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Failure to extend additional Medicaid funding would damage a range of vital public services

The U.S. House of Representatives failed to extend additional federal funding for Medicaid last week. States have relied on this aid to mitigate recession-related budget shortfalls, and the failure to pass the extension means Colorado could be forced to make extremely damaging cuts to a variety of public services.

The legislation — the American Jobs and Closing Tax Loopholes Act of 2010, also known as the Extenders bill — is now headed to the Senate. This bill, H.R. 4213, is widely considered to be the last realistic chance for states to get this enhanced Medicaid funding. Without the money, Colorado lawmakers will have to cut \$211.7 million from the state's 2010-11 budget.

Because the additional Medicaid funding was designed to support state budgets through recession-related shortfalls, most of the cuts would probably hurt services other than Medicaid, such as public schools, child protection, parks and prisons.

Known as the enhanced Federal Medical Assistance Percentages (FMAP) rate, the increase in Medicaid funding was one of the most important parts of the American Recovery and Reinvestment Act of 2009, commonly called the Recovery Act. The FMAP rate determines the amount of federal support for Colorado's Medicaid program. The Recovery Act provided that all states would receive additional federal money because of an enhanced FMAP rate through the end of 2010, which would cover only the first half of Colorado's fiscal year.

The House last week passed a measure that does not include extending that enhanced FMAP rate another six months, through the end of June 2011, so that it provides assistance to states for another full fiscal year as Colorado and other states cope with a recession-fueled demand for health care coverage. Between April 2008 and April 2010, the number of Medicaid recipients in Colorado grew 28 percent to more than 512,000 Coloradans.

Colorado has already passed the state's 2010-11 budget, which included the extension of the Medicaid aid. Colorado and 29 other states built the Medicaid extension into their state budgets after both houses of Congress passed separate versions of the FMAP extension.

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