

August 6, 2010

The Honorable «First Name» «Last Name»  
U.S. House of Representatives  
Washington, D.C. 20515



TEXAS HOSPITAL ASSOCIATION

Dear Congressman «Last Name»:

Next week, the U.S. House of Representatives will vote on H.R. 1586, and Texas hospitals ask you to **support the six-month extension of the increase in the Medicaid Federal Medical Assistance Percentage to June 30, 2011.**

The additional \$5 billion in FMAP provided to Texas through the original federal stimulus legislation allowed the Texas Legislature to balance the state's 2010-11 budget *without* cuts in health care benefits for beneficiaries and without cuts in reimbursement to physicians and hospitals under the Medicaid and Children's Health Insurance programs. As a result, hospitals have been able to serve the 13 percent increase in Medicaid recipients that Texas has experienced this year.

**Extension of the enhanced FMAP would bring Texas some \$850 million**, which would be especially timely given the state's looming budget deficit. The state predicts a significant shortfall in Medicaid next session due to a combination of the loss of federal FMAP funds and continued growth in caseload and costs. A six-month extension of the enhanced FMAP payments would help fill the expected budget hole while maintaining health care providers' participation in the program as well as ensuring that covered benefits are not eliminated.

Increases in Medicaid caseload are linked directly to the economic downturn. Many of the new Medicaid applicants are workers who have lost their jobs, or they can no longer afford to purchase employer-provided insurance. In some cases, employers have dropped insurance coverage to cut costs in this strained economic environment. Getting the nation's economy back on track and creating jobs will help reduce those who qualify for Medicaid.

As the economic recovery occurs, however, states need help to fund this important health insurance program, and the enhanced FMAP has proved invaluable in Texas. Please support H.R. 1586 and extend the enhanced FMAP to June 30, 2011.

Thank you for your help and support.

Sincerely,

A handwritten signature in black ink that reads "Dan Stultz".

Dan Stultz, M.D., FACP, FACHE  
President/CEO

A handwritten signature in black ink that reads "John Hawkins".

John Hawkins  
Senior Vice President,  
Advocacy & Government Relations