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July 22, 2008

The Honorable Nancy Pelosi  
Speaker  
U. S. House of Representatives  
Washington, DC 20515

The Honorable John A. Boehner  
Republican Leader  
U. S. House of Representatives  
Washington, DC 20515

Dear Madame Speaker and Leader Boehner:

On behalf of AARP's nearly 40 million members, we write to commend the House leadership for its commitment to craft a second economic stimulus package. While the stimulus checks authorized by Congress and the Administration earlier this year are now providing a welcome boost to the household budgets of millions of Americans, we agree that current economic conditions warrant the enactment of additional measures. In particular, as we did earlier this year, we urge the House to consider maintaining Medicaid services through an enhanced match in the Federal Medicaid Assistance Percentage (FMAP) program, increased funding for the Low Income Home Energy Assistance Program (LIHEAP) and the Weatherization Assistance Program, and temporarily enhancing the unemployment insurance and Food Stamps programs.

**FMAP** – Congress needs to act quickly to prevent harmful Medicaid spending cuts. The economic downturn has increased the pressure on both individuals and states to meet skyrocketing health care costs. Over half the states are now facing budget shortfalls, and many are considering or are already implementing cuts to health care for people who cannot afford care on their own. As a result, states may curb Medicaid services that keep older Americans out of nursing homes, or limit children's access to care and shift costs to providers, businesses and local governments. Optional Medicaid services and benefits provided by states are especially at risk, including the provision of long-term care, given that 85 percent of Medicaid long-term care spending is defined as optional.

In 2003, the Jobs and Growth Tax Relief Reconciliation Act included a temporary matching fund increase for states that maintained Medicaid eligibility, but that help came after many people lost needed coverage. States need an increase soon to avoid cuts in services that may hurt vulnerable Americans and would only make an economic downturn worse.

**Energy Assistance** – With the price of oil remaining near record highs and the cost of natural gas increasing, the average cost of home heating for all home heating fuels is expected to rise in the 2008-2009 winter season by at least 15 percent to \$1,114 - the highest level ever. For the first time, the cost of a tank of home heating oil is expected to top \$1,000 -- nearly double the cost of one tank at the beginning of last winter's heating season. Already many households are unable to keep up with home heating and cooling costs. Almost 15.6 million households are behind in paying their utility bills, an increase of 9.5 percent over the comparable period in 2007. These families owe almost \$5 billion, an increase of \$640 million over last year.

The level of assistance that the LIHEAP and weatherization programs currently provide is not enough to abate the escalating energy burdens of many low-income households. This is of particular concern to seniors, since 41 percent of households that receive LIHEAP assistance include at least one member who is elderly, and 42 percent of all individuals over the age of 65 live in the colder Northeast and Midwest regions of the country. Additional funding is immediately needed to reduce the energy burden of families, especially individuals with disabilities and senior citizens, to ensure their health and safety this coming winter.

**Unemployment Insurance** – Earlier this year, a temporary extension of unemployment insurance benefits was enacted, allowing workers as many as 13 additional weeks of Federal benefits if they had exhausted their regular unemployment benefits before finding a new job. For many jobless workers, the 13 additional weeks will be exhausted by the first week in October. Authorizing an additional 13 weeks of benefits is warranted for those Americans who continue to look for work but are unable to find employment, especially in the 12 states that have an unemployment rate greater than 6%. An additional extension of unemployment benefits is especially critical for older Americans. Data indicate that when older, longer-tenured workers lose employment, it takes them longer to find the next job, and they may be more likely than younger workers to exhaust their unemployment benefits before finding a new job.

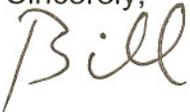
**Food Stamps** – While the Food, Conservation and Energy Act of 2008 authorized several significant improvements in nutrition programs, the fact remains that individuals who currently receive Food Stamps, including low-income older Americans, are struggling to meet rapidly rising food costs. According to the Department of Labor, the cost of food at home increased at a rate of 8.6 percent in the first half of 2008 compared to 5.6 percent in all of 2007. During this period of dramatically increased costs for gas, energy, transportation and food, the cost of medicine and health care for fixed and low income seniors forces unacceptable choices. Including a temporary increase in the allotment of Food Stamps as part of the second stimulus package would help ensure an

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adequate nutrition safety net is available for many of the most vulnerable populations.

These areas offer an opportunity to provide a targeted boost to the sectors of the economy that have been hardest hit in this downturn, as well as to provide assistance to those of all ages hardest hit by current economic conditions. We urge your consideration of these items as you craft a second stimulus legislative package. If you have any further questions, feel free to call me, or please have your staff contact Cristina Martin Firvida at 202-434-6194.

Sincerely,

A handwritten signature in cursive script that reads "Bill".

William D. Novelli  
Chief Executive Officer