



July 21, 2008

The Honorable John Dingell
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Frank Pallone
Chairman
Subcommittee on Health
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Dingell and Chairman Pallone:

On behalf of the American Network of Community Options and Resources (ANCOR), I write to urge you to include state fiscal relief—including a temporary increase in Federal support for Medicaid programs—in a second economic stimulus package. Currently, 29 states and the District of Columbia faced or are facing a total budget shortfall of at least \$48 billion in 2009 and additional budget cuts are expected; therefore, an economic stimulus is important to all states at this time. ANCOR believes that the bipartisan legislation—State Fiscal Relief in an Economic Downturn (HR 5268) is the right approach to take.

Temporary Federal increase is also important to ANCOR's 850 private providers of community and employment supports to more than 350,000 individuals of all ages with significant disabilities and the 400,000 direct support workers who daily enhance the lives of children and adults with disabilities. ANCOR providers throughout the nation are reporting serious cuts in Medicaid in their states—cuts in eligibility and services, as well as reimbursements to providers. **Just to cite an example sent from one ANCOR provider agency in Florida in which there will be a \$700,000 cut in Medicaid funding to the agency this year, another mandated cut of \$400,000 next year—both of which are on top of the \$200,000 Medicaid cut last year—more cuts to come from a November-December special legislative session. This agency is closing four residential programs and eliminating 53 positions, resulting in cuts in community involvement and staff to consumer ratio.**

Medicaid is the cornerstone of the nation's health care and long term services and supports system. It is vital to individuals with disabilities—so many of whom are dependent solely upon Supplemental Security Income (SSI) and Medicaid. Already faced with a crisis in the recruitment and retention of quality direct support professionals due in part to low reimbursement rates that do not sustain competitive wages, this economic downturn is reflected in significant increases in gasoline and energy costs, rising food prices, and rising health care insurance for workers that are threatening provider capacities to continue current levels of support. Providers are very concerned about sustaining vital supports to some of the nation's most vulnerable citizens—especially at a time when our national and state policies mirror individual preferences for supports provided in their own homes and communities.

In 2003, the Congress passed and the President signed into law a very modest, temporary increase in Federal support for Medicaid programs along with other needed state fiscal relief. This bipartisan effort proved to be a powerful instrument to assist states and prevent further cuts in critical health and long term services. It proved to be a powerful instrument to sustain jobs and local economies.

ANCOR urges the Congress to respond to this economic crisis in a similar fashion before adjourning this session. We urge your leadership in supporting state fiscal relief—including a temporary increase in Federal Medicaid support—to minimize cuts in essential state services to our nation's most vulnerable citizens.

Sincerely,
Suellen Galbraith
Director for Government Relations