

**Congress of the United States**  
**Washington, DC 20515**

March 20, 2013

The Honorable Rick Perry  
Governor of Texas  
Post Office Box 12428  
Austin, Texas 78711

Dear Governor Perry:

Thank you for your letter regarding the expansion of Medicaid under the Affordable Care Act (ACA) dated March 14, 2013. We appreciate the opportunity to correspond with you and share our views on what we consider to be a critical issue.

Texas is a land of many firsts. Unfortunately, our great state also has the distinction of being first in the percentage of uninsured residents in the country. More than six million Texans – including 1.2 million children – are uninsured. These are our friends and our neighbors.

Expanding Medicaid in Texas would save taxpayers and local governments millions of dollars in costs of caring for uninsured. Governors in 25 states, both Democratic and Republican, indicated that they will implement the Medicaid expansion. Opting out of the Medicaid expansion doesn't save taxpayer money – opting out actually costs local taxpayers. There is no reason that Texans' hard-earned tax dollars should instead go to insure residents and bolster the economies of other states.

If Texas participated in the expansion, our state could draw down almost \$90 billion from the Medicaid expansion in the ACA over the first decade. More than 1.5 million additional Texans would receive health care and more than three million jobs would be generated according to a report generated by the Perryman Group. Further, a poll by the Texas Hospital Association shows a majority of Texans are in favor of Medicaid expansion.

There are many reasons to participate in the Medicaid expansion. For example, individuals with mental illness in many circumstances receive their care from a county jail. In some places, the local jail is the number one health care provider to individuals with mental illness. This is a tremendous cost to the counties – and a task for which they are not equipped. Expansion of Medicaid would relieve county jails of this burden – freeing their capacity to focus on individuals who have committed serious crimes.

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Expanding Medicaid would greatly benefit many hospitals in rural Texas and in areas with high uninsured populations. Hospitals that serve a significant number of uninsured and low-income patients receive funds known as Disproportionate Share Hospital (DSH) adjustment payments. DSH funding is tied to the number of people that Texas chooses to insure. According to the Kaiser Family Foundation, failure to expand Medicaid in Texas will cost the state's hospitals nearly \$25 billion in reimbursement between 2013 and 2022.

As far as the reforms you wish to implement:

- Forcing vulnerable populations such as poor children, seniors, and individuals with disabilities to pay premiums for health coverage would cause extreme hardship and would only further swell the ranks of the uninsured in Texas.
- Texas already has one of the stingiest Medicaid packages in the country. It serves little to no purpose to further “asset-test” the children, seniors, and individuals with disabilities who are currently enrolled in Medicaid.
- Health savings accounts are already an option for Texans. Although helpful, they alone have not been and are not the answer to tackling the high uninsured rate in Texas.
- We wholeheartedly support promoting the use of existing private coverage and employer sponsored coverage. Texas, however, leads the nation in minimum wage jobs. Many of these jobs do not offer health insurance to its employees.

It is certainly true that the “devil is in the details.” However, it does not seem particularly efficient to force local governments and Texas taxpayers to bear the brunt of covering the uninsured. In fact, it seems contrary to good public policy.

We fear that what you call “flexibility” would actually limit access to health care for children, the elderly, and individuals with disabilities. Texas’ past call for “flexibility” – in particular for a Texas Medicaid waiver – was not even supported by the presidential administration of your predecessor as Governor of Texas. Neither the Bush nor the Obama administrations approved the waiver request because the proposed plan was not feasible and would further restrict access to health care.

Looking objectively at the numbers, Texas has a dismal record on health care. It is a record of which no Texan can be proud. However, you can work to turn that record around. Our constituents would greatly be served by expanding Medicaid. The expansion

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would benefit not only our residents, but also our local and county governments and our economy. You can lead the way.

We ask that you reconsider your position on Medicaid expansion. Instead of rejecting the return of Texans' tax dollars to Texas, we ask that you make it your mission to obtain more health care for our residents while (1) bringing more jobs to Texas (2) lowering the burden for our taxpayers and (3) relieving the budgets of local and county governments.

Medicaid expansion is the right thing to do. It is both compassionate and efficient – and that is the Texas way.

Respectfully,























