



COALITION ON HUMAN NEEDS

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January 22, 2009

The Honorable Henry A. Waxman
Chair, Committee on Energy and Commerce
House of Representatives
Washington, DC 20515

Dear Chairman Waxman:

The Coalition on Human Needs wishes to express heartfelt support for the economic recovery provisions concerning Medicaid and health coverage for the unemployed in the American Recovery and Reinvestment Act of 2009 to be taken up by the Committee on Energy and Commerce today. These provisions, consistent with proposals put forward by the Obama Administration, heed the advice of economists across the political spectrum in emphasizing federal spending most likely to spur economic growth. Their advice is to target assistance to low- and moderate-income people and to provide aid to states and localities, to prevent service and job cuts that will deepen the recession. The Energy and Commerce Committee's provisions in the American Recovery and Reinvestment Act increase the federal share of state Medicaid expenditures and also prevent jobless individuals from losing health insurance by subsidizing their COBRA insurance. These important steps will allow state and local governments to continue to offer Medicaid assistance especially needed now and will prevent cuts in state spending that would deepen the recession.

The Coalition on Human Needs' members – service providers, faith-based groups, labor, policy experts, civil rights organizations and other advocates serving millions nationwide – see the hardship caused by the deepening recession and believe strongly that the remedies in the House legislation are urgently needed.

The Economic and Commerce Committee's provisions contribute to a balanced economic recovery package that is more effective *because* it meets human needs, not despite those provisions. It includes urgently needed help for some of those most hurt by the ravages of the recession, and least powerful or well-connected to seek aid to counteract it. That the House bill provides help to these vulnerable people – poor children and families, aged and people with disabilities whose Medicaid services will be protected and those out of work and unable to continue their health insurance – is testament to the fact that this legislation has been designed both to alleviate hardship *and in so doing*, to foster economic growth.

We strongly favor the temporary increased federal share of Medicaid costs (FMAP) included in the legislation, to forestall the loss of medical services, layoffs, and shrinking income to service providers.

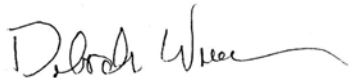
We also support other measures in the bill to prevent cuts in Medicaid services, including an extension of the moratoria on six Medicaid regulations through June 30, 2009. These proposed regulations would impose greater costs on states for rehabilitative services, case management, school administrative and transportation services for children with disabilities, and other services. When states are facing \$350 billion in budget gaps, such additional costs could not be worse timed.

We also support the extension of Transitional Medical Assistance for families leaving Temporary Assistance for Needy Families for work through the end of calendar year 2010.

Your bill recognizes that jobless people are swelling the rolls of the uninsured, and provides a 65 percent subsidy for one year of COBRA health insurance benefits. It also acknowledges that workers age 55 or over who are laid off need continued access to COBRA insurance, and allows them to continue to buy this coverage without subsidy until they become eligible for Medicare at age 65 or are able to receive group coverage through a new employer. The Energy and Commerce provisions also provide very important financial incentives for states to insure low-income unemployed through Medicaid, with 100 percent of the costs to be assumed by the federal government through the end of 2010. Many people with incomes below 200 percent of the federal poverty line will be unable to pay any share of health insurance costs if they lose their jobs; Medicaid coverage will prevent a huge surge in the uninsured population and attendant threats to health.

The provisions of the American Recovery and Reinvestment Act you will consider today will help to reverse the recession. We thank you for your leadership in providing the help most needed, and will look forward to working with you to encourage its speedy enactment.

Most sincerely,

A handwritten signature in black ink, appearing to read "Deborah Weinstein", with a long, sweeping horizontal line extending to the right.

Deborah Weinstein
Executive Director