



October 15, 2009

The Honorable Harry Reid  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Max Baucus  
Chair  
Senate Committee on Finance  
Washington, DC 20510

The Honorable Tom Harkin  
Chair  
Senate Committee on Health, Education,  
Labor and Pensions  
Washington, DC 20510

The Honorable Christopher Dodd  
Chair  
Senate Committee on Banking, Housing  
and Urban Affairs  
Washington, DC 20510

Dear Senators Reid, Baucus, Harkin, and Dodd:

As you and your colleagues prepare health reform legislation for consideration by the Senate, the National Association of Counties (NACO) urges you to ensure that the final legislation enables counties to deliver successful reform at the local level, in partnership with the states and the federal government.

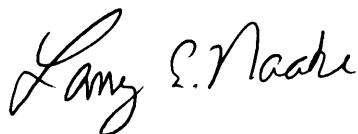
In particular we ask that you consider the following:

1. NACO supports **expanding Medicaid** to increase coverage for low income Americans without shifting financing costs to county property tax payers. However, we are concerned that states will never be able to increase mandatory Medicaid spending by the \$33 billion that CBO estimates that they will under the bill reported by the Finance Committee without shifting significant costs to counties and making deep cuts to county administered programs that serve other vulnerable populations. NACO believes that Medicaid reimbursement rates should be enhanced and the federal medical assistance percentage (FMAP) for newly eligible populations should be 100 percent. In states that require counties to contribute to the non-federal share of Medicaid, FMAP increases should be passed through to counties commensurate with their contribution.
2. NACO opposes mandatory “savings” from the **Medicaid disproportionate share hospital (DSH) program**. County hospitals will continue to depend on DSH to serve those who will remain uninsured and uninsurable even after reform and to compensate for Medicaid’s low reimbursement rates. Experience shows that local taxpayers will be called upon to make up public hospital budget shortfalls in order to preserve the essential community services which they provide.

3. NACo supports the **public health, prevention and wellness** provisions in the Affordable Health Choices Act (S. 1679), reported by the Health, Education, Labor and Pensions Committee. We believe that the evidence based National Prevention and Health Promotion Strategy paired with the dedicated funding stream for state and local public health in the Prevention and Public Health Investment Fund, will help to reorient our system from a “sick care” system to one built around wellness and health promotion.
4. NACo supports making conviction of a crime, and sentencing to secure detention the trigger for suspension/termination of federal health benefits. Coverage for persons in pre-trial custody and, therefore, presumed innocent should not be withdrawn without due process. The provisions of **H.R. 2209, the Restoring the Partnership for County Health Care Costs Act of 2009**, which repeals the inmate exception for those in custody pending disposition of charges, should be incorporated into the legislation.
5. NACo supports efforts to keep the **threshold for the deductibility of personal medical expenses at 7.5% of adjusted gross income for senior citizens**, rather than at the proposed threshold of 10%. However, we believe that Congress should eliminate the threshold entirely for all Americans. While raising the threshold may result in some revenue increases, we believe it will also result in the increased use of expensive medical services in order to reach the required threshold limit.
6. NACo opposes **taxes or fees on public employee self insured health plans**. Imposing an excise tax on “Cadillac” plans without an exemption for state and local governments would represent a significant burden for public employers who are already struggling to afford rapidly rising healthcare costs. Increased costs on employer sponsored plans will likely force self insured plan sponsors to drop coverage; pass increased costs on to plan beneficiaries; lower wages; reduce benefits; and terminate workers to offset the imposed tax.

On behalf of America’s 3,068 counties, I thank you for your thoughtful consideration of our requests and offer our assistance in addressing these critical issues. Should you or your staff have any questions, please contact Associate Legislative Director, Paul Beddoe at (202) 942-4234 or [pbeddoe@naco.org](mailto:pbeddoe@naco.org).

Sincerely,



Larry E. Naake  
Executive Director