

Honorable Harry Reid, Majority Leader  
United States Senate  
528 Hart Senate Office Building  
Washington, DC 20510

Honorable Nancy E. Pelosi, Office of the Speaker  
US House of Representatives  
H-232 US Capitol  
Washington DC 20515

December 18, 2009

**RE: Ensuring Equitable Federal Funding for State Medicaid Programs in Final HCR**

Dear Speaker Pelosi and Majority Leader Reid,

As organizations committed to ensuring all Americans have access to the healthcare coverage they need and deserve, we applaud your ongoing efforts to pass national healthcare reform legislation. We are certain your work will transform the lives of millions of Americans, and we thank you for your leadership and perseverance in this endeavor.

We offer our strong support for your decision to accomplish a national expansion of health insurance coverage for millions of Americans.

Over the last two years, New York State leaders have worked tirelessly to expand health insurance coverage to individuals and families who are falling through the cracks due to New York's high cost of living coupled with high insurance premiums. We are proud of the coverage expansions we have enacted. We are writing today to ask for your assistance in protecting the gains New York has made in expanding coverage for our most vulnerable citizens.

We wish to bring to your attention that, as currently written, the Senate Patient Protection and Affordable Care Act (H.R. 3590) penalizes New York State by denying it desperately needed federal matching dollars to expand coverage to uninsured New Yorkers simply because New York provided Medicaid coverage to low income adults and children before it was required to do so by federal law.

At present, the Senate Bill provides for enhanced FMAP only to the extent that a state does not cover adults up to 133 percent of the federal poverty level (FPL). Therefore, under the Senate plan, New York would only receive the enhanced FMAP for single adults between 100 and 133 percent of the FPL – less than 100,000 people out of the more than five million low-income New Yorkers eligible for Medicaid. The Senate Bill will mean close to \$1 billion annually in added costs for New York State as hundreds of thousands of uninsured New Yorkers enroll in Medicaid as a result of reform.

By contrast, the House Affordable Health Care for America Act (H.R. 3962) effectively provides enhanced FMAP for individuals with incomes up to 150% of the FPL who are not currently eligible under a state Medicaid plan. Under the House Bill, New York would receive an enhanced FMAP for all single adults and for parents from 85% to 150% of the FPL.

The House bill provides for a far more equitable distribution of federal matching funds. We are at a loss to understand why the federal government should pay barely half of the costs of covering single adults in New York State and an average of 91% in virtually every other state in the nation. Federal health care reform should not advance on the backs of New York taxpayers. Not only is this unfair, but it puts in jeopardy our healthcare system. New York needs a national healthcare

reform bill that treats all states fairly: one that does not leave behind those states that have already made significant coverage expansions.

We are also deeply concerned about the provisions in the Senate health care bill that would reduce Medicaid and Medicare Disproportionate Share funds. There will continue to be low-income individuals without health coverage for whom cost sharing will be well beyond their means. In New York the uninsured, underinsured and Medicaid beneficiaries account for more than a third of the population. New York's public hospitals are the leading providers of health care to low-income uninsured residents and, in some communities, the single largest provider of primary care. Significant reductions in DSH funds will weaken New York's health care safety net and undermine the service delivery goals we all seek to achieve.

The Senate bill reduces DSH funding by more than twice as much as the House bill. At minimum, the total level of DSH reductions should be what the House bill proposes.

We appeal to you today with one voice, and as one state seeking your leadership on this critical issue. We ask you to ensure that the healthcare reform bill that moves to the conference negotiation process guarantees New York equitable treatment. We must not abandon our most vulnerable citizens now.

Sincerely,

1199 SEIU United Healthcare Workers  
BALCONY - Business and Labor Coalition of New York  
Center for Independence of the Disabled, NY  
Cerebral Palsy Associations of New York State  
Citizen Action of New York  
Citizens Committee for Children of New York  
Commission on the Public's Health System  
Community Health Care Association of New York State (CHCANYS)  
Community Healthcare Network  
\*Empire Justice Center  
Family Planning Advocates of New York State  
Greater New York Hospital Association (GNYHA)  
Health Care For All New York Campaign  
Healthcare Association of New York State (HANYS)  
Housing Works  
Legal Aid Society  
Medicaid Matters - New York State  
Medical Society of the State of New York  
Mental Health Association of New York City  
Mental Health Association of New York State  
New Yorkers for Accessible Health Coverage  
New York Association of Alcoholism & Substance Abuse Providers  
New York Association of Homes and Services for the Aging  
New York Association of Psychiatric Rehabilitation Services  
New York Chapter of the American College of Physicians Services, Inc.  
New York City Health and Hospitals Corporation (HHC)  
New York State Coalition for School-Based Health Centers  
New York State Conference of Local Mental Hygiene Directors  
New York State Council for Community Behavioral Healthcare  
New York State Nurses Association  
\*Therapeutic Communities Association of New York  
New York StateWide Senior Action Council

The Alliance of Long Island Agencies, Inc.  
The Coalition of Behavioral Health Agencies  
The Coalition of New York State Health Plans  
The Community Service Society of New York  
The New York State Academy of Family Physicians  
PHI, Health Care for Health Care Workers  
Primary Care Development Corporation  
United Neighborhood Houses  
YAI Network

*\*indicates organization signed on after original letters were sent to elected leaders (listed below)*

cc: Senator Charles Schumer  
Senator Kirsten E. Gillibrand  
Representative Charles B. Rangel  
Representative Gary Ackerman  
Representative Michael A. Arcuri  
Representative Timothy Bishop  
Representative Yvette D. Clarke  
Representative Joe Crowley  
Representative Eliot Engel  
Representative John J. Hall  
Representative Brian Higgins  
Representative Maurice Hinchey  
Representative Steve Israel  
Representative Peter King  
Representative Christopher J. Lee  
Representative Nita Lowey  
Representative Daniel Maffei  
Representative Eric Massa  
Representative Carolyn McCarthy  
Representative Michael McMahon  
Representative Gary Meeks  
Representative Scott Murphy  
Representative William Owens  
Representative Jose Serrano  
Representative Louise Slaughter  
Representative Paul Tonko  
Representative Edolphus Towns  
Representative Nydia Velazquez  
Representative Anthony Weiner