



Thomas A. Schatz
President

March 8, 2012

U.S. House of Representatives
Washington, D.C. 20515

Dear Representative,

Reps. Todd Rokita (R-Ind.), Tim Huelskamp (R-Kans.), Paul Broun (R-Ga.) and Jim Jordan (R-Ohio) recently introduced H.R. 4160, the State Health Flexibility Act, which would both repeal the Patient Protection and Affordable Care Act (PPACA) and streamline Medicaid and the Children's Health Insurance Program (CHIP) by transforming federal funding for these programs into one block grant to the states. On behalf of the more than one million members and supporters of the Council for Citizens Against Government Waste (CCAGW), I urge you to support this legislation.

Signed into law on March 23, 2010, the PPACA will exacerbate the financial distress from which the nation and individual states already suffer. The \$2.5 trillion package is loaded with tax increases, insurance mandates, Medicare cuts, and unfunded Medicaid expansions. Imposing this onerous new federal program at a time when Medicaid is going broke and states are struggling to fund their share of the massive program is reckless.

Although Medicaid was first established as a limited state-federal partnership program, it has grown dramatically since its inception. Today, nearly one out of every four Americans is enrolled in Medicaid, with program spending absorbing nearly one-quarter of all state government budgets. With 29 states projecting a collective budget shortfall of \$47 billion for fiscal year 2013, the federal government should not be restricting governors from tackling their states' financial problems.

H.R. 4160 would give states the flexibility to manage their growing Medicaid costs and set their own budget priorities. A block grant financing mechanism would replace the current Medicaid and CHIP programs. The bill would save \$1.8 billion compared to the current law under the PPACA by keeping federal funding for Medicaid and CHIP at current levels for the next 10 years.

Washington has already squandered \$103 billion bailing out state Medicaid programs and hundreds of billions more will be spent implementing a massive government takeover of the nation's healthcare system. With a national debt of \$15.4 trillion, this is an expense taxpayers simply cannot afford. It's time to start spending taxpayer money more frugally and efficiently by letting states and individuals make crucial healthcare decisions for themselves. I urge you to support the State Health Flexibility Act to give states the freedom to control costs and make their Medicaid programs more efficient and cost-effective. All votes on H.R. 4160 will be among those considered in CCAGW's *2012 Congressional Ratings*.

Sincerely,