

April 14, 2008

Dear Senator Feinstein:

The California State Association of Counties (CSAC) and the County Welfare Directors Association of California (CWDA) request that you cosponsor the bipartisan "Economic Recovery in Health Care Act of 2008" (S. 2819). The measure would place a one-year moratorium on seven administration-imposed Medicaid regulations that would shift costs to states and counties and reduce benefits to many Medicaid recipients. According to the Congressional Budget Office (CBO), the federal government would reduce its funding of this federal, state and local partnership by nearly \$20 billion over the next five years. Additionally, the bill would place a moratorium on the implementation of the August 17, 2007 State Children's Health Insurance Program directive issued by the Centers for Medicare and Medicaid Services (CMS) which effectively stops states such as California from expanding the program.

The regulations proposed by the U.S. Department of Health and Human Services (HHS) reverse long-standing Medicaid policies and eliminate federal payments for a variety of critical Medicaid functions. The vast majority of these proposals are not responding to new federal law changes. Rather, HHS is implementing, through the regulatory process, policy changes that Congress rejected previously when HHS proposed them as legislation.

California recently estimated that the combined impact of the regulations would shift over \$2.1 billion in costs to the State and its counties the first year alone, and would shift over \$10.7 billion over five years. This shift would occur at the same time as the State is grappling with a \$14 billion to \$16 billion shortfall.

The rules affect payments to public hospitals; graduate medical education; rehabilitation services provided to individuals with disabilities; Medicaid outreach and enrollment in schools; coverage of hospital clinic services; case management services allowing persons with disabilities to remain in the community; state provider tax laws; and state appeals filed through HHS. Congress has already enacted temporary moratoria on some of these regulations. All those moratoria expire before July 2008. The bill would give Congress until April 1 of next year to evaluate the effects of the regulations and to craft appropriate legislative responses if necessary.

All 50 governors support this effort. CSAC and CWDA urge you to cosponsor the legislation.

Please contact Hasan Sansour at 225-2927 (Hasan.Sarsour@mail.house.gov) to cosponsor the bill. If you or your staff have any questions, please call Bridgett Taylor or Amy Hall of Chairman Dingell's staff at 226-2424 or Brendan Belair of Representative Murphy's staff at 225-2301. Tom Joseph, Washington representative for CSAC and CWDA, may also be reached at 202-898-1444 or tj@wafed.com.

Sincerely,

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