immediately provide an additional six-month extension of enhanced Federal Medical Assistance Percentages (FMAP) for Medicaid. This critical federal funding has helped both states and low-income individuals weather this difficult economic time. A quarter of all Medicaid beneficiaries are over 65 or are people with significant disabilities, making this vital program particularly important for our members.

Last month, a bipartisan group of Governors wrote to you seeking this extension. AARP joins the Governors in their belief that the enhanced FMAP is the most efficient way to avoid further layoffs and health care cuts that could slow the recovery. Medicaid is an important economic driver, not only providing essential health care services to individuals in need but also adding money to the state economy by paying local providers who then spend locally.

With the economic downturn, the number of Medicaid beneficiaries has understandably swelled, with many people unable to pay for health care. Unfortunately, these swelling ranks come at a time when states can least afford the additional costs. Forty-seven states are facing massive budget shortfalls in the fiscal year that started this month and, according to a recent report by the Center on Budget and Policy Priorities, at least 34 states will cut both jobs and services in this fiscal year unless there is an additional six-month extension of enhanced FMAP.

The pending cuts in Medicaid services will harm millions of Americans, many of whom are older Americans or Americans with disabilities. Home and community-based services (HCBS), which are cost-effective and allow people to stay in their homes rather than be institutionalized, are likely to be among the first services slashed from state Medicaid programs because they are considered "optional" services.

Well over a million Americans rely on these services to help them remain independent. Your immediate action is needed to prevent these cuts.

Sincerely,
David P. Sloane
Senior Vice President
Government Relations and Advocacy