



C. L. "BUTCH" OTTER
GOVERNOR

September 15, 2009

The Honorable Mike Crapo
United States Senate
239 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Crapo,

Idaho has a proud history of fiscal responsibility, ensuring that our State government serves its proper role for the people of Idaho while staying within their financial means. As the United States Congress attempts to address the healthcare challenges facing our nation, it is important that we remain diligent in assessing the implications of our decisions, always ensuring that we take seriously our duty to safeguard the financial resources of the American public, and allocating taxpayer money in an efficient and effective manner.

As revised healthcare proposals continue appearing in Congress, the full consequences of these reforms remain unknown and we are uncertain of the possible negative impacts on local businesses, families and senior citizens. However, it is clear that these sweeping proposals would irresponsibly shift a substantial and unmanageable financial burden to the states. Like Idaho, many states already are functioning under severely limited and strained budgets. It is certain that the burden of these reforms would be placed upon the shoulders of hardworking Americans.

The costs associated with these proposed reforms are astounding. Conservative estimates from the Idaho Division of Medicaid indicate that the bill's Medicaid eligibility proposal would increase our state share of Medicaid and the federal matching rate effective would drop in the middle of fiscal year 2011, leaving Idaho struggling to fill the void. Idaho's tax base could not support this large unfunded mandate without resorting to tax increases, including a possible increase in Idaho's already 6-cent sales tax – an irresponsible action which would do serious harm to Idaho taxpayers. The proposed reforms would impose an undue burden on citizens already struggling in this difficult economy.

It has been estimated that combined federal-state Medicaid costs in Idaho could increase by \$501 million. In addition, raising the Medicaid reimbursement rate to 110 percent of the Medicare reimbursement rate would increase total federal-state costs \$50 million more.

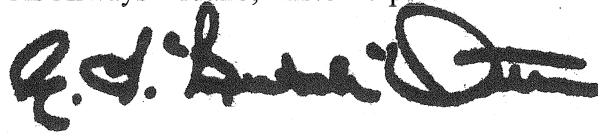
This proposed change in the federal reimbursement rate likely would reduce the number of plans that are offered to persons on Medicare, resulting in increased premiums and reduced services and access to service providers. Seniors in rural Idaho already have trouble finding providers who accept Medicare patients.

Should these changes be approved, that trend could continue statewide – severely limiting access to medical care for some of Idaho’s most vulnerable residents.

The people of Idaho have entrusted us with a responsibility to use our government resources wisely and efficiently. Imposing costly federal mandates that cannot be sustained in the long run is an irresponsible violation of this public trust. Quite simply, these proposals are financially irresponsible and would not adequately address the needs of senior citizens and other vulnerable groups.

I encourage you to join me in opposing current health care reform proposals. By ending these nonsensical debates and stopping the proposed reforms, we can move forward in a more positive, measured and reasonable direction, using common sense to find a workable healthcare solution that benefits all Americans.

As Always – Idaho, “Esto Perpetua”

A handwritten signature in black ink, appearing to read "C.L. 'Butch' Otter". The signature is stylized and cursive, with a large, prominent "O" at the end.

C.L. “Butch” Otter
Governor of Idaho

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