

News for Immediate Release

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Governor Corbett Asks Federal Government for Medicaid Reform

Harrisburg – Governor Tom Corbett today sent a letter to U.S. Department of Health & Human Services (HHS) Secretary Kathleen Sebelius, requesting that the federal government begin efforts toward serious reform of the Medicaid program and stating that the high costs of the program would preclude the state from pursuing full expansion at this time.

Excerpts from Governor Corbett's letter said:

"The Medicaid program in Pennsylvania is on an unsustainable path. The cost of the current program is over 30 percent of the entire Pennsylvania General Fund budget and continues to grow. For Fiscal Year 2013-2014 the Department of Public Welfare's costs are projected to grow by over \$400 million in new state-only dollars."

"Our initial estimates show that a Medicaid expansion under the ACA would cost Pennsylvania almost \$1 billion of new state taxpayer dollars through fiscal year 2015-2016 -- ultimately rising to a total cost of over \$4.1 billion of new state taxpayer dollars by the end of fiscal year 2020-2021. Without reform, the only way to support these costs would be a large tax increase on Pennsylvania families."

"In referring to Medicaid, President Obama recognized in 2009, 'we can't simply put more people into a broken system that doesn't work.' However, the President is asking us to do exactly that by expanding Medicaid without true reforms. Instead of insisting that states put more people into a broken system, you should examine and propose solutions that empower states to make the program work for their citizens and become sustainable for taxpayers."

"Washington needs to stop treating Medicaid as a one-size-fits-all mandate and start granting states true flexibility to successfully reform and build a system that works for them."

"I want to be clear, I firmly believe we can serve more of our citizens in Pennsylvania, but only if we are given the independence and flexibility to do so."

"At this time, without serious reforms, it would be financially unsustainable for Pennsylvania taxpayers, and I cannot recommend a dramatic Medicaid expansion."

"As Governor, I will continue to work toward policies that will provide Pennsylvanians greater access to quality care and coverage."

The letter to HHS, along with a fact sheet on Medicaid expansion in Pennsylvania and cost estimates, can be found by clicking on "Affordable Care Act News" on the Pennsylvania Department of Public Welfare's website at www.dpw.state.pa.us.

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