



Office of Representative Heath Shuler

Representing North Carolina's Eleventh Congressional District

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Rep. Shuler Stands Up for NC Hospitals by Protecting Medicaid *Moratorium on Cuts will Save NC \$514 Million Next Year*

Washington, D.C. – Representative Heath Shuler today voted for crucial legislation to protect Medicaid from new regulations proposed by the Bush Administration. These new regulations could have cost states up to \$50 billion in federal matching funds over the next five years. North Carolina could have lost up to \$2.7 billion over that five year period, including \$514 million next year. The Protecting the Medicaid Safety Net Act, H.R. 5613, delays the implementation of the changes until March 2009.

The Bush Administration's seven proposed regulation changes included restrictions on payments for rehabilitation services, case management services, hospital outpatient services, and safety net institutions. The changes also completely eliminated payments for graduate medical education and school-based outreach and transportation programs.

"Medicaid is a partnership between the federal governments and the states. For that system to work properly the federal government must fulfill its end of the bargain," Rep. Shuler said.

Medicaid operates on a cost sharing basis between the federal and state governments. For every dollar a state spends on Medicaid, the federal government contributes matching funds. In North Carolina, for every dollar spent on Medicaid, the federal government contributes \$1.78.

"Slashing these programs, which help the youngest and poorest citizens of this nation, would have been immoral. I was proud to stand up with so many of my colleagues on both sides of the aisle to implement this moratorium," Rep. Shuler concluded.

The Medicaid Safety Net Act passed with overwhelming bipartisan support 349-62. It had previously been endorsed by all 50 state governors, the National Association of Counties, the American Hospital Association, the American Academy of Pediatrics, and the AARP.

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