Congress of the United States
Washington, DC 20515

February 7, 2013

The Honorable Thom Tillis
North Carolina House of Representatives
16 West Jones Street, Room 2304
Raleigh, NC 27601-1096

The Honorable Larry Hall
North Carolina House of Representatives
300 North Salisbury Street, Room 506
Raleigh, NC 27603-5925

Dear Speaker Tillis and Minority Leader Hall:

As members of North Carolina's Congressional delegation, we do not routinely express our views on legislation before the General Assembly. But the grave threat to our state's economy and quality of life posed by Senate Bill 4, as well as the direct conflict it creates with federal policy, compel us to do so. We urge you in the strongest possible terms to reject this costly and short-sighted measure.

Due to the stringent eligibility standards already in place, North Carolina's Medicaid program only covers about 30 percent of all low-income adults, leaving many families in our state to rely disproportionately on emergency care for their medical needs. This lack of basic health care both exacerbates the incidence of disease and chronic illness among uninsured populations and drives up health insurance costs for those who are covered by the private insurance market, in the form of a "hidden tax" on premiums.

One need not support the other major reforms included in the Affordable Care Act to agree that expanding Medicaid to able-bodied, low-income adults is a "win-win" for both the State of North Carolina and its residents. As you are well aware, under the terms of the law the federal government will cover 100 percent of the costs of expansion for the first three years and 90 percent of the costs thereafter. While we are cognizant of the fiscal challenges North Carolina's Medicaid program has faced in recent years, expansion will strengthen the fiscal integrity of the program, not weaken it. The North Carolina Institute of Medicine estimates that expansion will save the State more than $65 million over the next eight years, leveraging nearly $15 billion in federal funds. At a time of pressing fiscal challenges, there is no reason for our state's leaders to leave this money just sitting on the table.

Rejecting Medicaid expansion would also strike a devastating blow to working families in our state and to the North Carolina economy as a whole. Nearly 500,000 North Carolinians who are currently uninsured could gain access to quality, affordable health care through expansion, unless their state government stands in the way. Additionally, we can reduce the "hidden tax" paid in the form of higher private health insurance premiums by bringing these individuals into the Medicaid program. The American Academy of Actuaries estimates that premiums for private insurance will be at least two percent higher in states that do not expand Medicaid, since many of those who would be eligible for the expansion will continue to rely disproportionately on emergency care instead.

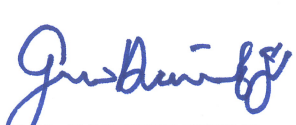
Moreover, a recent study commissioned by the N.C. Department of Health and Human Services found that the expansion of Medicaid could inject about $1.4 billion into the North Carolina economy, creating as many as 23,000 jobs as pharmaceutical companies, medical device manufacturers, and others in the health care industry benefit from a larger patient base. Why would we block this infusion into the North Carolina economy when unemployment remains so high and our economic recovery remains so fragile?

PRINTED ON RECYCLED PAPER

Given the economic, social, and fiscal benefits of Medicaid expansion, it is no wonder that a growing number of states—under both Democratic and Republican rule—have chosen to implement the law. We urge you to follow this commonsense course and reject the reckless approach embodied in Senate Bill 4.

Sincerely,

DAVID PRICE
Member of Congress



G.K. BUTTERFIELD
Member of Congress

MEL WATT
Member of Congress

Cc: The Honorable Pat McCrory, Governor of North Carolina
The Honorable Phil Berger, Senate President Pro Tempore
The Honorable Martin Nesbitt, Jr., Senate Minority Leader