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ONE HUNDRED THIRTEENTH CONGRESS

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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July 29, 2014

The Honorable Chris Christie  
Governor, State of New Jersey  
State House  
P.O. Box 001  
Trenton, NJ 08625

Dear Governor Christie:

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 line. 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.<sup>1</sup>

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:

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<sup>1</sup> Center for Medicaid and CHIP Services, *Message from the CMCS Director* (online at [www.medicaid.gov/About-Us/About-Us.html](http://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.”<sup>2</sup>
- **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.”<sup>3</sup> He added: “It will be a big job-killer because it will cost too much.”<sup>4</sup>
- **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.”<sup>5</sup>

In contrast to your Republican colleagues, you have supported expanding Medicaid for the constituents of your state, stating: “I am proud to have made the decision to expand Medicaid and provide greater access to healthcare for New Jerseyans in need.”<sup>6</sup> You reported that expanding Medicaid in New Jersey “will save approximately \$227 million in Fiscal Year 2014 alone.”<sup>7</sup>

The data obtained by the Committee indicates that by expanding Medicaid in your state, you will be providing medical coverage to approximately 227,000 more residents,<sup>8</sup> adding nearly

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<sup>2</sup> *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/>).

<sup>3</sup> 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/](http://www.flgov.com/2012/07/01/florida-wont-implement-optional-portions-of-obamacare/)).

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

<sup>5</sup> 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](http://www.governor.state.nc.us/newsroom/press-releases/20131028/governor-mccrory-no-special-session-further-expand-obamacare)).

<sup>6</sup> Office of the Governor, State of New Jersey, *Governor Chris Christie’s Fiscal Year 2015 Budget Address: An Attitude of Choice* (Feb. 25, 2014) (online at [www.state.nj.us/governor/news/news/552014/approved/20140225c.html](http://www.state.nj.us/governor/news/news/552014/approved/20140225c.html)).

<sup>7</sup> Office of the Governor, State of New Jersey, *Governor Christie’s Fiscal Year 2015 Budget Address As Prepared for Delivery* (Feb. 26, 2013) (online at [www.nj.gov/governor/news/addresses/2010s/approved/20130226.html](http://www.nj.gov/governor/news/addresses/2010s/approved/20130226.html)).

<sup>8</sup> 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>).

17,000 new jobs through 2017,<sup>9</sup> and receiving an additional \$15 billion in federal funds over 2013 to 2022.<sup>10</sup>

Many healthcare providers in your state support the expansion of Medicaid under the Affordable Care Act. For example, the Medical Society of New Jersey, the largest physician network in New Jersey, stated:

Governor Christie's decision to expand Medicaid is a positive step that will create access to health insurance for many uninsured residents. Importantly, this decision will make additional investment in the program possible. This is also an opportunity to align incentives and create a robust network of physicians and other healthcare providers for the Medicaid program.<sup>11</sup>

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.

Thank you for your cooperation with this request.

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<sup>9</sup> 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](http://www.whitehouse.gov/sites/default/files/docs/missed_opportunities_medicaid_0.pdf)).

<sup>10</sup> 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>).

<sup>11</sup> Medical Society of New Jersey, *Medicaid Reform Proposals for the FY 2015 Budget* (Mar. 1, 2013) (online at <http://msnj.wordpress.com/2013/03/01/msnjs-statement-on-nj-medicaid-expansion/>).

Sincerely,

A handwritten signature in blue ink that reads "Elijah E. Cummings". The signature is stylized with a large, looping "E" and a long, sweeping underline.

Elijah E. Cummings  
Ranking Member

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