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**Sent:** Friday, April 19, 2013 5:35 PM  
**To:** sue.allen@house.mo.gov; david@oksenate.gov; Nancy Barto; Leah Vukmir  
**Cc:** sean.grove@house.mo.gov; dave@ocpathink.org; Jonathan Small; Christina Corier; Jonathan Ingram; Kathleen O'Hearn  
**Subject:** IMPORTANT: Talking Points: ALEC Resolution Opposing PPACA Medicaid Expansion  
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**Importance:** High  
**Flag Status:** Flagged

Representative Allen, Senator David, Senator Barto, and Senator Vukmir:

Thank you for agreeing to sponsor the *Resolution Opposing PPACA Medicaid Expansion* at ALEC's 2013 Spring Task Force Summit. I have attached the resolution to this e-mail.

As a reminder, the HHS Task Force Meeting will take place on Friday, May 3, from 2:00-5:00 p.m. I believe that the resolution will be the second of three model bills slated for consideration. There also may be a discussion of Medicaid expansion, generally, at the Task Force Luncheon that immediately precedes the meeting.

Each of you will need to introduce the bill. As such, I have written opening remarks that are also attached to this e-mail. ALEC had a (ridiculous) concern that the task force debate would be "one-sided," so I have focused each of your remarks on addressing at least one pro-expansion talking point. Once the three of you are done with your opening remarks, then you will stand for questions. After questions, the public sector will vote on the resolution, then the private sector will vote on the resolution. The resolution will need to pass both the public and private sectors before going to the ALEC Board for final approval.

**Please remember to print both of these documents, and take them with you to Oklahoma City (or, in Senator David's case, to the Renaissance Downtown ☺).** Should you have any questions, please feel free to call me (202-725-7127) or e-mail me ([christie@floridafga.org](mailto:christie@floridafga.org)) at any time. I will arrive in OKC on Thursday morning.

Looking forward to seeing you very soon!

Best Regards,  
Christie

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Discover how to bring pro-patient, pro-taxpayer Medicaid reform to your state at [MedicaidCure.org](http://MedicaidCure.org)!

## Talking Points: ALEC Resolution Opposing PPACA Medicaid Expansion

### Sponsors

Missouri Representative Sue Allen

Oklahoma Senator Kim David

Arizona Senator Nancy Barto

Wisconsin Senator Leah Vukmir (note: Leah will not be in attendance at the task force meeting)

### Suggested Introductory Remarks

#### ***Missouri Representative Sue Allen***

- I am Representative Sue Allen, and I am cosponsoring the model language before you today—the *Resolution Opposing PPACA Medicaid Expansion*. My fellow cosponsors are Oklahoma Senator Kim David, Arizona Senator Nancy Barto, and Wisconsin Senator Leah Vukmir, who had to fly back to Wisconsin and could not be here this afternoon.
- This resolution urges states to reject the Medicaid expansion that is permitted, but not required, in the federal *Patient Protection and Affordable Care Act*, and it encourages states to instead strengthen the existing Medicaid safety net and ensure that all citizens have access to high-quality, affordable private health coverage.
- Some of you may be asking, “Why is this resolution necessary for ALEC to consider?” The answer is that just 22 states have governors and legislatures in agreement to expand Medicaid. This means that, today, more than half of the states have rejected the PPACA Medicaid expansion or are formally undecided.
- Just as we’re doing in Missouri, states will continue to grapple with these Medicaid expansion questions. My cosponsors and I hope that this resolution can serve as a template for other lawmakers who choose to oppose Medicaid expansion with a formal resolution. In the 2013 session, 14 states filed formal resolutions either supporting or opposing aspects of the Medicaid expansion.<sup>1</sup>
- In closing, let me tell you about why I care about this issue. In my state, I serve as Chairman of the House Health Appropriations Subcommittee. And I can tell you that, as our Medicaid budget grows, it becomes harder to fund other critical health programs. As the resolution says, in Missouri and nationwide, Medicaid has now eclipsed K-12 education as the largest single share of state spending, and the PPACA Medicaid expansion will only make our budget problems worse. I am also a licensed physical therapist, and as a healthcare provider I worry about the negative effect that Medicaid expansion has on our already-strained provider community.
- With that, I’d like to turn it over to Oklahoma Senator Kim David for her comments.

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<sup>1</sup> State resolutions supporting Medicaid expansion (9): Alaska HCR 8; Alabama HJR 176; Georgia HR 280; Hawaii HCR 147; Louisiana HCR 4; Michigan HR 17; Montana LC 779; New Jersey ACR 170; Pennsylvania HR 115. State resolutions opposing Medicaid expansion (5): Arkansas SR 12; Kansas HCR 5011; Missouri HCR 5011; Montana SJ 18; Utah HCR 10.

***Oklahoma Senator Kim David***

- Thank you, Representative Allen. I am Oklahoma Senator Kim David, and I am also cosponsoring the resolution before you today. I would like to share with you some of the reasons I support this resolution.
- I share all of the same budget concerns that Representative Allen just discussed. In my state, I serve as Chairman of the Senate Health Appropriations Subcommittee. Since the year 2000, Oklahoma's Medicaid costs have nearly doubled, and enrollment in our Medicaid program has nearly tripled. Oklahoma's taxpayers are having trouble sustaining the current program—let alone adding more than 200,000 Oklahomans to our Medicaid rolls.
- I also worry about the effect that the Medicaid expansion has on our provider community. The Oklahoma State Medical Association worries that the Medicaid expansion would crater any ability to care for patients, poor or otherwise, in an unsustainable way. And here in Oklahoma, our physician-to-patient ratio ranks near the bottom compared with other states.
- I've spoken to many constituents about whether our state should expand Medicaid. Some of them worry that, if we don't expand Medicaid, then we'll be sending all of our tax dollars to other states that will expand Medicaid. I don't believe that's the case.
- If only two states expand Medicaid, those two states do not get to spend the tax dollars from the other 48 states. The fewer states that expand Medicaid, the less the federal government spends. As the resolution points out, the CBO estimates that federal funding for Medicaid represents 1 in 4 federal deficit dollars this year, and will grow to 1 in 2 federal deficit dollars by 2015.
- Others have said that our hospitals will suffer if we don't expand Medicaid. The argument is that hospitals need Medicaid expansion dollars to make up for scheduled DSH cuts in the federal health law. No one wants to see our hospitals close their doors. That's why I was heartened to see that, in his most recent budget, President Obama delayed the hospital DSH cuts for one year.
- I would also add that these DSH cuts will happen at the sole discretion of HHS Secretary Kathleen Sebelius, who has already issued more than 1,000 PPACA waivers to businesses and other entities. We urge her to issue those same waivers to our hospitals by delaying or eliminating the DSH cuts altogether. I think I speak for many of my legislative colleagues when I say that, in the states, we want to help our healthcare providers—but we shouldn't have to expand Medicaid to do it.
- I'd now like to turn things over to Arizona Senator Nancy Barto before we open it up for questions.

**Arizona Senator Nancy Barto**

- Thank you, Senator David. Before we have questions, I wanted to add a few final points on why I support this resolution. In Arizona, I serve as Chairman of the Senate Health Committee. And I can tell you that we've already experimented with Medicaid expansion, to disastrous results.
- In the year 2000, Arizona expanded Medicaid to everyone below 100% of the federal poverty level. Advocates promised that it would reduce the number of uninsured; reduce uncompensated care and its "hidden tax" on private insurance, and save Arizona taxpayers \$30 million a year. These are the same promises that we're hearing in our state capitols right now.
- None of these promises came true. In fact, the opposite happened. Enrollment of parents was more than triple what we predicted, while enrollment of childless adults was more than double. As a result, costs skyrocketed. By 2008, we spent \$8.4 billion on Medicaid expansion—more than four times what we had anticipated. And the uninsured rate has actually increased in Arizona, with more people on Medicaid and less people with private insurance.
- I want to make it clear that this resolution opposes PPACA Medicaid expansion, but it does not oppose other ways that we can help the poor gain access to high-quality, private health coverage. Medicaid is a broken system for both patients and taxpayers. And the PPACA Medicaid expansion doesn't give states any flexibility except to expand that broken system.
- If states expand Medicaid, they must adhere to all of the requirements contained within PPACA and other federal laws. Medicaid coverage must be extended up to 138% of the federal poverty level. The benefits and cost-sharing must look exactly like Old Medicaid. And states cannot impose TANF work requirements to childless adults in the expansion population.
- Legislators can and should explore ways to offer limited, targeted premium assistance to our most vulnerable citizens. This healthcare commitment from taxpayers should be matched with a commitment from beneficiaries to pay premiums, copays, and have a job (or look for work). None of this is possible within the PPACA Medicaid expansion.
- Thank you for your time. At this time, Representative Allen, Senator David, and I would be happy to take your questions.

## Resolution Opposing PPACA Medicaid Expansion

### **SUMMARY**

This resolution urges states to reject the Medicaid expansion that is permitted, but not required, in the federal *Patient Protection and Affordable Care Act*, and instead strengthen the existing Medicaid safety net and ensure that all citizens have access to high-quality, affordable private health coverage.

**WHEREAS**, Only twenty-one states have governors and legislatures in agreement to optionally expand Medicaid up to all persons earning up to 138% of the federal poverty level beginning January 1, 2014, as outlined in the *Patient Protection and Affordable Care Act* (PPACA); and

**WHEREAS**, The PPACA Medicaid expansion is largely funded with federal tax dollars, estimated by the Kaiser Commission on Medicaid and the Uninsured to total \$654 billion over the next ten years; and

**WHEREAS**, The Congressional Budget Office estimates that federal funding for Medicaid represents  $\frac{1}{4}$  of the federal budget deficit this year, and will grow to  $\frac{1}{2}$  of the federal budget deficit by 2015; and

**WHEREAS**, The federal debt currently totals \$16 trillion, and is rising by more than \$1 trillion per year; and

**WHEREAS**, The PPACA Medicaid expansion will place enormous pressure on state budgets, and according to the National Association of State Budget Officers, Medicaid has eclipsed K-12 education as the largest single share of state spending; and

**WHEREAS**, Adding new enrollees to the Medicaid program will crowd out other state funding priorities like building schools, hiring teachers, fixing roads, supporting law enforcement, and relieving struggling businesses and families of high tax burdens; and

**WHEREAS**, Despite federal funding promises to cover at least 90% of Medicaid expansion costs in future years, President Obama's FY 2012 and FY 2013 federal budgets proposed a "blended rate" that would dramatically increase states' share of Medicaid expansion costs over time; and

**WHEREAS**, House Budget Chairman Paul Ryan's FY 2014 budget eliminates most spending outlined within PPACA, including the enhanced federal match to states that expand Medicaid under PPACA; and

**WHEREAS**, Experiences from states that have already expanded Medicaid, such as Maine and Arizona, demonstrate that projected per-person costs and participation rates for the Medicaid expansion population are often dramatically underestimated, forcing policymakers to make up for these unexpected cost increases by capping Medicaid enrollment, eliminating Medicaid services, or reducing Medicaid provider rates; and

**WHEREAS**, the PPACA Medicaid expansion does little to address the chronic access and health outcomes associated with Medicaid, with *Health Affairs* reporting that 1/3 of doctors refuse to accept to new Medicaid patients, and studies published in numerous peer-reviewed journals, including *Pediatrics*, the *Journal of the American Medical Association*, the *Annals of Emergency Medicine*, the *Annals of Surgery*, and others suggesting that Medicaid patients have worse access and health outcomes than the privately-insured, and in some cases, fare worse than the uninsured; and

**WHEREAS**, Experiences from other states illustrate that expanding coverage will increase demand for medical services without substantially increasing supply, which in turn will exacerbate provider shortages, lengthen wait times, and increase use of emergency rooms for preventable conditions; and

**WHEREAS**, Provider shortages will disproportionately affect seniors, the group most likely to have one or more chronic conditions in need of more frequent care and the group the Centers for Medicare and Medicaid Services' actuaries predict will "almost certainly face increasingly severe problems with access to care" as a result of PPACA.

**THEREFORE BE IT RESOLVED THAT** {insert state legislative body} rejects the PPACA Medicaid expansion in order to protect patients and taxpayers, and instead supports patient-centered reforms to strengthen the existing Medicaid safety net and to increase access to affordable, high-quality private health insurance.