

Office of the Governor
State of Louisiana

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January 5, 2017

VIA ELECTRONIC MAIL

The Honorable Kevin McCarthy
Majority Leader
United States House of Representatives
H-107, U.S. Capitol Building
Washington, D.C. 20515

Dear Majority Leader McCarthy:

Thank you for reaching out to the nation's governors to solicit input on health care reform, and I appreciate you taking the time to meet with me to discuss Louisiana's recovery needs while I was in Washington, DC. As you consider changes to the existing health care law, I stand ready to work with you and your colleagues to preserve what is working and fix what is broken with our nation's health care system.

To begin, I must stress that the expansion of Medicaid is working in Louisiana. In just six months, nearly 375,000 Louisianans have gained health care coverage. For the very first time in our state's history, we are able to deliver primary care and better health outcomes for our working people. Since July 1st of last year:

- Nearly 47,000 patients have had a primary care visit or received a preventive health service;
- More than 4,500 women have been screened for breast cancer, and 58 have been diagnosed and received treatment;
- More than 4,000 people have received a colon cancer screening, more than 1,000 had a potentially cancerous polyp removed, and 45 were diagnosed with cancer that can now be treated;
- More than 850 people have been newly diagnosed with diabetes;
- More than 2,000 people have been newly diagnosed with hypertension.

In addition, I hear stories every day demonstrating that some of our newly-covered residents no longer are having to visit an emergency room for routine care now that they have coverage. One of the most satisfying stories I've heard is from a hospital administrator who told us that in November, his hospital did not treat any uninsured patients. For a hospital in a rural Louisiana community, this is an incredible change that is fully attributable to Medicaid expansion.

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Louisiana faces the dual challenges of being a state with some of the highest numbers of low-income working people who also experience the poorest health outcomes in the nation. Providing health coverage and access is the first step toward better disease management that will result in a healthier workforce and improved health outcomes for our people. The evidence is clear that Medicaid expansion has already been life-changing—and life-saving—for thousands of Louisianans.

Medicaid expansion has also been a benefit to states like ours struggling with budget difficulties. After taking office in January 2016, I inherited a nearly \$2 billion deficit for the fiscal year that began on July 1, 2016. In just this first fiscal year, Louisiana will save \$184 million and will save an estimated \$330 million next year by reducing funding on inefficient charity care programs and redirecting resources toward primary care. Those savings prevented deep cuts to not just health care services, but higher education and public safety. Expanding coverage and stabilizing our budget is also important for our health care providers who not only provide critical care, but create tens of thousands of jobs across our state. Further, Medicaid expansion has provided hundreds of new jobs in the health care sector, and infusions of new capital into health care and related services. These new investments have been a lifeline for many communities and families across our state.

Given its success in Louisiana and across the country, I strongly believe that any health care plan Congress considers must retain expansion to ensure access to coverage for the millions of working Americans who need it most.

Moving beyond Medicaid expansion, I appreciate that Congressional leadership is interested in providing states more flexibility and look forward to participating in those conversations. However, the prospect of flexibility being contingent on Medicaid block grant or per capita cap schemes that include deep funding cuts is troubling to me and other governors I have spoken with. Under such a scenario, flexibility would really mean flexibility to cut critical services for our most vulnerable populations, including poor children, people with disabilities and seniors in need of nursing home and home-based care. As you know, Medicaid is the largest provider of long-term care in the nation. As the population ages, it is difficult for me to see how a block grant will help, rather than hurt, our efforts to provide care for those who cared for us—our parents and grandparents. I strongly believe that rationing health care is not the right approach for Louisiana and our nation.

Since taking office, I have tasked my team to develop innovative ways for our state to deliver health care in the most efficient way possible for our citizens, and this is an area where I am eager to work with you. Here in Louisiana, we are focused on improving the reforms of my predecessor—who moved Medicaid from a fee-for-service to a managed care system—and building on the success of Medicaid expansion by partnering with providers to find ways to reform payments, improve quality and create a high-value health system. Block grants and repeal of Medicaid expansion would undermine these efforts and further exacerbate our budget crisis.

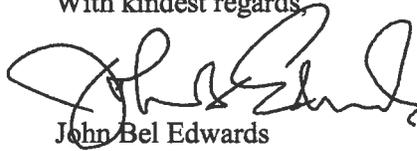
Finally, as you and your colleagues consider changes to the health care system, I would respectfully ask that you make stability a top priority. I am concerned by press reports, including statements by the American Academy of Actuaries and others, that a repeal of the Affordable Care Act could lead to market instability, rising premiums and loss of health coverage *unless it is paired with a replacement bill at the*

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same time. Families, businesses, doctors, health insurers and states all need and deserve predictability. With an issue as important as health care, it is imperative that we get it right and avoid unintended consequences, even if it takes time. There is just too much at stake.

Again, I thank you for your willingness to solicit input from the nation's governors and hope this is the beginning of a meaningful conversation. As you note in your letter, governors play an integral role in our health system. I look forward to being an invaluable partner moving forward.

With kindest regards,

A handwritten signature in black ink, appearing to read "John Bel Edwards". The signature is fluid and cursive, with a large initial "J" and "B".

John Bel Edwards
Governor

CC: Senator William G. "Bill" Cassidy, M.D.
Senator John Kennedy
Congressman Stephen J. Scalise
Congressman Cedric L. Richmond
Congressman Clay Higgins
Congressman Mike Johnson
Congressman Ralph L. Abraham, M.D.
Congressman Garret Graves