



July 5, 2011

The Honorable John Boehner
Speaker of the House
United States House of Representatives
Washington, D. 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Speaker Boehner and Leader Pelosi:

As Congress returns to Washington to find a way to meet our national debt obligations while reducing the federal deficit, the National Association of Counties (NACO) is deeply concerned that some of the proposals under consideration will squeeze “savings” out of Medicaid programs that will necessarily impose unacceptable new burdens on counties across the country.

As you know, America’s counties play a unique role in the Medicaid system: counties finance part of the non-federal share of Medicaid in twenty-seven states, serve as payers of last resort in twenty-three states, and provide the full range of mandatory and optional services to Medicaid populations across the country. NACO, therefore, emphatically opposes any proposal which would shift Medicaid costs to counties.

Accordingly we strongly object to remaking Medicaid into a block grant program for the states, and believe that capping Medicaid expenditures, whether through global spending caps, health spending caps or a new “blended” federal medical assistance percentage (FMAP), would have the same net effect as a block grant. Such proposals only achieve “score-able” savings by arbitrarily spending fewer federal dollars! They do nothing to improve the system – much less improve the health status of Medicaid’s beneficiaries. If such proposals go into effect we can expect that Medicaid beneficiaries – and those who will lose their Medicaid coverage – will continue to seek care in our county hospitals, clinics and nursing homes and apply for other county assistance programs. Without the support of Medicaid, counties will either have to turn them away, or raise new local taxes.

This is not acceptable and would destabilize Medicaid and the local safety net systems built around it as well as place a new drag on our fragile economic recovery.

On behalf of America’s counties, I urge you, rather, to find a bi-partisan way to strengthen and support the integrity of the Medicaid program and the federal, state and local partnerships that make it work.

Sincerely,

A handwritten signature in black ink that reads 'Larry E. Naake'. The signature is written in a cursive, flowing style.

Larry E. Naake
Executive Director