

January x, 2009

The Honorable Nancy Pelosi
Speaker of the House
Washington, D.C. 20515

Dear Speaker Pelosi:

On behalf of the undersigned organizations, we are writing to respectfully request that any economic recovery package considered and passed by the 111th Congress include, as a first step, an increase of at least \$100 million for the Substance Abuse Prevention and Treatment (SAPT) Block Grant and a temporary increase for the Federal Medical Assistance Percentage (FMAP) for the Medicaid program. These increases are desperately needed to protect and sustain lifesaving substance use disorder treatment, prevention and recovery services in States and communities across the country and help those in the greatest need.

States and Communities are Facing Tough Fiscal Times: According to the National Governors Association (NGA) and the National Conference on State Legislatures (NCSL), 20 States already have cut \$7.6 billion from their fiscal year (FY) 2009 budgets, and 30 States have identified additional shortfalls totaling more than \$30 billion. Twenty-five States also have identified shortfalls of \$60 billion for FY 2010. Because of the severe fiscal difficulties of the States, strong investments in federal-State safety-net programs like the SAPT Block Grant and the Medicaid program are essential. In addition, State substance abuse agencies are feeling the negative impact of the current economy. A survey of 41 States and two Territories found that over half of these agencies have had a reduction in services and many others anticipate budget reductions.

There is Tremendous Unmet Need for Addiction Treatment, Prevention and Recovery Services: According to the Substance Abuse and Mental Health Services Administration's (SAMHSA) National Survey on Drug Use and Health (NSDUH), approximately 23.6 million Americans aged 12 or older needed treatment for an alcohol or illicit drug problem in 2006. During the same year, approximately 4 million received some kind of treatment for a problem related to the use of alcohol or illicit drugs. As a result, approximately 19.6 million people needed but did not receive services in 2006.

The SAPT Block Grant is the foundation of the publicly supported prevention and treatment system. The SAPT Block Grant, administered by the Substance Abuse and Mental Health Services Administration (SAMHSA), accounts for approximately 42 percent of public funds spent at the State and local level on substance abuse prevention activities and addiction treatment services. An investment in the SAPT Block Grant ensures that resources will reach all States and territories in an effective and efficient manner. Twenty percent of the SAPT Block Grant is dedicated to funding much needed substance abuse prevention programming. The prevention set-aside has helped produce demonstrable results. The Monitoring the Future (MTF) Survey found a 25 percent decline in any illicit drug use in the past month by 8th, 10th and 12th graders combined between 2001 and 2008. As a result, there were about 840,000 fewer teens using drugs in 2008 compared to 2001. A strong commitment to the SAPT Block Grant will ensure availability to much needed prevention services for our youth and other individuals during this tough economic time.

The SAPT Block Grant is Effective and Efficient: As noted by SAMHSA in its proposed FY 2009 budget, individuals receiving services from SAPT Block Grant funded programs demonstrated high abstinence rates at discharge from both illegal drug (68.3 percent) and alcohol (73.7 percent) use. The SAPT Block Grant also ensures accountability given providers, counties and States work together to report how services affect people's lives – including the impact services have on alcohol and other drug use; employment; criminal justice activity; housing; and more. During tough economic times, local communities, which already have limited resources at their disposal, would have a more challenging time providing the services to those most in need unless there was increased funding for the SAPT Block Grant. Thus, strong investments in federal-State programs, like the SAPT Block Grant, are a valuable way to foster economic growth and help those most in need of services.

An Increase in the Federal Medical Assistance Percentage (FMAP) is Essential: The undersigned groups join NGA, NCSL, NACo and others in calling on Congress to also include an increase in the FMAP for all States in any stimulus package. While drug and alcohol treatment is an optional service under Medicaid, the program provides important health care services for low-income parents, children and adolescents, and pregnant women. An increase in the FMAP would allow States to continue to serve the most vulnerable populations while still allowing Governors to defer planned cuts to the program.

As noted in NGA's 2008 report entitled, "*Economic Recovery: Federal-State Partnership*," small changes in a State's FMAP can have significant impact on State budgets. For example, States faced high unemployment, reduced tax revenues and growth in Medicaid during the 2001-2002 recession. As NGA observed, these conditions required States to seek cuts in Medicaid. In 2003, however, Congress provided \$10 billion to temporarily enhance FMAPS for every State – an important step to help protect the healthcare of Americans across the country.

Thank you for your work to provide greater financial assistance to the states in these difficult economic times. Including at least a \$100 million increase, as a first step, to the SAPT Block Grant and an increase to the FMAP for the Medicaid program will ensure that people in need of addiction treatment and other lifesaving services will be better able to receive the care they need.

Sincerely,