

**Floor Statement of U.S. Senator Chuck Grassley
Response to Supreme Court Decision on Medicaid
Friday, June 29, 2012**

Mr. President, the Supreme Court yesterday overturned the mandatory Medicaid expansion in the Affordable Care Act.

As of yesterday, the states now have a choice to expand or not expand coverage to the poorest people in society without being subjected to harsh federal penalties.

Mr. President, I'd like to draw attention to a speech I gave on the Senate floor on December 2011 on the subject of the constitutionality of the Medicaid expansion. I expressed my concerns then about the potential impact of a Supreme Court decision on Medicaid expansion.

I said on the floor that day, "... A Supreme Court ruling in favor of the States in this case could not only jeopardize the mandated Medicaid expansion in the Affordable Care Act but could challenge the fundamental structure of Medicaid and have broader implications outside health care."

The concerns I expressed then have, to a degree, come true.

Reading from a *Washington Post* editorial this morning about the Court ruling on Medicaid, "... this restriction of federal authority may have greater ramifications than the court's limiting of the Commerce Clause. One can imagine challenges to federal conditions across a wide spectrum of programs, including but not limited to the environment, education and transportation."

This decision overturns the mandatory expansion of the Medicaid program. And while I realize most of the focus is on the decision related to the tax mandate, we should spend a moment talking about the consequence of the Medicaid decision.

Mr. President, one of the goals of health care reform was to provide coverage for people in need.

I would argue the people most in need of coverage are people without a job, people without an income, the poorest of the poor.

The Affordable Care Act required states to cover people below poverty through Medicaid.

States were mandated to expand to cover people below poverty.

Yesterday, the Supreme Court ruled that mandatory expansion unconstitutional. Writing for the majority, Chief Justice Roberts said, "... Nothing in our opinion precludes Congress from offering funds under the Affordable Care Act to expand the availability of health care, and requiring that States accepting such funds comply with the conditions on their use. What Congress is not free to do is to penalize States that choose not to participate in that new program by taking away their existing Medicaid funding."

With this decision, states now have the option to expand Medicaid to cover people below poverty.

Mr. President, the states had that option before the Affordable Care Act was passed. So what does this decision mean in real terms?

It will be up to the states to determine if they will cover the poorest of the poor. The federal government cannot guarantee coverage.

So now people with jobs will have to purchase insurance under the tax mandate. People without an income, people who are below poverty are dependent upon the state in which they reside.

Now I know some people will believe that the choice is perfunctory, that Medicaid expansion will move forward because the federal government has offered to pay for more than 90 percent of the expansion.

But if you were a state, would you really trust a promise from a federal government that is \$15 trillion in debt?

If you were a state, would you really trust an Obama Administration that proposed eliminating that special federal payment rate through a proposal known as the blended rate? States will very reasonably be risk adverse.

States can now expand if they choose or not at all.

No one should assume for a second all states will expand to cover as much as was mandated under the Affordable Care Act.

Of course, you might think people below poverty could still get health care through tax credits, but the people who wrote this bill made people below poverty ineligible for tax credits. That's right ... ineligible.

It's all or nothing for the poor with Medicaid.

With today's ruling, the answer is nothing.

On December 15, 2011, I said on the Senate floor that the expansion of Medicaid and the coverage of poor people was in jeopardy because, "... the White House and the Democratic majority put their partisan goals ahead of collaboration with Republicans and States to build legitimate public policy."

Today, that is the outcome.

When people with income, people with jobs are mandated to purchase health insurance and face a tax penalty if they don't, while the poorest people in society, those without job or income have a guarantee of nothing, I think victory laps are premature.

After this decision, a person in a family with an income of more than \$80,000 a year would be guaranteed access to a subsidy to buy private insurance, while a person in a family with no income would be guaranteed nothing.

When people below poverty, the people who least can afford coverage or the consequence of not having coverage are left with nothing, that sounds like a failure to me.