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Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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July 29, 2014

The Honorable Janice K. Brewer
Governor, State of Arizona
Executive Tower
1700 West Washington Street
Phoenix, AZ 85007

Dear Governor Brewer:

The Committee on Oversight and Government Reform is currently examining the roles of state and federal governments in sharing the costs of the Medicaid program. As part of this review, I am writing to request information about your state's decision to expand Medicaid services under the Affordable Care Act to the residents of your state.

When Congress passed the Affordable Care Act, it offered states the ability to expand Medicaid services for their non-elderly constituents with families below 138% of the Federal poverty level. Congress offered to pay 100% of these costs for the first three years, declining gradually to 90% by 2020, with states paying only 10% of these costs. According to the Center for Medicaid and CHIP Services:

These critical health coverage programs serve millions of families, children, pregnant women, adults without children and also seniors and people living with disabilities. In addition to covering services like doctor's visits, prescription drugs, and preventive care, Medicaid helps seniors and people with disabilities receive long term services and supports in their communities as well as in nursing homes. Together, these programs provide an important foundation for maintaining the health of our nation.¹

Democratic governors have consistently supported expanding Medicaid under the Affordable Care Act, but Republican governors have disagreed among themselves, with widely differing explanations. For example:

¹ *Message from the CMCS Director*, Medicaid.gov (online at www.medicaid.gov/About-Us/About-Us.html) (accessed July 27, 2014).

- **Texas Governor Rick Perry:** Explaining his opposition to expanding Medicaid under the Affordable Care Act, Governor Perry stated: “It’s like putting 1,000 more people on the Titanic when you knew what was going to happen.”²
- **Florida Governor Rick Scott:** Explaining his opposition to expanding Medicaid for the residents of his state, Governor Scott stated that “since Florida is legally allowed to opt out, that’s the right decision for our citizens.”³ He added: “It will be a big job-killer because it will cost too much.”⁴
- **North Carolina Governor Pat McCrory:** Explaining his opposition to expanding Medicaid in his state, Governor McCrory stated: “I will not sacrifice quality care for the people truly in need, nor risk further budget overruns by expanding an already broken system.”⁵

In contrast to your Republican colleagues, you have supported expanding Medicaid for the constituents of your state, stating that it “will extend cost-effective care to Arizona’s working poor, using the very tax dollars our citizens already pay to the federal government.” You added that it “will help prevent our rural and safety-net hospitals from closing their doors” and “will boost our economy by creating more than 20,000 jobs at a time when Arizona needs them most.”⁶

The data obtained by the Committee indicates that by expanding Medicaid in your state, you will be providing medical coverage to approximately 51,000 more residents,⁷ adding nearly

² *Some GOP Governors Embrace Medicaid Expansion*, Wall Street Journal (Nov. 21, 2013) (online at <http://blogs.wsj.com/washwire/2013/11/21/some-gop-governors-embrace-medicaid-expansion/>).

³ Office of the Governor, State of Florida, *Florida Won’t Implement Optional Portions of Obamacare* (July 1, 2012) (online at www.flgov.com/2012/07/01/florida-wont-implement-optional-portions-of-obamacare/).

⁴ *Fox and Friends*, Fox News (Mar. 26, 2012) (online at www.youtube.com/watch?v=TaC0mKApf9Q&feature=youtu.be).

⁵ Office of the Governor, State of North Carolina, *Governor McCrory: No Special Session to Further Expand Obamacare* (Oct. 28, 2013) (online at www.governor.state.nc.us/newsroom/press-releases/20131028/governor-mccrory-no-special-session-further-expand-obamacare).

⁶ Office of the Governor, State of Arizona, *Statement from the Governor Jan Brewer: Arizona Legislature Completes its Work on the State Budget, Medicaid* (June 13, 2013) (online at http://azgovernor.gov/dms/upload/PR_061313_MedicaidRestorationApproved.pdf).

⁷ Kaiser Family Foundation, *The Cost of Not Expanding Medicaid* (July 2013) (online at <http://kaiserfamilyfoundation.files.wordpress.com/2013/07/8457-the-cost-of-not-expanding-medicaid4.pdf>).

4,700 new jobs through 2017,⁸ and receiving more than \$10 billion in federal funds from 2013 to 2022.⁹

Many healthcare providers in your state support the expansion of Medicaid under the Affordable Care Act. Arizona State University, Northern Arizona University, the University of Arizona, and the Arizona Board of Regents endorsed Medicaid expansion for its potential to relieve state budgetary pressures, even indirectly, to support higher education. The Arizona Board of Regents stated:

The Medicaid proposal will bring \$1.6 billion to the state in enhanced federal matching funds which will greatly reduce pressure on the state budget and constitutional priorities such as higher education.¹⁰

In order to better understand the basis for your support, I request that you provide by August 22, 2014, copies of any state-specific analyses, studies, or reports that you ordered, requested, or relied on to inform your decision, including specific state-based data relating to the following:

- (1) the amounts of federal funding that your state would either receive or forego over the next ten years as a result of your decision;
- (2) the projected costs to cover uncompensated care that your state would either pay for itself or receive federal funds to cover over the next ten years as a result of your decision;
- (3) the number of direct and indirect jobs that would either be created or foregone over the next ten years as a result of your decision; and
- (4) the number of residents in your state that would either receive or forego additional preventative services and other medical care over the next ten years as a result of your decision.

⁸ Kaiser Family Foundation, *A Closer Look at the Impact of State Decisions Not to Expand Medicaid on Coverage for Uninsured Adults* (Apr. 24, 2014) (online at <http://kff.org/medicaid/fact-sheet/a-closer-look-at-the-impact-of-state-decisions-not-to-expand-medicaid-on-coverage-for-uninsured-adults/>).

⁹ Council of Economic Advisors, *Missed Opportunities: The Consequences of State Decisions Not to Expand Medicaid* (July 2, 2014) (online at www.whitehouse.gov/sites/default/files/docs/missed_opportunities_medicaid_0.pdf).

¹⁰ Arizona Board of Regents, *Regents Pass Resolution Supporting Governor's FY14 Budget Recommendations for the Universities and Medicaid Expansion Plan* (Feb. 7, 2013) (online at <http://azregents.asu.edu/Lists/Announcements/Attachments/213/Regents%20pass%20resolution%20supporting%20Governor%27s%20FY14%20budget%20proposal.pdf>).

Thank you for your cooperation with this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Elijah E. Cummings", with a stylized flourish at the end.

Elijah E. Cummings
Ranking Member

cc: The Honorable Darrell E. Issa
Chairman, House Committee on Oversight and Government Reform