

November 03, 2009

The Honorable Tom Cole
Member of Congress
2458 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Cole:

Thank you for the opportunity to share my insights regarding the Medicaid expansions contained in the "Affordable Health Care for America Act" (AHCAA). As I am sure you are not surprised, these expansions would represent significant unfunded mandates on the state of Oklahoma.

The Oklahoma Health Care Authority, which is in charge of administering the state's Medicaid program, has estimated a preliminary annual state cost of \$128 million if the federal health care legislation becomes law. This estimate does not account for decreased federal support of the Medicaid expansions in later years, which inevitably will shift an increasing financial burden to this state as well as others.

Oklahoma already is experiencing difficulty funding its current Medicaid program due to revenue shortfalls as a result of the national recession and decreased natural gas prices. Revenue collections to the state in the first quarter of FY-10 trailed last year's collections by 29.5 percent. State agencies, on average, experienced an initial budget reduction of 7 percent when compared to FY-09. Agencies are also expected to see 5 percent cuts in their monthly allocations for the remainder of the fiscal year. Even deeper cuts may be necessary if future revenue streams continue to decline.

In the current economic environment, Oklahoma is struggling to maintain core services for its citizens. And that is before the ramifications of this federal health care policy and its unfunded mandates are even considered.

American Reinvestment and Recovery Act (ARRA) federal stimulus funds have been employed and are budgeted to offset declining revenue in FY-10 and FY-11. These funds will no longer be available for FY-12 and beyond. Though some economic indicators suggest that revenues may be stabilizing, no firm indicators signal that state revenue can be expected to improve in the near future. Without economic growth, Oklahoma is left with two options to replace current stimulus funds: raise revenue through tax increases or institute deeper budget cuts.

Like you, I find the idea of tax increases, even if they weren't incredibly difficult to pass under our state's Constitution, in an economic downturn a nonstarter. In tough

economic times, increasing taxes on work and productivity is counterproductive and takes more money out of the hands of Oklahomans and Americans when they need it the most. So with tax increases off the table, we will have no choice but to drastically cut government services to free up funds to pay for the unfunded mandates passed onto us from the federal government.

Our state is already experiencing significant budget challenges and the added burden of AHCAA's \$128 million unfunded federal mandate would lead to further budget cuts, jeopardizing existing state programs and services developed for Oklahomans by Oklahomans.

In Oklahoma, we have put in place market and consumer driven reforms that are working to move our state's uninsured onto private insurance, all while improving access to affordable health care for all of our citizens. I would urge Washington to give states the maximum amount of flexibility possible to craft a health care plan that best meets individual state needs. A one-size-fits-all health care policy is not the answer for Oklahoma, or our country as a whole.

I know we have an advocate in you and your fellow federal delegates, but I would like to urge you to vote 'no' not only on behalf of what this legislation may do to our country, but the disastrous financial burden it will also place on our state.

Sincerely,

A handwritten signature in black ink that reads "Chris Benge". The signature is written in a cursive, flowing style.

Chris Benge
Speaker
Oklahoma House of Representatives