



James H. Douglas
Governor of Vermont
Chair

Joe Manchin III
Governor of West Virginia
Vice Chair

Raymond C. Scheppach
Executive Director

February 4, 2010

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Madam Speaker, Mr. Boehner, Senator Reid and Senator McConnell:

On behalf of the nation's governors we write to request your assistance in protecting jobs and speeding economic recovery by extending the American Recovery and Reinvestment Act's (ARRA) enhanced federal match for Medicaid (FMAP) for two additional quarters.

Unfortunately, the length and depth of the recession means states will continue to face significant budget shortfalls long after the enhanced FMAP provisions expire at the end of this calendar year.

States are in the process of finalizing budgets for FY 2011 that our legislatures will be considering over the next several months. Timely passage of an extension of ARRA's enhanced FMAP would greatly assist us in maintaining services and further stabilizing the economy.

To maximize the positive impact of FMAP enhancements on the economy, Congress should also modify ARRA's existing maintenance of effort (MOE) provisions. Restoring state flexibility to manage our Medicaid programs and enact common sense reforms is critical to ensuring the program's ongoing and future stability.

Governors appreciated the inclusion of enhanced FMAP provisions in ARRA. Additional federal Medicaid funds were critical for helping states avoid certain tax increases and cuts to core services that would have otherwise been necessary to balance state budgets.

Governors are committed to encouraging job creation and speeding recovery and urge you to work with us by extending FMAP enhancements and restoring state flexibility over Medicaid as soon as possible.

Sincerely,

Governor James H. Douglas

Governor Joe Manchin III