

RON WYDEN  
OREGON

RANKING MEMBER OF COMMITTEE ON  
FINANCE

221 DIRKSEN SENATE OFFICE BUILDING  
WASHINGTON, DC 20510  
(202) 224-5244

United States Senate  
WASHINGTON, DC 20510-3703

COMMITTEES:

COMMITTEE ON FINANCE  
COMMITTEE ON BUDGET  
COMMITTEE ON ENERGY & NATURAL RESOURCES  
SELECT COMMITTEE ON INTELLIGENCE  
JOINT COMMITTEE ON TAXATION

March 14, 2017

The Honorable Tom Price  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Dear Secretary Price:

As Ranking Members of the U.S. Senate Finance Committee and the House Energy and Commerce Committee, we have the responsibility and privilege of protecting the rights of the more than 74 million Americans who receive health care under the Medicaid and CHIP programs. In light of that responsibility, we are writing to remind you of the statutory objectives of the Medicaid program put forth by Congress and to express our deep concern with approval of waivers based on ideological and misguided policies that are not in line with Congress' longstanding intent for the Medicaid program.

Medicaid provides comprehensive and affordable health coverage to millions of seniors, people with disabilities, children, and working adults. It supports the providers, hospitals, and clinics that serve our communities, boosting state and local economies. The Affordable Care Act's (ACA) Medicaid expansion is indisputably a good deal for states and has been life-changing for millions of beneficiaries. The Congressional Budget Office (CBO) estimates that states will spend just 1.6 percent more on Medicaid and CHIP with the expansion than they would have without health reform.<sup>1</sup> This modest cost more than pays for itself with benefits to a state's economy. These fiscal impacts are substantial. For example, one study estimated savings and revenue of \$1.8 billion by the end of 2015 across the eight expansion states it examined.<sup>2</sup> Research shows that beneficiaries in states that have expanded Medicaid have greater access to health care services and fewer problems paying their medical bills<sup>3</sup>, and hospitals are admitting

<sup>1</sup> Data extrapolated from CBO Updated Budget Projects 2015 to 2025 (March 2016), available at [http://www.cbo.gov/sites/default/files/cbofiles/attachments/49973-Updated\\_Budget\\_Projections.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/49973-Updated_Budget_Projections.pdf).

<sup>2</sup> Judith Solomon, *Medicaid Expansion: State of Play and What's to Come*, NIHCM Foundation (Jan. 2016), available at <http://www.nihcm.org/categories/medicaid-expansion-state-of-play-and-what-s-to-come>.

<sup>3</sup> Benjamin D. Sommers et al., *Changes in Utilization and Health Among Low-Income Adults After Medicaid Expansion or Expanded Private Insurance*, JAMA Internal Medicine (Aug. 8, 2016).

911 NE 11TH AVENUE  
SUITE 630  
PORTLAND, OR 97232  
(503) 326-7525

405 EAST 8TH AVE  
SUITE 2020  
EUGENE, OR 97401  
(541) 431-0229

SAC ANNEX BUILDING  
105 FIR ST  
SUITE 201  
LA GRANDE, OR 97850  
(541) 962-7691

U.S. COURTHOUSE  
310 WEST 6TH ST  
ROOM 118  
MEDFORD, OR 97501  
(541) 858-5122

THE JAMISON BUILDING  
131 NW HAWTHORNE AVE  
SUITE 107  
BEND, OR 97701  
(541) 330-9142

707 13TH ST, SE  
SUITE 285  
SALEM, OR 97301  
(503) 589-4555

fewer uninsured patients.<sup>4</sup> Medicaid expansion also has a positive effect on private insurance marketplace consumers, leading to decreased premiums by an estimated 7 percent in expansion states.<sup>5</sup>

Medicaid has made significant strides as a program, particularly in recent years. The opportunity has never been greater to build on recent state successes and move the program forward. There are groundbreaking examples of innovation happening—on a small and large scale—in every single state Medicaid program today. Medicaid’s existing flexibility has allowed states to become laboratories of health innovation to deliver quality care and protect consumers against health crises while lowering costs. These initiatives are informing efforts we would like to see elsewhere in our health care system.

The Medicaid program is a health insurance program, and Medicaid’s statutory objective is clear: the program is intended to provide “medical assistance [to eligible individuals] whose income and resources are insufficient to meet the costs of necessary medical services” and “rehabilitation and other services to help such families and individuals attain or retain capability for independence or self-care.”<sup>6</sup> We support the use of existing flexibility to advance these objectives. Approval of waivers which include misguided and harmful ideological policies that are not in line with the aforementioned stated statutory objective do not align with this Congressional intent. Work requirements, lock-out periods, time limits, and imposition of onerous premiums and cost-sharing on Medicaid families, who are generally living on a budget of roughly less than \$15,000 per year, are not only punitive but also counterproductive in the long term. Requiring poor families to pay more than they can afford for care makes them less likely to access the care they need and less likely to maintain their coverage. Ultimately, this leads to poorer health and more frequent use of the emergency room. Instead, as Secretary of the U.S. Department of Health and Human Services (HHS), you should be focused on encouraging states to implement effective ways of coordinating care and delivery system reforms, helping families get the full range of health and social services they need to be healthy and engaged in the community.

In recent years, the Medicaid program has made significant gains. Medicaid is covering more people, and states are piloting new and innovative delivery systems that provide better integration of care while constraining costs. Medicaid waiver proposals must be judged on the Centers for Medicare & Medicaid Services’ (CMS) stated principles: whether they strengthen coverage, expand access to providers, improve health outcomes, and increase the efficiency and the quality of care for individuals.<sup>7</sup> We urge you to continue to adhere to such standards, which

---

<sup>4</sup> Jesse Cross-Call, *More Evidence of Medicaid Expansion’s Positive Effects*, Center on Budget and Policy Priorities (Jan. 11, 2016), available at <http://www.cbpp.org/blog/more-evidence-of-medicaid-expansions-positiye-effects>.

<sup>5</sup> ASPE Issue Brief: The effect of Medicaid Expansion on Marketplace Premiums, (Sept. 6, 2016), available at <https://aspe.hhs.gov/sites/default/files/pdf/206761/McaidExpMktplPrem.pdf>

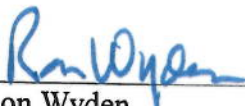
<sup>6</sup> 42 U.S.C. § 1396-1.

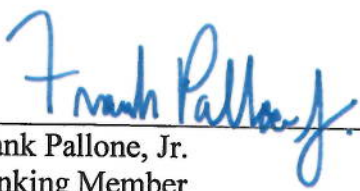
<sup>7</sup> Centers for Medicare & Medicaid Services (CMS), *Section 1115 Demonstrations*, available at <https://www.medicare.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/Section-1115-Demonstrations.html>.

are founded on Congress' longstanding intent that is reflected in the statute that has governed the Medicaid program for more than fifty years. In the end, a high-quality Medicaid program pays back all of us as a society.

We look forward to working with HHS to move the Medicaid program forward by building on successful state efforts that support beneficiaries and ensure a strong program in the coming years.

Sincerely,

  
\_\_\_\_\_  
Ron Wyden  
Ranking Member  
Senate Finance Committee

  
\_\_\_\_\_  
Frank Pallone, Jr.  
Ranking Member  
House Energy and Commerce Committee

cc: Mrs. Seema Verma  
Administrator, Centers for Medicare & Medicaid Services  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, MD 21244-1850