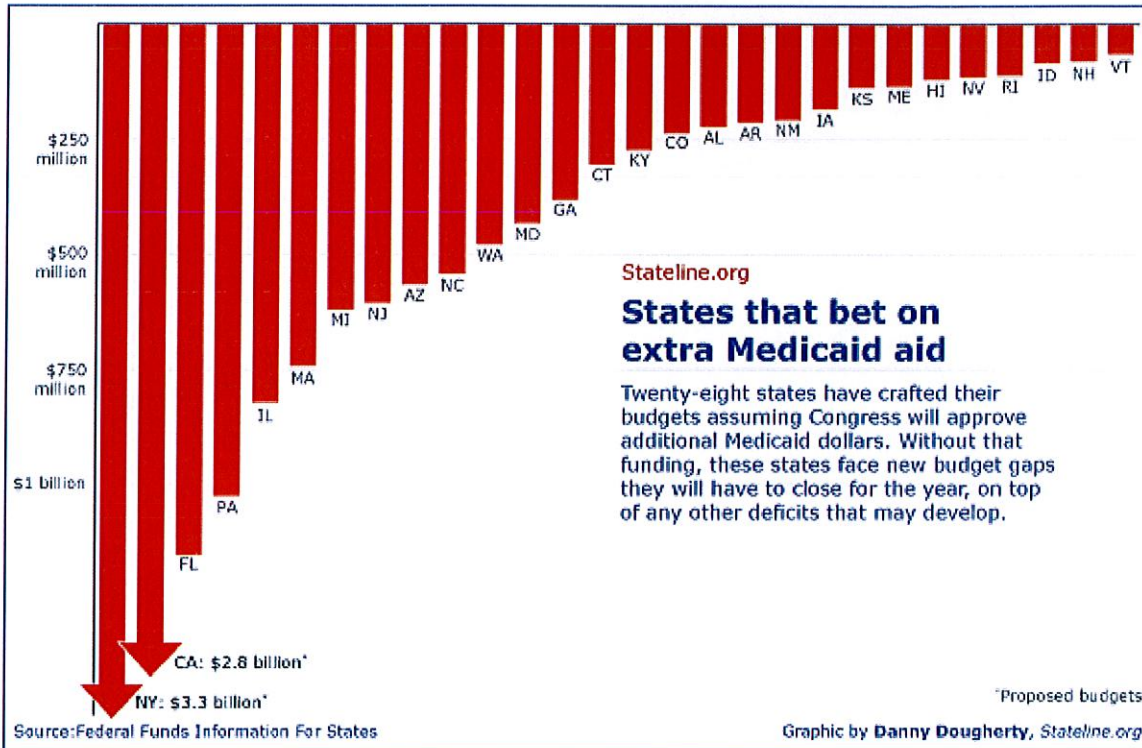


TOP STORY ||||

THURSDAY, JULY 01, 2010

Governors ramp up lobbying for federal Medicaid dollars

By Jake Grovum, Special to Stateline



As Congress continues to squabble over whether to provide additional Medicaid dollars to cash-strapped states, a dozen governors used the July 1 state budget deadline to make their case for the money. Their argument: Without \$25 billion in additional aid, states' fiscal health and the nation's fragile economic recovery could be in jeopardy.



Six governors came to Washington yesterday to personally press their congressional delegations for the aid; three more attended a press event by video conference, and an additional three sent letters of support. "The federal government cannot have it both ways," California Governor Arnold Schwarzenegger said by video link. "It can't require states to preserve certain safety net programs and then cut the funding for those programs when it is needed most."

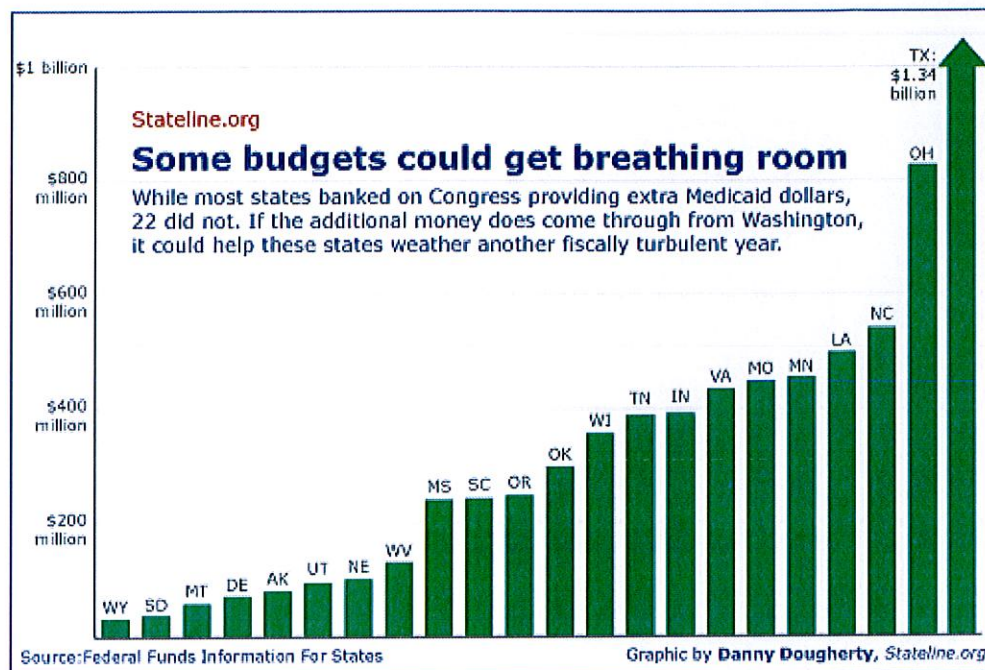
The lobbying effort was less notable for what the governors said than how they said it. Worried that the aid may never come, or come too late to be much help in fiscal 2011, the governors cut to the chase. Connecticut Governor M. Jodi Rell, a Republican, called it "a plea to the federal government." Maryland Governor Martin O'Malley, a Democrat, said plainly, "We need help."

Last year, states began asking the federal government for a six-month extension in the Medicaid assistance, which was first included in last year's economic stimulus bill. Both chambers of Congress have passed different variations of the request, and President Obama has called the aid necessary to avoid "[massive layoffs at the local and state levels.](#)"

Yet the dollars keep getting attached to Congressional bills that die for one reason or another — the [latest](#) was an extension of unemployment benefits that failed to pass the Senate last week.

The matter is particularly pressing for 28 states that already have approved budgets for the fiscal year that begins today assuming the aid will come. Virginia already has had to [make budget cuts](#) to make up for the fact that the expected Medicaid dollars haven't shown up yet. That scenario will likely spread to many more states if Congress does not pass the aid extension. The governors discussed how much money is at stake in their states. (See [graphic above.](#))

What they didn't talk about was what would happen in the rest of the states, those that budgeted for fiscal 2011 without expecting the federal money. In those states, it would mean additional, unexpected dollars. (See [graphic below.](#))



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Stateline.org staff writer Pamela M. Prah contributed to this report.

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