OFFICE OF THE GOVERNOR

RICK PERRY
GOVERNOR

September 23, 2009

The Honorable Max Baucus
Chairman, Committee on Finance
U.S. Senate
511 Hart Senate Office Building
Washington, D.C. 20510

Dear Chairman Baucus:

Last week, Senate Majority Leader Harry Reid said he was concerned that the health care legislation you have proposed will expand the Nevada Medicaid population beyond what his state can afford. Speaking as governor of a state with a significantly larger caseload than Nevada – a caseload that could double under your proposed Senate Finance plan – let me respectfully say I am troubled by the financial impact on Texas taxpayers and our budget.

The Texas Health and Human Services Commission estimates that the various federal health care proposals circulating around Congress could add as much as $60 billion to the state budget over the next 10 years, creating twice the number of Texas Medicaid recipients.

Additionally, these bills place a new tax burden on certain businesses and provide for the federal takeover of some current state insurance functions. These one-size-fits-all government mandates are both unsustainable and unable to fix our broken health care system.

Instead of government mandates and more deficit spending, successful health care reforms can only be achieved by providing states with the flexibility to develop state-specific solutions.

For example, in 2003, I signed into law medical liability reform that has improved access to medical care in Texas, particularly in underserved areas. Prior to these reforms, Texas doctors were being sued at twice the national average, and many were giving up practicing in Texas altogether. Today, doctors are coming to Texas as fast as they can, with record numbers applying to practice medicine in the Lone Star State. Tort reform is the sort of state-specific, market-driven reform measure that will help provide effective, affordable solutions to our health care woes.

In addition, as you may know, last month, I wrote to Secretary Kathleen Sebelius to again urge approval of the Texas Medicaid reform waiver, which was originally submitted in April 2008. This waiver – which would promote preventive care, improve quality and access to care, and enable more low-income working Texans to purchase private health insurance – continues to languish at the Centers for Medicare and Medicaid Services.

I urge you to support our right, as a state, to further explore these approaches, rather than forcing us to implement federal mandates that promise financial hardships for the states and little in the way of benefits for our economy and all of our constituents.

Sincerely,

Rick Perry

Rick Perry
Governor

RP:mtp