July 1, 2011

Members of the California Congressional Delegation
United States Capitol
Washington, DC

RE: Opposition to Blended FMAP and Medicaid Provider Tax Elimination Proposals

Dear Member:

Our California children’s health coverage coalition is writing to urge you to protect children’s health coverage in the federal FY 2012 budget and during ongoing deficit reduction negotiations. We urge you to oppose proposals that will result in deep cuts to Medicaid and shift major costs to the states, such as creating a blended Federal Medical Assistance Percentage (FMAP) rate and eliminating provider taxes as state revenue for Medicaid and CHIP. These proposals would shift significant costs to California, which will most likely lead to devastating impacts on access to care and the imposition of unaffordable costs on low-income children and families.

Attached please find a letter from Governor Brown to President Obama, outlining his opposition to blended FMAP and provider tax proposals. As the Governor notes, California relies on provider fees to help fund our health insurance programs, including Medi-Cal and Healthy Families (California’s Medicaid and Children’s Health Insurance Program), which collectively cover roughly 4.5 million California children. As Governor Brown states, these proposals would “cripple California’s Medicaid program” and have “disastrous ramifications” for other critical state programs.

As you know, Medi-Cal provides a vital health safety net for over 3.5 million California children, ensuring they get the services they need to grow, develop, and go to school ready to learn. In these tough economic times, families rely more than ever on Medi-Cal for vaccinations, well-child check-ups and preventive screenings, chronic disease management, and oral and vision care. Medi-Cal is a cost-effective and essential lifeline for children, who constitute approximately 41 percent of enrollees, but less than 20 percent of program costs.

Several recent polls show that the public, while supporting spending and deficit reductions, is opposed to cutting programs for children by wide margins. For example, according to an April poll commissioned by First Focus, voters by a 2:1 margin disapprove of shifting more of Medicaid’s responsibilities to the states if it means eliminating insurance coverage for some children. And a recent ABC News/Washington Post poll demonstrates that the public overwhelmingly disapproves of cuts to children’s healthcare, as nearly 70% oppose cuts to Medicaid funding.
The impact of another round of budget cuts on California families would be absolutely devastating – with employer-sponsored coverage on the decline and health care costs continuing to rise, many families would be left with no coverage options for their children.

Instead of drastic cuts that will disrupt health care coverage for millions of children in California and across the country, we urge Congress to seek more efficient, cost-effective ways to address the national deficit. Keeping children healthy is not just the right thing to do, it is critical if our nation is to have a workforce that is prepared to meet the challenges of the future. In the spirit of the bipartisanship that has sustained and improved children’s health coverage for more than four decades, we urge you to work with your colleagues on both sides of the aisle to ensure that children’s health is protected even during these challenging economic times. Our nation cannot afford to shortchange the health of our most vulnerable children.

We look forward to working with you and your staff to protect children’s health coverage and ensure that Medicaid continues to effectively serve the children and families in California who need it.

Sincerely,

Ted Lempert  
President  
Children Now

Corey Timpson  
Director  
PICO California

Suzie Shupe  
Executive Director  
California Children's Health Initiatives

Wendy Lazarus  
Founder and Co-President  
The Children’s Partnership

Kim Brettschneider  
California State Coordinator  
Children's Defense Fund California

Peter Manzo  
President & CEO  
United Ways of California

Attachment: June 27, 2011 letter from Governor Brown to President Obama