



September 10, 2008

Congressional Representative  
US House of Representatives

Dear Congressional Representative

On behalf of the Home Care Association of New York State (HCA), I am writing to thank you for your leadership in advancing H.R. 5268, legislation that would provide a temporary increase in the federal Medicaid assistance percentage (FMAP) to states.

HCA is a statewide membership organization comprised of over 400 mission-driven home care providers, allied organizations and individuals involved in the provision of home care services in New York State. HCA's home care members depend on Medicaid reimbursement to deliver essential home care services to New York's elderly, medically fragile and persons with disabilities.

H.R. 5268 is needed to address a historical inequity in the percentage of FMAP contribution that New York receives. While Medicaid is jointly funded by states and the federal government, New York receives a FMAP contribution of only 50% for most services, while the federal government pays up to 76% of other states' Medicaid costs. In fact, New York's federal contribution is the lowest amount for any state and shared by only twelve other states. This is despite the tremendous disparity between the amount of tax revenue New York sends to the federal government and how much federal funding is returned.

The FMAP inequity is exacerbated by the current poor economic climate reflected in decreased tax revenues, layoffs in the financial market and other sectors, and instability in the housing market. The deteriorating economy contributed to an estimated \$4 billion budget deficit faced by New York during the past state fiscal year and passage of a 2008 – 09 budget that included over \$40 million in Medicaid reductions to home care providers to help close the budget deficit.

New York is now facing a \$5.4 billion (and possibly higher) deficit for the 2009 – 10 state fiscal year and \$24.4 billion over the next three years. To reduce the \$5.4 billion deficit, a special session of the State Legislature recently convened and passed legislation that further

reduces Medicaid home care reimbursement by over \$100 million for state fiscal years 2008 – 09 retroactively and 2009 – 10.

Even with these home care and other health care sector reductions, New York is anticipating the need for further Medicaid cutbacks in state fiscal year 2009 – 10 to meet the challenging economic times. An increase of 2.95 percent in the federal Medicaid match, as proposed in H.R. 5268, would result in about \$1.6 billion in immediate fiscal relief to New York over 15 months and help to minimize further cuts to home care and other health care sectors and additional essential services.

Providing federal assistance in the form of a temporary increase in FMAP until a permanent solution is enacted would provide vital support for home and community-based programs and help to keep New Yorkers at home in their most preferred setting. Such support is needed to maintain previous federal and state efforts to rebalance the long term care system from institutional to home – based settings. Congress provided similar relief in 2003 and we applaud your efforts in even worse fiscal times.

I look forward to working with your office on this crucial matter. If you have any questions or need additional information, please call me at (518) 810-0664.

Sincerely,

A handwritten signature in cursive script that reads "Joanne Cunningham". The signature is written in dark ink and is positioned above the typed name and title.

Joanne Cunningham  
President



September 10, 2008

Honorable Congressman Peter King  
339 Cannon House Office Building  
Washington, D.C. 20515

Dear Congressman King

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Joanne Cunningham  
President



September 10, 2008

Honorable Congressman Thomas Reynolds  
332 Cannon House  
Washington, DC 20515

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