



American Public Human Services Association



National Association of State Medicaid Directors

an affiliate of the American Public Human Services Association

October 6, 2006

The Honorable Thad Cochran  
Chairman  
Senate Committee on Appropriations  
S-128 Capitol Building  
U.S. Senate  
Washington, DC 20510-6025

The Honorable Congressman Jerry Lewis  
Chairman  
House Committee on Appropriations  
H-218 Capitol Building  
U.S. House of Representatives  
Washington, DC 20515-6015

The Honorable Senator Robert Byrd  
Ranking Member  
Senate Committee on Appropriations  
S-125 A Capitol Building  
U.S. Senate  
Washington, DC 20510

The Honorable David Obey  
Ranking Member  
House Committee on Appropriations  
1016 Longworth House Office Building  
U.S. House of Representatives  
Washington, DC 20515-6015

Dear Chairman Cochran, Senator Byrd, Chairman Lewis, and Congressman Obey:

On behalf of the Medicaid directors in the fifty states, the District of Columbia and the U.S. territories, the American Public Human Services Association (APHSA), and its affiliate, the National Association of State Medicaid Directors (NASMD), wish to underscore the importance of preserving the Medicaid related amendments approved by your committees earlier this year as you prepare to finalize your respective fiscal year 2007 Labor, Health and Human Services, Education and Related Agencies appropriation bills. With the Medicaid program already experiencing significant fiscal challenges, and states endeavoring to implement the many reforms contained in the DRA, we believe these amendments reflect a prudent, thoughtful first step in approaching the Administration's proposals to further reform the Medicaid program. In addition, we urge you to include an extension for the Transitional Medical Assistance (TMA) program which is set to expire on December 31, 2006.

Specifically, APHSA and NASMD supports the language approved by the Senate Appropriations Committee that directs the Secretary of the Department of Health and Human Services to provide Congress with a report examining the impact of the Administration's proposed policy change on the availability of services for students with disabilities and other health care needs. It also requests that the Secretary examine the participation rates of States and school districts in school-based Medicaid claiming and the general impact on the health of children with special needs in rural and urban areas.

Currently school-based administration and transportation costs in the Medicaid program ensure that the most accessible source of medical assistance is available to students with disabilities. States believe that prior to undertaking any revision of Medicaid payment policies, it is critical that a thorough evaluation and impact study be undertaken to avert an unintended disruption in access to or provision of services.

In addition, APHSA and NASMD support the amendment language approved by the House Appropriations Committee that prohibits discretionary monies from being used to phase down or reduce the rate of certain health-care related taxes as proposed by the Administration. The Administration's proposal on this issue conflicts with previous law and policy upon which states have based their existing statutes and regulatory policy. Specifically, in passing the "Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991" (P.L. 101-234), Congress amended the federal Medicaid statute to include detailed criteria for when a state could use provider tax revenues to count towards the state share of Medicaid dollars.

The language in your respective Committee bills is both appropriate and necessary to ensure the fiscal integrity of the Medicaid program for the states as well as the federal government. Without this direction from Congress, the Administration's budget proposals could limit services and the funding available to support them. In turn this could have profoundly detrimental effects on the access, quality, and delivery of necessary services for Medicaid beneficiaries with complex medical and behavioral health needs.

Finally, APHSA and NASMD urge you to include language in the final appropriations bill to extend the Transitional Medical Assistance (TMA) program as called for in the President's budget proposal. The TMA program currently is scheduled to expire on December 31. The TMA program provides temporary health care coverage to families who have become ineligible for Medicaid because of earnings and has been a critical component of states' successful welfare to work initiatives.

We look forward to working with you as you act on this important appropriations bill, and we appreciate your consideration of our views. If you have questions about these issues, please have your staff contact Martha Roherty, Director of the National Association of State Medicaid Directors, at (202) 682-0100 x299.

Sincerely,



Jerry W. Friedman  
Executive Director  
American Public Human Services Association



Nancy V. Atkins  
Chair  
National Association of State  
Medicaid Directors

Cc: Senate Appropriations Committee  
House Appropriations Committee  
NASMD Executive Committee