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ONE HUNDRED EIGHTH CONGRESS

**U.S. House of Representatives**  
**Committee on Energy and Commerce**  
**Washington, DC 20515-6115**

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December 21, 2004

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Mr. David J. Balland  
Associate Commissioner for Medicaid and CHIP  
Texas Health and Human Services Commission  
4900 N. Lamar  
Austin, Texas 78711

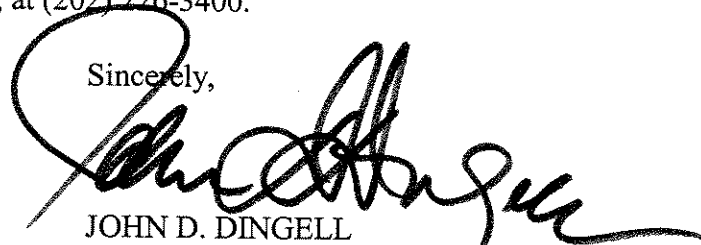
Dear Mr. Balland:

On December 7, 2004, you testified before the Subcommittee on Oversight and Investigations in a hearing entitled "Medicaid Prescription Drug Reimbursement: Why the Government Pays Too Much." I now request your response to an additional question.

Because I wish to include the question and response in the printed record of this hearing, please respond no later than Wednesday, January 5, 2005. Please fax and e-mail the responses. The faxed response should be directed to Michael Abraham, Committee on Energy and Commerce majority staff, at (202) 226-2447, and Voncille Hines, Committee on Energy and Commerce minority staff, at (202) 225-5288. The e-mail copy of the response should be in MS Word format and directed to Michael Abraham ([Michael.Abraham@mail.house.gov](mailto:Michael.Abraham@mail.house.gov)) and Voncille Hines ([Voncille.Hines@mail.house.gov](mailto:Voncille.Hines@mail.house.gov)). Due to the uncertainties of postal deliveries on Capitol Hill, your response should not be sent through the postal service.

If you have any questions, please contact Edith Holleman, Minority Counsel with the Committee on Energy and Commerce, at (202) 226-3400.

Sincerely,



JOHN D. DINGELL  
RANKING MEMBER

Attachment

Mr. David J. Balland  
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cc: The Honorable Joe Barton, Chairman  
Committee on Energy and Commerce

The Honorable Greg Walden, Vice Chairman  
Subcommittee on Oversight and Investigations

The Honorable Peter Deutch, Ranking Member  
Subcommittee on Oversight and Investigations

**Question for Mr. David J. Balland**  
**Associate Commissioner for Medicaid and CHIP**  
**Texas Health and Human Services Commission**  
**from the Honorable John D. Dingell**  
**Committee on Energy and Commerce**  
**regarding the December 7, 2004, Subcommittee on Oversight and Investigations**  
**Hearing entitled “Medicaid Prescription Drug Reimbursement: Why the Government**  
**Pays Too Much”**

1. Please explain in detail the financial impact of the clawback provision of the Medicare Modernization Act on Texas overall, particularly since Texas, as you testified, has been particularly aggressive in cutting its prescription drug costs under Medicaid, and Congress agreed to “do no harm” to the states in that legislation.