



May 13, 2013

Senator Orin Hatch
Ranking Member
Senate Finance Committee
104 Hart Senate Office Building
Washington, DC 20510

Chairman Fred Upton
Chairman
House Energy and Commerce Committee
2125 Rayburn House Office Building
Washington, DC 20515

Dear Senator Hatch and Chairman Upton:

Thank you for the release of your recent blueprint plan: *Making Medicaid Work*. As a Governor, I recognize that Medicaid needs to be reformed and not simply expanded. Medicaid, in its present iteration, is outdated and costs billions of taxpayer dollars while producing poor outcomes. Without fundamental reform, Medicaid will continue to deliver what it has for decades: limited access, poor quality care, and budget deficits. We are encouraged by your response to the nation's governors by proposing sensible Medicaid reforms in your "*Making Medicaid Work*" blueprint, which highlights many of the reforms articulated in RGPPC's 2011 Medicaid plan: *A New Medicaid: A Flexible, Innovative and Accountable Future*. The flexibility given to states and fiscal reforms included in the Committee's blueprint should enable governors to tailor the program to their respective state's needs and ensure higher quality care for their most vulnerable citizens.

Republican governors also urge the full repeal of the Health Insurance Tax (HIT), which falls in section 9010 of the Patient Protection and Affordable Care Act (PPACA). A study commissioned by the National Federation of Independent Business (NFIB) found that increased health care costs resulting from the tax will cost up to 249,000 jobs by 2021, with 59 percent of those job losses falling on small businesses; and reduce real GDP by as much as \$36 billion over that time period. The Health Insurance Tax increases health care costs, kills jobs and hinders our economic recovery – all of which are completely incompatible with the overarching aspiration of Republican governors: to create more jobs for all of their citizens. As Congress considers future healthcare or tax reform, this tax on states and small businesses must be repealed.

As many state legislative sessions are coming to an end, several major challenges with implementing PPACA remain. These challenges must be addressed in an immediate and thoughtful way to improve, and not jeopardize, healthcare reform in the United States. We appreciate your recognizing states' needs and your willingness to provide flexibility to improve programs rather than add to a broken system.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Brownback". The signature is fluid and cursive, with the first name "Sam" being particularly prominent.

Governor Sam Brownback
State of Kansas