



FOR IMMEDIATE RELEASE

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EXTENDING ENHANCED FEDERAL MEDICAID MATCHING FUNDS WOULD PROTECT HEALTH AND SUPPORT PROGRAMS FOR COLORADANS

Denver - An extension of increased federal matching funds to states through their Medicaid programs is needed quickly to avert additional state cuts to Colorado's budget, according to a report issued today by the consumer health group Families USA.

Last year, Congress passed the American Recovery and Reinvestment Act (ARRA), which included \$87 billion in increased federal funding for Medicaid. This relief will total nearly \$880 million dollars for Colorado by the time it expires in December of 2010 and helped prevent what could have been even more severe budget cuts to key programs during the last fiscal year. The state has used those dollars to avoid massive cuts not only to the Medicaid program, but to other programs paid for with general fund dollars.

"These funds have been critical to sustaining many of Colorado's key child and family serving programs," said Chris Watney, President of the Colorado Children's Campaign. "Because we have had access to these dollars, we have been able to mitigate cuts to education, early childhood care and child welfare and avoid capping the Child Health Plan Plus program, ensuring that our most vulnerable children continue to have access to the services they need to grow."

The enhanced federal match is set to expire on December 31, 2010, in the middle of Colorado's next state fiscal year. Examination of past recessions indicate that there is typically an 18-month lag time between the end of an economic recession and the reduction in demand for safety net health care services. Colorado is only currently beginning to see the end of its economic recession.

"Now is not the time to end support to states that are only just beginning to see their economies turn around," said Dede de Percin, Executive Director of the Colorado Consumer Health Initiative. "More than 500,000 Coloradans now rely on Medicaid or the Children's Health Plan Plus (CHP+) for their coverage - the highest number since the creation of the Medicaid program 40 years ago. Colorado has not yet seen the end of increased need for health insurance and care."

President Obama's recently submitted proposed budget provides \$25.5 billion in funding to extend by six months the additional federal Medicaid funding states have received since the ARRA was enacted. The House of Representatives has adopted such an extension in the jobs bill it approved one month ago.

According to the Families USA report, if the President's proposal is enacted, Colorado would receive an additional \$240.5 million dollars in matching federal dollars. The extension of increased federal funding for state Medicaid programs will also improve the state's economy, generating \$582.1 in business activity.

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