

From: Haltiwanger, Katherine
To: Soura, Christian <ChristianSoura@gov.sc.gov>
Date: 4/24/2013 3:20:38 PM
Subject: FW: Gov. Jindal's Medicaid Expansion Messaging

FYI

From: Dustin Huffman [mailto:dhuffman@rgppc.org]
Sent: Wednesday, April 24, 2013 3:17 PM
To: Dustin Huffman
Cc: Marie Sanderson
Subject: Gov. Jindal's Medicaid Expansion Messaging

All:

In case it is helpful for your state, below are the Medicaid expansion messaging points released this morning from Gov. Jindal's office.

As always, please let us know if you have any information you would like to share with your colleagues.

Best,
Dustin

Dustin Huffman

Policy Advisor
Republican Governors Public Policy Committee | RGA
1747 Pennsylvania Avenue, NW, Suite 250 | Washington, DC 20006
Office: (202) 662-4927
Cell: (202) 340-8838
dhuffman@rgppc.org



State of Louisiana
Office of the Governor
GOVERNOR BOBBY JINDAL

FOR IMMEDIATE RELEASE

April 24, 2013

Press Office: Sean Lansing

Contact: 225-342-8006, (c) 225-454-7133

FACT SHEET – OBAMACARE'S MEDICAID EXPANSION

In advance of today's hearings on legislation on President Obama's Medicaid expansion, here are some important facts to keep in mind:

The LFO says that after the initial frontloading from the federal government, Obamacare's Medicaid

expansion will have a NEGATIVE impact on the State General Fund in the out-years.

- The LFO says “both models reflect a net SGF cost beginning in year 7 (2020), and in future years.” That means expanding Medicaid is a huge unfunded mandate that is unsustainable.

The LFO report on Medicaid expansion is too conservative in their crowd out estimates.

- LFO believes 100,000 Louisianians could be forced out of private insurance. The reality is that up to 171,000 Louisianians could lose private insurance, and another 77,000 Louisianians will be prevented from getting private coverage. That means a total of 248,000 Louisianians will be prevented from getting private coverage.

The LFO fails to take into account that, by law, provider rates will go up in 10 years, which is one of the biggest potential costs related to expanding Medicaid.

- LFO admits in their analysis that they assume no increases to provider reimbursement rates. Obamacare changed the access to care standard for states, placing a higher burden on states to guarantee the provision of services. It is difficult to believe that the current health care system could withstand the weight of hundreds of thousands of new Medicaid enrollees, many coming from better paying private coverage, without increases to provider reimbursement.

Obamacare’s Medicaid expansion could cost taxpayers in Louisiana \$1.7 billion over the first 10 years of implementation, and the cost will continue to rise.

- Additionally, the percentage of state funds spent on Medicaid has nearly doubled over the past 16 years and expanding Medicaid could further threaten funding for higher education, transportation, and other critical services.

The Obama Administration has refused to negotiate, or even meet, on Medicaid reform.

- Governor Jindal sent two letters to President Obama asking him to meet on Medicaid and the administration refused to do so. The Governor asks the President directly if he would be willing to delay Obamacare, specifically the Medicaid expansion, but the President said no.

The Obama Administration has been clear that they won’t negotiate to provide states flexibility from a one-size-fits-all approach.

- The Obama Administration has said they will not give any flexibility on cost-sharing, on mandates, on coverage, on wrap-around benefits, on eligibility, on crowd-out, and on premium support.

Obamacare’s Medicaid expansion would put 41 percent of Louisianians onto Medicaid.

- The actual uninsured population that should be focused on is about 214,000 people. Instead, Obamacare’s Medicaid expansion would actually add double that number — over 450,000 people — to the Medicaid rolls.

Funding for Obamacare’s Medicaid expansion is unstable, which could encourage cost shifting to states. Louisianians know from experience that federal funding can’t be counted on, as the federal government recently cut \$1.8 billion in Medicaid funding for Louisiana.

- The President initially said the healthcare law would cost less than \$1 trillion, but the Congressional Budget Office now says that Obamacare will cost over \$1.7 trillion. .
- Additionally, the U.S. Senate voted to get rid of an excise tax on medical devices that is supposed to generate \$30 billion to pay for Obamacare.
- Another sign of uncertainty is President Obama's recent proposal to use a blended Medicaid rate, which could shift significant cost to the states.