Half of Adopted State Budgets Face Gaps if Congress Fails to Pass Enhanced Medicaid Match

By Debra Miller [1]
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Just days after the new fiscal year starts for most states, 23 states already face budget gaps unless Congress passes an extension of the enhanced Medicaid match started under the federal stimulus legislation.

As governors and legislatures struggled to put together balanced budget this winter and spring, Congress seemed poised to provide additional assistance to flagging state revenue coffers. Under the 2009 Recovery Act, the additional Medicaid match dollars are scheduled to end on December 31, 2010. The House passed the extension for an additional six months but approval stalled in the Senate. On June 17th, Senator Harry Reid (D-NV) failed to get the necessary votes to move forward although he vowed [2] to continue to work for passage.

As state budgets came to governors for signature, some insisted that they be balanced without counting on the additional federal Medicaid assistance. Massachusetts’ Governor Patrick vetoed hundreds of millions of dollars of spending in order to balance that state’s budget. South Carolina’s Governor Mark Sanford also vetoed spending and his veto was sustained by the legislature.

Other governors continue to work with their congressional delegations to pass the Medicaid assistance. Governor Rendell of Pennsylvania has been an outspoken advocate, warning [3] that budget cuts would extend to 20,000 public workers, including teachers and police.

CSG has completed a survey of all states' approved budgets and whether they include the extension of the Medicaid enhanced match. See the table below.
