



March 2, 2015

President Barack Obama
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President:

The Texas Medicaid program has grown from 11% of the state budget in 1987 to 29% in 2015, and caseloads have skyrocketed from 2.1 million individuals in 2002 to an expected 4.3 million by 2017. This trajectory is *clearly* unsustainable. Moreover, the state's Medicaid program continues to crowd out funding necessary to support other crucial needs such as education, transportation infrastructure, and the development of reliable and sustainable water resources.

This untenable situation has been further exacerbated by the impacts of the federal Patient Protection and Affordable Care Act (ACA). Since its passage and implementation, the ACA has imposed excessive federal requirements on our state that are projected to cost over a billion dollars. In addition to the significant number of individuals expected to enter the Texas Medicaid program due to ACA mandates unrelated to Medicaid expansion, this fundamentally flawed law has forced Texas to navigate an ever-growing and ever-changing array of rules and regulations.

Despite the legal and fiscal uncertainty of the law, some in our state, and many in Washington D.C., continue to call for an expansion of Medicaid. However, our focus as a state must be centered on ways to control costs in our *existing* Medicaid program in order to ensure the long-term sustainability of the program designed to care for our state's most vulnerable citizens -- the elderly, the disabled, pregnant women, and children.

Texas has already implemented numerous strategies to contain costs in the Medicaid program, including the implementation of managed care and other cost containment initiatives, which have saved taxpayers hundreds of millions of dollars in recent years. In addition, the Texas Healthcare Transformation and Quality Improvement Program 1115 Waiver has allowed the state to transform health care delivery systems and test innovative new care models to improve access to care while lowering costs.

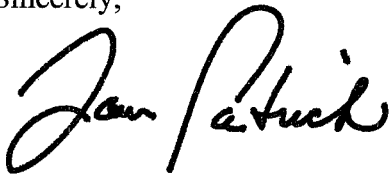
However, the federal government's continued refusal to grant our state more autonomy over our own Medicaid program leaves us with an unsustainable cost growth trajectory and frustrating, inflexible mandates that prevent effective program management.

We implore you to allow the state of Texas more flexibility within our current Medicaid program to allow us to design a program that is stable and sustainable for Texans. Specifically, we seek to implement the following, at a minimum, to more effectively manage the Medicaid program:

- personal accountability requirements, including cost-sharing, missed appointment fees, and health savings accounts;
- tailored benefit packages;
- work requirements for able-bodied adults;
- reduced administrative burdens for providers;
- asset testing as part of eligibility criteria;
- reinstatement of the active renewal process;
- customized certification periods;
- exemption from the ACA health insurance issuer fee;
- exemption from ACA maintenance of effort requirements; and
- exemption from hospital presumptive eligibility.

The Texas Medicaid program is a national leader in innovation and cost containment, but the state must have the flexibility it needs to manage its own program. We have proven ourselves to be reliable stewards of state and federal funds. We look forward to your response so that we may continue to provide the appropriate care for our state's most vulnerable citizens, while designing a sustainable program that is accountable to taxpayers.

Sincerely,



Lieutenant Governor Dan Patrick



Senator Charles Schwertner, MD
Chair, Senate Committee on Health and
Human Services



Senator Paul Bettencourt



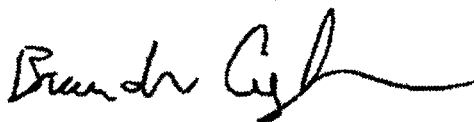
Senator Brian Birdwell



Senator Konni Burton



Senator Donna Campbell, MD



Senator Brandon Creighton



Senator Kevin Eltife



Senator Craig Estes



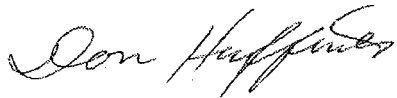
Senator Troy Fraser



Senator Bob Hall



Senator Kelly Hancock



Senator Don Huffines



Senator Joan Huffman



Senator Lois Kolkhorst



Senator Jane Nelson



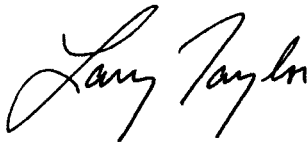
Senator Robert Nichols



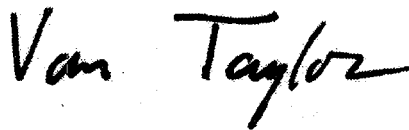
Senator Charles Perry



Senator Kel Seliger



Senator Larry Taylor



Senator Van Taylor