



STATE OF NEW YORK

DAVID A. PATERSON  
GOVERNOR

October 1, 2008

The Honorable John McHugh  
U.S. House of Representatives  
2366 Rayburn House Office Building  
Washington, DC 20515-3223

Dear Representative McHugh,

I greatly appreciate your efforts to protect New York State's Medicaid program by introducing the Protecting Hospital Outpatient and Community Clinic Services Act of 2008 (H.R. 7219), which would prohibit the implementation by the U.S. Secretary for Health and Human Services (HHS) of a misguided regulation restricting access to quality Medicaid outpatient hospital and clinic services. This regulation, if realized, would result in a drastic reduction in federal funding at a time when the State budget is suffering from high budget deficits.

New York State estimates a loss of \$450 million in federal funding for free standing clinics on an annual basis and the loss is expected to grow with the inclusion of hospitals. The outpatient regulation would limit access to outpatient services, including mental health, substance use, family planning, renal dialysis and developmental disability services. The impact of this regulation will derail New York's health system reform whose purpose is to assure timely access to effective ambulatory care services and reduce unnecessary and expensive hospitalizations by moving limited resources from the inpatient to outpatient setting.

Again, I would like to thank you for your commitment to protecting New York State's most vulnerable residents. Please do not hesitate to contact me if I can assist you in any way.

Sincerely,

A handwritten signature in cursive script that reads "David A. Paterson".

David A. Paterson