



Barbara B. Kennelly, Chair

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

July 21, 2010

Dear Majority Leader Reid:

On behalf of the Leadership Council of Aging Organizations (LCAO), a coalition of national not-for-profit organizations representing nearly 60 million older Americans, we urge you to extend the increase in federal Medicaid matching rates (FMAP) without further delay.

Without this extended fiscal relief, state policymakers will be forced to enact deep Medicaid cuts, including reductions in benefits and provider payment rates, as well as increases in cost sharing. Such actions would be devastating to millions of seniors who rely on Medicaid as a lifeline for health care and long-term supports and services. An additional six months of federal matching funds will allow state Medicaid programs to maintain benefits for low-income seniors and provide further economic stimulus.

Failure to extend financial assistance to states will also have a devastating impact on jobs – which will further depress the economy for all. According to the National Conference of State Legislatures, at least 29 states were counting on these extra Medicaid funds when they laid out their budgets for the upcoming fiscal year. Without this help, governors and state legislatures will need to take alternative actions to close their budget shortfalls. The Center on Budget and Policy Priorities estimates that the impact of state budget cuts could cost the national economy 900,000 public- and private-sector jobs, including teachers, police officers, and firefighters. In addition, it will result in severe cuts to programs that serve Americans who most need the help.

The Senate's most recent attempt to pass tax extenders legislation with an FMAP extension provided less relief than was originally considered (\$16 billion over six months instead of \$23 billion). We urge that there be no further reduction in FMAP assistance to the states when the Senate reconsiders this legislation.

Thank you for your continued leadership on behalf of millions of Americans who need help during this severe recession.

Sincerely,

AARP
AFSCME Retirees
Alliance for Retired Americans
American Association of Homes and Services for the Aging
American Federation of Teachers Program on Retirement and Retirees
American Public Health Association
American Society on Aging
Association of Jewish Aging Services of North America
Center for Medicare Advocacy, Inc.
Easter Seals
Families USA
Lutheran Services in America
Medicare Rights Center
National Academy of Elder Law Attorneys
National Asian Pacific Center on Aging
National Association for Home Care and Hospice
National Association of Area Agencies on Aging
National Association of Nutrition and Aging Services Programs
National Association of Professional Geriatric Care Managers
National Association of Social Workers
National Association of State Long-Term Care Ombudsman Programs
National Committee to Preserve Social Security and Medicare
The National Consumer Voice for Quality Long-Term Care
National Council on Aging
National Indian Council on Aging
National Senior Citizens Law Center
PHI - Quality Care through Quality Jobs
Visiting Nurse Associations of America
Volunteers of America

CC Members of the United States Senate