

## From the Desk of Governor Janice K. Brewer

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March 6, 2013

Dear Fellow Republican,

First and foremost, I want to thank you for your tireless service as a precinct committeeman here in Arizona. It is because of your dedication and hard work that we have been successful in promoting Republican values and helping Republican candidates get elected. Thanks to your efforts these past two election cycles, we now have Republicans in all of our statewide offices!

Like many of you, I opposed President Obama's health care plan from the start. I led Arizona in joining a coalition of states that sought to block the program in court, and I have taken every opportunity to argue for health reform with less bureaucracy, more patient choice and lower costs. Try as we might the law was upheld by the U.S Supreme Court. Moreover, Republicans failed to capture the White House, and the Democrats remain in control of the U.S. Senate. In short, the Affordable Care Act isn't going anywhere – at least not for the next three years.

I understand that some of my fellow Republicans are concerned with my decision to ask our State to restore and expand Arizona's Medicaid population in accordance with Federal law. I am not under the illusion that all of you will agree, but I want to let you know specifically why I came to this conclusion. Believe me; I know the financial crisis faced by our Federal Government. But Arizona's Medicaid program is not the problem. It is, in fact, a large part of the solution as the most efficient, cost-effective Medicaid system in the country. Arizona should be exporting to other states what we have learned in operating a truly fee-for-service, managed-care Medicaid system. We should fight for real reform – not sideline the State of Arizona from this critical debate.

That is why this past week I met with Arizona's entire Congressional delegation. I implored them to insist the Federal Government adopt Arizona's system of cost-containment strategies and programs at the Federal level. Why? Because states like New York and Connecticut are spending out of control on their Medicaid populations – nearly twice as much per patient as Arizona. Consider the fact that in 2009, the average cost for an Arizona enrollee per year was \$4,484. The average cost per enrollee in New York was \$8,960 and the average cost per enrollee in Connecticut was \$9,577! We must demand that other states follow Arizona's lead.

As I weighed this Medicaid decision, I had three options but really only one choice. The options were:

- 1) Do nothing and watch nearly 60,000 people, including cancer patients in the middle of treatment, be removed from Medicaid when the federal authority for our existing program expires at the end of 2013;
- 2) Follow the will of Arizona voters and restore coverage up to 100% of the Federal Poverty Level (FPL). This option is cost-prohibitive unless the State expands fully, allowing us to access federal assistance;
- 3) Restore Medicaid coverage as the voters have demanded and expand it slightly – allowing us to tap into federal resources and remove pressure from the State General Fund.

Remember: Doing nothing will mean nearly 60,000 fellow Arizonans will be automatically dropped from the Medicaid rolls when the federal authority under which we operate the program expires December 31, 2013. Do you doubt the Obama administration would allow that to happen? Consider the political ramifications (in an election year) if the Arizona GOP is blamed for tens of thousands of Arizonans losing medical care. If the President is willing to free thousands of illegal immigrants just for political gain, there is no doubt he would let this happen as well.

At its core, this issue is truly a matter of dollars and cents. When our fellow Arizonans without insurance get sick or injured, they seek treatment in the Emergency Room – the most costly alternative. This kind of ‘uncompensated’ care is hurting our hospitals, dragging down our economy and weighing down regular Arizonans.

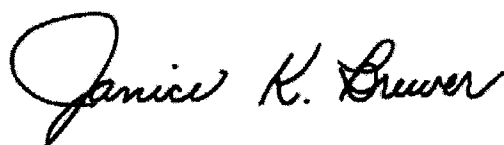
Studies have shown that an average Arizona family’s insurance premium is nearly \$2,000 higher in order to cover the health care costs of people showing up at the hospital who cannot pay. I call this the Hidden Health Care Tax because it’s a tax every Arizonan and every Arizona business pays. The next time you hear someone falsely claim my Medicaid plan raises taxes, ask them why they continue to make excuses and cover for the Hidden Health Care Tax.

My Medicaid Plan doesn’t rely on federal promises. It includes strong protections to make certain Arizona isn’t left holding the bag if a future Congress or President reduces federal matching rates for states like ours. With our “Circuit Breaker,” Arizona will roll back its Medicaid restoration if the federal government doesn’t live up to its end of the bargain. I will not allow a bait-and-switch.

It has been the honor of my life to serve Arizona in elected office for more than 30 years. I have never lost an election. Many of the same people who are disagreeing with me now, disagreed with parts of my budget plan to address the fiscal mess I inherited. My plan worked. Arizona’s budget is balanced and now has a nearly-\$1 billion surplus. And the GOP has reaped the rewards, with my fellow Republicans sweeping every statewide office and two-thirds majorities in both Houses of our State Legislature in 2010.

I know if Republicans follow my plan on this difficult issue, we will again be victorious. If you would like to see more about this plan, visit [www.RestoringArizona.com](http://www.RestoringArizona.com) or [azgovernor.gov/Medicaid.asp](http://azgovernor.gov/Medicaid.asp). More than 110 business, health care, religious and public service organizations from every corner of Arizona have already endorsed my plan. Join us! Thank you for giving me the honor of your attention, and for your dedicated service to our Grand Old Party!

Sincerely,

A handwritten signature in black ink that reads "Janice K. Brewer". The signature is written in a cursive, flowing style.

Governor Jan Brewer