

## Dingell, Pallone, King, & Reynolds Introduce Legislation to Temporarily Increase Medicaid Assistance

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### NEWS RELEASE

Committee on Energy and Commerce

Rep. John D. Dingell, Chairman

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Dingell, Pallone, King, & Reynolds Introduce Legislation to Temporarily Increase Medicaid Assistance to States  
Bill Would Help Cash-Strapped States Provide Health Care to Low-Income Residents

Washington, DC- Reps John D. Dingell (D-MI), the Chairman of the Committee on Energy and Commerce, Frank Pallone, Jr. (D-NJ), Chairman of the House Energy and Commerce Subcommittee on Health, Peter King (R-NY), and Thomas Reynolds (R-NY) introduced legislation yesterday to provide a temporary increase in the Medicaid federal medical assistance percentage (FMAP) so that cash-strapped States can continue to provide health care assistance to low-income residents.

The legislation comes at a time when State leaders are concerned tax revenues will decline as a result of the economic slump. Such a financial drain would make it more difficult for States to assist low-income residents who are already

eligible for Medicaid, much less those that become eligible as the economic decline continues.

This bipartisan legislation would provide targeted relief to States by:

- Providing a temporary increase of the Medicaid FMAP by 2.95 percent for five quarters, the last two quarters of fiscal year 2008 and the first three quarters of fiscal year 2009 (April 1, 2008 through June 30, 2009);
- Providing a similar temporary increase of the Medicaid FMAP by 5.9 percent for the territories;
- Protecting States against a decline in their Medicaid FMAP during the same five quarters of the 2008 and 2009 fiscal years;
- Requiring States to maintain their Medicaid eligibility at current levels in order to receive the 2.95 percent temporary increase in the Medicaid FMAP; and
- Requiring States to adjust payments by localities and counties to account for additional federal funding.

"The Medicaid program is critical, especially at a time when our national economy is struggling and our health care safety net is strained. We must provide States with the fiscal relief needed to cover the most vulnerable among us," said Dingell. "This legislation builds upon the broader economic stimulus package that the House approved by providing States with the resources necessary to meet growing health care demands. I look forward to working with my colleagues to move this bipartisan legislation forward."

"As the economy continues to slump, states will have fewer financial resources at their disposal just as more residents will need access to the health care provided through Medicaid," Pallone said. "In past economic downturns, Congress has responded to our state's needs by temporarily increasing Medicaid assistance. I know there is strong support in Congress for a similar proposal this year, and am hopeful that we can pass this legislation quickly so that states can continue to help every family in need of assistance."

"State budgets have become much tighter, making program cuts inevitable," said King. "This bill provides relief to states, so that they will not have to cut healthcare for our nation's most vulnerable citizens."

"At a time when Americans are rightly concerned about the slowing economy, I am pleased to once again join my colleagues in taking the first step toward giving states much needed fiscal relief," said Reynolds. "This important legislation will ensure our nation's low income families will continue to receive the Medicaid coverage they need and deserve."

In 2003, Congress passed and President Bush signed into law an economic stimulus package that included a similar FMAP increase at a cost of \$20 billion.

Prepared by the Committee on Energy and Commerce

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