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Congress of the United States

House of Representatives

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July 29, 2014

The Honorable Pat McCrory
Office of the Governor
20301 Mail Service Center
Raleigh, NC 27699-0301

Dear Governor McCrory:

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 not 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.¹

Democratic governors have consistently supported expanding Medicaid under the Affordable Care Act, but Republican governors have disagreed among themselves, with widely differing explanations. Republican governors who support Medicaid expansion have praised the fact that it will provide critical medical services to millions of their constituents while significantly improving their state budgets. For example:

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

- **Arizona Governor Jan Brewer:** Explaining her support for expanding Medicaid under the Affordable Care Act, Governor Brewer stated 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.” She 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.”²
- **New Jersey Governor Chris Christie:** Explaining his support for Medicaid expansion in his state, Governor Christie stated: “I am proud to have made the decision to expand Medicaid and provide greater access to healthcare for New Jerseyans in need.”³ He reported that expanding Medicaid “will save approximately \$227 million in Fiscal Year 2014 alone.”⁴
- **Ohio Governor John Kasich:** Explaining his support for expanding Medicaid in Ohio, Governor Kasich stated: “It’s going to save lives.” He added: “It’s going to help people, and you tell me what’s more important than that.”⁵

In contrast to your Republican colleagues, you continue to oppose Medicaid expansion, stating: “I will not sacrifice quality care for the people truly in need, nor risk further budget overruns by expanding an already broken system.”⁶

The data obtained by the Committee indicates that by expanding Medicaid in your state, you would be providing medical coverage to 377,000 additional residents,⁷ adding 40,200 new

² 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).

³ 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).

⁴ 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).

⁵ *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/>).

⁶ 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).

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>).

jobs through 2017,⁸ and receiving an additional \$39 billion in federal funding from 2013 to 2022.⁹

Many healthcare providers in your state support the expansion of Medicaid under the Affordable Care Act. The Republican Mayor of Belhaven, Adam O’Neal, stated: “Without Medicaid expansion, the reimbursements are falling and hospitals like the one in my hometown are on the brink of possibly even closing.” He added: “You can’t let hospitals close and people die to prove a point.”¹⁰

In order to better understand the basis for your opposition, 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.

⁸ 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).

⁹ 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>).

¹⁰ *Advocating for Medicaid Expansion at the Legislature*, North Carolina Health News (June 5, 2014) (online at www.northcarolinahealthnews.org/2014/06/05/advocating-for-medicaid-expansion-at-the-legislature/).

Sincerely,

A handwritten signature in blue ink, reading "Elijah E. Cummings". The signature is stylized with a large, looped "E" and a long, sweeping underline that extends to the right.

Elijah E. Cummings
Ranking Member

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