

THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR DON GAETZ

President
1st District

June 28, 2013

The Honorable Kathleen Sebelius, Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Sebelius:

The Florida Legislature recently concluded its 2013 session without authorizing an expansion of Medicaid pursuant to the Patient Protection and Affordable Care Act (PPACA). The issue was thoughtfully evaluated and thoroughly debated. Select committees, appointed in both the Senate and the House to address numerous PPACA issues, met for many hours and heard from policy experts, affected parties, and members of the public. The Senate chose not to authorize an expansion of the current Medicaid program, but offered a proposal for creating an alternative benchmark plan using private insurers, cost-sharing, and incentives for healthy behaviors. A state-funded program was proposed by the House of Representatives.

The Senate bill used the full extent of the flexibility available under your current interpretations of law. However, the restrictions and requirements associated with Medicaid remain onerous and account, at least in part, for the unwillingness of so many states to accept what otherwise would be a very attractive financial offer. It is time to recalibrate the balance of authority shared by the federal government and the states for administration of Medicaid and the expansion program.

Three key areas—all within your purview—should be starting points for meaningful improvements. First, PPACA's enhanced match for expanded eligibility should be extended to partial expansions. Second, the strict limits on cost-sharing by Medicaid enrollees should be revised to allow states to respond to diverse circumstances in the expansion population. Third, the numerous bureaucratic barriers that impede states' efforts to vary coverage and innovate with new service delivery models should be eased. We believe these three areas should be considered differently than these same topics in the current Medicaid program. You should use the flexibility inherent in the Supreme Court's definition of the PPACA-authorized expansion as a "new program". As noted by the Congressional Research Service, you have the authority to

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resolve the practical ramifications of the ruling based on your authority to interpret the Act and the responsibility to do so while taking the Supreme Court's decision into account.

A ready example of interpreting PPACA with such flexibility is found in your determination that states may choose at any time to opt into or out of expansion. PPACA, enacted within the context of a mandate, only gave states an ultimatum and a single deadline. Your adjustment of this provision makes sense in light of the Supreme Court decision and we appreciate it. Perhaps you were influenced in this matter by the potential for greater participation when the option remains open to the states versus the possible results under a sudden-death decision by January 1, 2014. We en

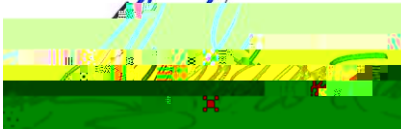
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these deliberations, we need your help. We ask you to contribute to our ability to find an affordable and sustainable method to provide access to quality health care for all Floridians by authorizing greater flexibility and creating true partnerships between states and the federal government.

Thank you for your consideration of these issues.

Respectfully,



Don Gaetz
President of the Florida Senate