

She also plans to lead the Auxiliary in topping \$3 million to the Cancer Aid and Research Fund.

Madam Speaker, I ask the House of Representatives to rise and applaud Jan Tittle as she brings together the Ladies Auxiliary under the theme, "It's Time for America's Military Heroes." I congratulate her and the members of the Auxiliary for their commitment to safeguarding the memory of our veterans and their sacrifice for our Nation.

GOVERNORS OF ALASKA, ALABAMA, AND ARIZONA EXPRESS CONCERNS WITH UNFUNDED MANDATES IN HEALTH REFORM

HON. MIKE ROGERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 7, 2009

Mr. ROGERS of Michigan. Madam Speaker, I rise today to express concerns regarding health reform proposals which would create unfunded state mandates. Legislation currently before the House would dramatically expand the Medicaid program and place over \$35 billion in new liabilities on state budgets over the next ten years. In addition, these proposals would expand the federal government's role in administering Medicaid, which would severely handcuff states' ability to run their own programs and preempt state authority to manage Medicaid eligibility and benefits.

Over the last several weeks, governors have expressed concerns over these proposals. I would like to submit for the RECORD the following letters from the governors of Alaska, Alabama and Arizona:

SEPTEMBER 8, 2009.

Hon. MAX BAUCUS,
Chairman, Senate Finance Committee, Hart
Senate Office Building, Washington, DC.

Hon. CHARLES GRASSLEY,
Ranking Member, Senate Finance Committee,
Hart Senate Office Building, Washington,
DC.

DEAR CHAIRMAN BAUCUS AND RANKING MEMBER GRASSLEY: States cannot afford to carry the huge costs of health care reform. States (and their businesses and residents) are struggling to recover financially. The National Conference of State Legislatures (NCSL) reports states had a \$113 billion dollar budget shortfall in 2009 and the situation is getting worse. NCSL estimates state budget shortfalls will increase to \$142 billion in 2010. I am also concerned with the proposed new federal mandates that would undercut state authority over the Medicaid program.

On fiscal impact, H.R. 3200 expands Medicaid coverage to all citizens under 133 percent of the Federal Poverty Level (FPL) while the Senate HELP committee legislation assumes an expansion to 150 percent of the FPL. The Congressional Budget Office estimates these proposed expansions would require spending hundreds of billions of dollars in new public funds. While the proposals would initially place responsibility on the federal government to pay for expanding Medicaid coverage, a shift would later occur to state treasuries and the impact would be significant. For Alaska, the National Governors Association estimates it would cost \$140 million in state general funds to expand Medicaid for all Alaskans up to 133 percent of FPL in 2015. (Assuming there is full federal funding the first two years.) This

amount would increase to \$168 million by 2019, with new state expenditures amounting to billions over time.

This fiscal hit to states would come on top of the Medicaid funding cliff created by Congress in American Recovery and Reinvestment Act. (ARRA). ARRA established a temporary increase in the Federal Medical Assistance Percentage (FMAP) rate to help states deal with Medicaid costs. This higher FMAP rate is set to expire on December 31, 2010. If the higher FMAP rate is not extended, states will face an immediate and significant increase in costs to operate Medicaid programs. In Alaska, approximately \$120 million more in state general funds will be needed to operate the Medicaid program for just one year.

Further, proposals in Congress would give the federal government a stronger role in administering Medicaid and undercut state authority. Coverage would have to be expanded to childless adults who qualify and would replace the current state option to cover parents of low-income children with a federal mandate to provide coverage to qualifying adults. Maintenance of effort requirements would prevent states from adjusting eligibility to meet ever-changing fiscal conditions. Lower limits of practitioner reimbursement and coverage limits would be imposed. New services and the coverage of additional provider groups would be mandated and state flexibility in the eligibility process would be constrained. All these mandates limit state control and flexibility to control the Medicaid program.

While I am sympathetic to the dilemma of health care reform and I applaud your efforts to find a solution, I cannot support legislation from Congress that imposes costly unfunded federal mandates on Alaska and other states. Instead, the federal government should be looking for ways to give the states increased flexibility with federal funding to meet the unique needs of each state's population. This tact would lead to innovation and cost-containment as compared to the current rout pursued in existing health care legislation.

Sincerely,

SEAN PARNELL,
Governor, Alaska.

SEPTEMBER 30, 2009.

Hon. RICHARD SHELBY,
U.S. Senate, Russell Senate Office Building,
Washington, DC.

DEAR SENATOR SHELBY: Democrats and Republicans alike agree that our health care system is in need of reform; however, it appears the proposal you will likely be called to vote on has serious flaws that will have a dire budgetary impact on Alabama. As governor of our state, I am writing to express a specific concern I have about this proposal.

The Senate and House of Representatives are considering a bill that includes a major expansion of Medicaid and an increase in costs to the states. Our Medicaid Department has reviewed the cost of expanding Medicaid to 150% Federal Poverty Level and determined that it would cost state and federal taxpayers an additional \$1.2 billion per year to cover this mandate alone. Unlike the federal government, our state actually has to balance its budget. Given the effects of the current economic condition on our budgets, any additional costs will overwhelm our resources. Expecting states in the current economic climate to provide additional funding for federal mandates is not reasonable or even practical.

Instead of raising taxes, imposing mandates and charging penalties on small businesses, Congress and the White House may want to consider an approach we have begun to take in Alabama. Small businesses, those

with 24 or fewer employees, can now deduct 150% of the money they spend on health insurance premiums from their state taxes, and their employees earning up to \$50,000/year can do the same.

Rather than increasing the size and cost of government by putting more people on Medicaid, and thereby making more citizens dependent on government as Washington appears ready to do, Alabama is trying to reduce the burden of health care costs for the overwhelming majority of its employers and their employees. I believe our state can be looked to as a model for other states.

Our Medicaid program is a national innovator in the area of medical homes and health information technology. A higher percentage of Alabamians have health insurance than the nation as a whole, and Alabama has a lower percentage of uninsured children than the nation as a whole. In addition to achieving higher rates of coverage, Alabama has some of the nation's lowest health care costs. That is one reason why Alabama has been so successful in attracting national and international companies and the thousands of jobs they have created in our state.

Not only is health care less expensive in Alabama than just about anywhere else in the country, we are also an open market for insurers. More than 300 companies are licensed to sell health care insurance in our state. We encourage competition and welcome insurers to help in the effort to drive down costs.

We, as a nation, must address the problems of our existing health care system, but simply unloading them on the states will not work. I thank you for your interest in this very important matter and look forward to working with you to find common sense ways to reform our health care system.

Sincerely,

BOB RILEY,
Governor, Alabama.

JULY 16, 2009.

Senator JOHN MCCAIN,
U.S. Senate, Russell Senate Bldg.,
Washington DC.
Senator JON KYL,
U.S. Senate, Hart Senate Bldg.,
Washington DC.

DEAR SENATOR MCCAIN AND SENATOR KYL: Thank you for the opportunity to provide information about Arizona's Medicaid program, the Arizona Health Care Cost Containment System (AHCCCS).

As you know, Arizona is facing one of the worst financial deficits in the nation and projections show that the State is expected to make a slow recovery. In the meantime, unemployment has continued to increase and counter-cyclical programs like AHCCCS have continued to experience record-breaking enrollment. In the last four months alone, AHCCCS has grown by more than 100,000 new enrollees, and July 2009 enrollment is almost 17 percent above the same month in 2008. Total enrollment, including our Title XXI KidsCare program, in July reached 1,275,109 members, which is almost 19 percent of the state's total population.

I am proud that AHCCCS program has served as a model for other state Medicaid programs across the country in terms of cost containment. This is due, in large part, to the fact that AHCCCS is a capitated managed care model and 65 percent of its long-term care members receive home and community based services rather than institutional care. According to the Kaiser Family Foundation, AHCCCS has the lowest per member per year (PMPY) cost among Medicaid programs in the country. The average PMPY costs are: (1) \$5,645.52 for acute care; (2) \$45,960.72 for long-term care, which is a blended average of our elderly and physically

disabled and developmentally disabled programs. The weighted average PMPY cost across all Title XIX groups is \$7,182.60.

I am concerned that the Medicaid expansion proposals being discussed at the federal level do not consider the fiscal difficulties states are facing and are likely to continue to face over the next few years. At the same time as Congress is considering prohibiting states from changing their Medicaid eligibility standards, there have been discussions about establishing a federal floor for Medicaid provider rates, which even further limits state flexibility in setting funding levels. State flexibility has been key to Arizona's success in developing and efficiently managing a Medicaid program that provides high quality care at a low cost.

Even with our strong cost containment measures, I remain concerned about Arizona's ability to sustain the existing AHCCCS model, let alone a mandatory expansion to 150 percent, regardless of whether the federal government provides full financing of the expansion for the first five years. Medicaid is already an increasing share of state budgets—Arizona's General Fund spending on AHCCCS has increased by 230% over the past ten years, and has risen from 8 percent of General Fund spending in FY 1999 to an estimated 16 percent in FY 2009.

Maintaining this level of spending increases will be difficult, especially given that Medicaid enrollment and costs continue to rise. Moreover, Arizona's revenues are not expected to turn around for several years and, even when they do rebound, we would require significant revenue growth in order to sustain rising expenditures for the existing Medicaid program.

Attached, please find data responsive to your requests. There is a summary sheet that provides an overview of the information requested, along with several other sheets that provide additional detail. As you know, there are many unanswered questions regarding the proposals. This analysis includes the assumptions that were used to develop the figures, which will obviously change as the proposals are refined.

Please do not hesitate to contact my office if you have questions or should require additional information. I share your concern regarding Arizona's ability to expand its Medicaid program and what the long-term fiscal implications will be for Arizona, and I hope you find this information useful as you consider the various proposals that are before you.

Sincerely,

JANICE K. BREWER,
Governor, Arizona.

COMMENDING JOYCE BOLAND FOR RECEIVING THE REGIONAL COMMISSIONER'S CITATION FROM THE SOCIAL SECURITY ADMINISTRATION

HON. TODD RUSSELL PLATTS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 7, 2009

Mr. PLATTS. Madam Speaker, I rise today to commend my constituent, Joyce Boland, for receiving the Regional Commissioner's Citation from the Social Security Administration. The Regional Commissioner's Citation is the second highest award that Social Security gives to employees who demonstrate the highest standards of professionalism as established by the agency.

Joyce Boland has worked for the Social Security Administration for 39 years and has

dedicated her life to public service. She is often asked to train and mentor employees in other branches, which she does without hesitation. In fact, this is the third time she has received the Regional Commissioner's Citation, an award that is rarely awarded even once in a career, let alone three times.

I applaud the good service that Joyce Boland has not only provided the Social Security Administration, but to the citizens of York County and Pennsylvania as a whole. For this reason, I urge my colleagues to join me in commending Joyce Boland for her good work and service to her country.

INTRODUCTION OF THE "WATER TRANSFER FACILITATION ACT OF 2009"

HON. JIM COSTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 7, 2009

Mr. COSTA. Madam Speaker, today with Congressman CARDOZA I introduced the "Water Transfer Facilitation Act of 2009." The measure should reduce unnecessary delays in water transfers at a time when Central Valley farmers have been hard hit by a three-year drought. It would allow new water transfers of roughly 250,000 to 300,000 acre-feet of water per year. The bill would grant new authority to the Bureau of Reclamation to approve voluntary water transfers between sellers and buyers in the San Joaquin Valley. The measure also would streamline environmental reviews for Central Valley water transfers by ensuring that they occur on a programmatic basis, instead of the current project-by-project basis.

Transferring water between and within counties for water districts is a critical tool during periods of drought. While the best solution would be to have the federal and state pumps fully operational, because we have been unable to modify the Endangered Species Act, this change in the law provides us some relief. This legislation makes permanent the ability to transfer water to our Valley's farms when it is most needed, therefore, allowing our farmers a lifeline to continue to grow crops and help our local economy. More will need to be done to protect the Valley's water, and I will continue that fight.

The bill is supported by a great number of water users across the Central Valley, including the following: Friant Water Users Authority, San Joaquin River Exchange Contractors Authority, Delta-Mendota Canal Authority, Westlands Water District, Metropolitan Water District, Glenn Colusa Irrigation District, Northern California Water Association, Banta-Carbona Irrigation District, Tehama-Colusa Canal Authority, Association of California Water Agencies, Placer County Water Agency, Conaway Preservation Group, and Reclamation District 2035.

I have submitted several of these support letters, and I understand that Mr. CARDOZA will submit additional letters as well.

FRIANT WATER USERS AUTHORITY,

Lindsay, CA, October 1, 2009.

Subject: Support for transfer legislation for the Central Valley Project.

Hon. Congressman JIM COSTA,
Longworth House Building,
Washington, DC.

DEAR CONGRESSMAN COSTA: On behalf of Friant Water Users Authority (Authority), we thank you for introducing transfer legislation for the Central Valley Project (CVP) and we support your efforts and this legislation as a means of providing greater flexibility for management of CVP water supplies.

The diminished water deliveries to the CVP as a result of 3 years of below average precipitation amplified by various regulatory restrictions, including the ESA and the most recent delta smelt and salmon Biological Opinions, have, as you know, created a desperate situation in the San Joaquin Valley.

While long-term solutions are being sought, numerous short term efforts are needed to help bridge the water supply gap and greater flexibility, as provided in your legislation, to move water supplies across the San Joaquin Valley would be a useful tool. In addition, the legislation would help Friant districts affected by the SJR Settlement improve management of surface and groundwater supplies.

The Authority consists of nineteen member water, irrigation and public utility districts. The Friant Service area includes approximately one million acres and 15,000 mostly small family farms on the east side of the southern San Joaquin Valley (Madera, Fresno, Tulare and Kern County). Friant Division water supplies are also relied upon by several cities and towns, including the City of Fresno, as a major portion of their municipal and industrial water supplies.

We look forward to engaging in this effort and working closely with you and your staff in advancing this legislation and addressing California water issues.

Sincerely,

RONALD D. JACOBSMA,
Consulting General Manager.

SAN LUIS & DELTA MENDOTA

WATER AUTHORITY,

Los Banos, CA, October 5, 2009.

Re Water Transfer Facilitation Act of 2009.

Hon. DIANNE FEINSTEIN,
U.S. Senate,
Washington, DC.

Hon. BARBARA BOXER,
U.S. Senate,
Washington, DC.

Hon. DENNIS CARDOZA,
House of Representatives,
Washington, DC.

Hon. JIM COSTA,
House of Representatives,
Washington, DC.

DEAR SENATOR FEINSTEIN, SENATOR BOXER, MR. CARDOZA, AND MR. COSTA: I am writing on behalf of the San Luis & Delta-Mendota Water Authority to express our enthusiastic support for your bill, the Water Transfer Facilitation Act of 2009, authorizing certain transfers of water in the Central Valley Project and other purposes. Water transfers are essential to sound water management and often are time sensitive. Your legislation will bring important reform to existing transfer authorization thus increasing the efficacy of this essential water management tool.

As you are keenly aware, coping with California's water crisis and, in particular, the chronic water supply shortages impacting the Central Valley Project demands utilization of various best management practices