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WASHINGTON HEALTH CARE PROGRAMS AT RISK House and Senate Should Pass Medicaid Stimulus Extension for States

June 10, 2010 – This week, Senate leadership proposed an amendment to restore \$24.2 billion in Medicaid payments that many states including Washington are counting on to provide health care to their residents. This action comes one week after the U.S. House of Representatives regrettably stripped this funding from the American Jobs and Closing Tax Loopholes Act. Now the full Senate and House must pass the measure to ensure the extension of a temporary increase in federal Medicaid funding to states (called “FMAP”). This funding is critical to helping states like Washington recover from the economic recession

As part of the Recovery Act stimulus package passed by Congress in 2009, states received an increase in federal Medicaid funding through the end of December 2010. Congress has been debating a six-month extension of the increase for some time. As 29 states have also done, **Washington built an assumption of \$483 million in extended federal Medicaid funding extension into its FY 2011 budget.** If Congress does not pass the FMAP extension, the state will face a significant budget gap before the biennium ends. Without the FMAP increase, the state would be forced to make deep cuts to health care programs for children, low-income workers, and disabled people, cuts narrowly avoided last legislative session.

The increased federal Medicaid funding has prevented significant cuts to high-quality health care services that improve the lives of people across our state. It has also helped to prevent cuts in health care jobs – good jobs in every community across Washington. Demand for these services continues to grow while unemployment is high and state revenues are at historic lows.

According to Congressional Budget Office, temporary FMAP assistance, similar to Unemployment Insurance benefits, is one of the most effective measures to create jobs and

increase demand in the economy. It would be short-sighted and could lead to higher long-term costs if Congress cuts FMAP assistance at this time.

“Concerns about extending FMAP fiscal relief to the states because it will add to the deficit are misguided,” said **Rebecca Kavoussi, Assistant Vice President of Government Affairs, Community Health Network & Community Health Plan**. “The most important thing we can do right now to avoid making our long-term deficit problem worse is to get the economy back on its feet.”

“If Congress fails to extend the state fiscal relief, Washington likely will make deep cuts in the hospital and health care services Washingtonians rely on. That will hurt the quality of care in our state and undermine the economic recovery and cost more jobs,” said **Cassie Sauer, Vice President of Communications, Washington State Hospital Association**.

“Strong federal financial support is especially important to Seattle Children’s Hospital and the patients we serve,” said **Suzanne Petersen Tanneberg, Vice President of External Affairs and Guest Services, Seattle Children’s Hospital**.

“Extension of this funding is foundational to getting health care reform off on the right foot, helping states sustain coverage that works for people in need,” said **Pam MacEwan, Executive Vice President for Public Affairs and Governance, Group Health**. “Failure to pass it will hinder states that are working hard to implement reform and build on critical state-based programs without disruptions for those already covered through the Medicaid program”.

“Our state needs these critical Medicaid matching funds to keep many thousands of children across Washington covered through Apple Health for Kids. Maintaining this comprehensive, preventive care is a smart investment for kids and our state’s economic recovery,” said **Jon Gould, Deputy Director, Children’s Alliance**