



Steven C. Anderson, IOM, CAE
President & Chief Executive Officer

July 27, 2010

The Honorable Harry Reid
Senate Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Senate Minority Leader
United States Senate
Washington, DC 20510

The Honorable Max Baucus
Chairman, Finance Committee
United States Senate
Washington, DC 20510

The Honorable Chuck Grassley
Ranking Member, Finance Committee
United States Senate
Washington, DC 20510

Dear Senators Reid, McConnell, Baucus and Grassley:

As the Congress prepares to recess for the August work period, we write to ask you to include a six-month extension (through June 30, 2011) of the increased federal medical assistance percentage (FMAP), provided in the American Recovery and Reinvestment Act, either as a freestanding measure or as part of some other legislation the Senate intends to pass before recess.

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Alexandria, Virginia
22314

As you know, the current FMAP increases will expire at the end of this calendar year. With the U.S. economy still struggling, state finances continue to suffer, with collective state budget deficits approaching \$200 billion. Additional federal assistance to states at this difficult time is one important way to help the economy.

Moreover, on July 1st many states submitted their FY2011 budgets. Unfortunately, this has meant that states are being forced to make further cuts to Medicaid and other programs, which will reduce access to critical healthcare products and services including prescription medications and related pharmacist services. It may also result in increased taxes as states seek to meet their balanced budget requirements. These actions would create a further drag on the economy and may result in additional job loss. Passage of FMAP will help to stem potentially devastating cuts.

We strongly believe that extending the enhanced FMAP funding is critical to serving the healthcare needs of some of our most vulnerable citizens, and to assist states grappling with enormous budget challenges.

Thank you for your consideration of our views.

Sincerely,

Steven C. Anderson, IOM, CAE
President and Chief Executive Officer

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cc: Members of the United States Senate