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HATCH ON SEBELIUS LETTER TO GOVERNORS ON MEDICAID

Utah Senator Says Medicaid Reform Key to Fixing Federal, State Budget Shortfalls

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, responded to a letter sent by Secretary of Health and Human Services Kathleen Sebelius to the nation’s governors today, which restated the limited options available to states to address Medicaid costs.

“Facing a collective \$175 billion budget shortfall, states are looking for real solutions – not more platitudes – from this Administration when it comes to reducing the burden of increased Medicaid spending in the health law,” said Hatch. “Unfortunately, federal Medicaid mandates restricting state flexibility for nearly a quarter of their budgets has fundamentally changed a federal-state partnership into a Washington-dictated approach. States should be able to manage their programs without excessive interference from Washington. Lifting these unreasonable restrictions and reforming Medicaid is an absolute necessity and is key to fixing not only state budget shortfalls, but our federal government’s as well.”

Hatch fought hard against the expansion of the broken Medicaid program in the health law. Not only does the mandated expansion place increased budget obligations on states, the health law did nothing to fix the underlying access and fraud problems in the Medicaid program. To make matters worse, the law included new federal “Maintenance of Effort” restrictions on the states that forces states to maintain expanded eligibility requirements even if they cannot afford it.

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