

November 10, 2011

The Honorable Patty Murray
Co-Chairman
Joint Select Committee on
Deficit Reduction
U.S. Senate
Washington, D.C. 20510

The Honorable Jeb Hensarling
Co-Chairman
Joint Select Committee on
Deficit Reduction
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Murray and Chairman Hensarling:

As more details emerge regarding the Committee's ongoing deliberations we continue to be concerned over proposals that would reduce the federal deficit by shifting Medicaid costs to states. We write to raise our particular concern that the so-called 'blended rate' proposal disproportionately impacts states that expanded Medicaid service prior to enactment of the Affordable Care Act.

As you know, we have serious concerns that the proposal to "blend" Medicaid matching rates would simply reduce overall matching rates to states to achieve budget savings. This proposal would likely lead to cuts in the Medicaid program as states grapple with fewer federal resources at a time when more and more Americans are seeking services from this program.

Worse, it is our understanding that the blended rate proposal would freeze the matching rate for Medicaid beneficiaries in early expansion states at 2015 levels, where the percentage matching rate is lower than expected under the Affordable Care Act. Freezing the matching rate for our expanded population at 2015 provides a boon to states that did not take early action and at the same time would disproportionately impact states that expanded Medicaid eligibility prior to 2014. In effect, this proposal penalizes states with a lower match rate for acting to bring healthcare services to a greater number of our citizens before the enactment of the Affordable Care Act.

We know that the Committee's job is a difficult one and we appreciate the tough decisions before you. However, Medicaid is a critical program, which serves millions of our nation's residents; it should be protected even in the tough times. As you continue with your deliberations we ask you to recognize the inequities of placing a greater burden and increased cost shifting on early expansion states such as ours. As leaders in providing healthcare services to a greater number of our citizens, we ask you to work to ensure that early expansion states like ours are protected in any final proposal.

Sincerely,



Governor Deval Patrick
Massachusetts



Governor Jack Markell
Delaware



Governor Neil Abercrombie
Hawaii



Governor Mark Dayton
Minnesota



Governor Peter Shumlin
Vermont