

Perry touts state healthcare over federal plan

 [Print](#)  [eMail](#)

From the office of Texas Gov. Rick Perry

PRESS RELEASE

August 18, 2009

AUSTIN — Gov. Rick Perry today emphasized the importance of state developed health care reform rather than the costly, expansive, one-size-fits-all mandates being considered by the federal government. The governor spoke at a press conference announcing the results of a study about federal health care proposals conducted by the Texas Public Policy Foundation (TPPF).

“It’s clear Washington has no interest in allowing states to develop their own tailored solutions to problems that affect their citizens,” Gov. Perry said. “Instead we have a federal government bearing down on the states, preparing to take greater control through mandates and trampling innovation through runaway costs. The health care reform legislation currently being considered not only poses a serious threat to patients and providers, but will also cost Texas taxpayers tens of billions of dollars over the next 10 years without significantly improving care for Texans.”

The governor noted that aspects of our healthcare system need to be repaired and reformed, but issuing top-down mandates on a break-neck timetable is a surefire way to make things worse. He cited the Medicaid waiver request that Texas submitted in 2008 as an example of how the state is seeking solutions to health care reform that meet the needs of Texans.

In a letter to Health and Human Services Secretary Kathleen Sebelius last month, the governor reiterated his request for a federal Medicaid waiver that would help transform health care in Texas from a heavy reliance on hospital-based care to increased access to primary and preventive care. The plan is centered on state-specific solutions to eliminate costly federal mandates and use those resources to provide more low-income Texans with insurance, reduce expensive emergency room visits for basic care, and make it easier for the working poor to buy into employer-sponsored insurance. This reform waiver was originally sent to the Centers for Medicare and Medicaid Services in April 2008.

“Current proposals based on President Obama’s policies would worsen the system, increase costs, further escalate medical price inflation and add more than \$285 billion to the deficit over the next 10 years,” said TPPF Senior Fellow Donna Arduin, a partner in the economic research firm Arduin, Laffer & Moore Econometrics. “Clearly, these reforms are not a cost-effective way to expand health insurance and the news could be worse for Texans. If the federal government chooses to pass the financial responsibility for covering the expansion of lower income individual’s health insurance coverage to the states, the cost to Texans could be higher than the national average.”

Additionally, according to Arduin, legislation that would provide an additional \$1 trillion in federal health care spending would not only slow both the Texas and the national economy, but also leave 30 million Americans uninsured.

Current federal proposals include significant Medicaid expansions at the state level, individual and employer mandates to purchase and offer qualifying insurance plans, and federal takeover of some current state insurance functions such as rates and coverage exclusions.

Extending Medicaid benefits to uninsured citizens at or below 100 percent of the federal poverty level will

cost Texas an additional \$2 billion in general revenue per year, in addition to the \$19 billion in general revenue the state expects to spend on Medicaid in the 2010-11 biennium. This type of federal government spending mandate would erode the state's economic viability without containing health care costs or improving health care quality and access.