

April 9, 2014

Dear Speaker Howell,

On behalf of our supporters, millions of Virginia taxpayers, and taxpayer advocates, **I write to thank you for your leadership in the fight against Obamacare's Medicaid expansion in Virginia.**

As a candidate for governor, Terry McAuliffe was asked about the use of Obamacare as a negotiation tactic during last year's federal budget impasse. He opined, "These things should never be used as bargaining chips for our budget." Under your leadership, Republicans have rightfully held Democrats in Richmond to this standard. I would urge continued strength on this matter.

Medicaid expansion in Virginia would be disastrous for several reasons. **First, Medicaid expansion will not save taxpayers money.** Over the past thirty years, the program has grown by 1,683 percent. Adjusted for inflation, growth has still been roughly 700 percent, now comprising nearly a fourth of the state budget at \$8.1 billion. Cost per recipient has also increased by roughly 6 percent per year to \$6,500 per enrollee.

Medicaid will continue to be an ever-growing financial burden to the state. As far as the federal match, Congressman Paul Ryan's warning is telling:

"The fastest thing that's going to go when we're cutting spending in Washington is a 100 or 90 percent match rate for Medicaid. There's no way. It doesn't matter if Republicans are running Congress or Democrats are running Congress. There's no way we're going to keep those match rates like that."

Second, the dramatic and unsustainable growth of Medicaid in Virginia crowds out funding for other budget priorities like transportation, education, and public safety. Adding hundreds of thousands of more enrollees to the state system will decrease the quality of care already provided to individuals enrolled in the program now. It will do this while forcing the legislature to cut costs in other areas of the budget to fund a program that provides sub-par quality of care to Virginians in need.

Third, the state Medicaid system needs serious reform. Though that task falls within the purview of the Medicaid Innovation and Reform Commission, or MIRC, the legislature would be wise to take the issue head on in the next 12-16 months. **Reform should not be a precursor to expansion; it should be the only alternative Republicans are willing to accept.** Ken Cuccinelli was a leader in exposing the waste, fraud, and abuse that runs rampant throughout Medicaid and an independent audit would be a good start and would potentially save Virginia taxpayers millions of dollars.

Virginia should begin to follow in the footsteps of other states that are beginning reform the way they provide health care through Medicaid. For example, pilot programs in Florida have saved the state roughly \$100 million per year by enrolling poor and disabled patients in private health insurance.

We applaud your leadership and commitment to stop Medicaid expansion and look forward to working with you and the legislature going forward. If you have any questions, please contact state affairs manager Paul Blair at 202-785-0266 or by email at pblair@atr.org.

Onward,



Grover Norquist
President, Americans for Tax Reform

722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T:(202)785-0266

F:(202)785-0261

www.atr.org