

Gov. Perry says Texas won't expand Medicaid

July 10 2012, by JAMIE STENGLE

(AP) — The Republican governor of Texas said Monday that his state won't establish an online marketplace for patients to shop for insurance or expand the government health care program for the poor and disabled — two key elements of President Barack Obama's health care overhaul.

Gov. Rick Perry's announcement came after the U.S. Supreme Court upheld most of the federal [health care](#) law last month. However, the court said the federal government can't withhold states' entire allotment for Medicaid if they don't expand the program. If states choose not to set up a health care exchange, an online service for people to comparison shop for insurance, the federal government will establish one for them.

In a letter sent to U.S. Health and Human Services Secretary Kathleen Sebelius, Perry, a former presidential candidate, said both elements "represent brazen intrusions into the sovereignty of our state."

"I will not be party to socializing health care and bankrupting my state in direct contradiction to our Constitution and our founding principles of limited government," Perry said in a statement.

Texas has the highest uninsured rate in the nation, with about 6.2 million residents — a quarter of the state's population — lacking health insurance.

Perry's statement said that expanding Medicaid would add millions of people "into the already unsustainable Medicaid program, at a potential

cost of billions to Texas taxpayers." The Texas Health and Human Services Commission has estimated the Medicaid expansion would cost the state \$27 billion in the first 10 years, a number many Democrats dispute.

The state has estimated that about 2 million people would be added to the Texas Medicaid rolls in the first two years if it went ahead with the expansion.

Texas Hospital Association President and CEO Dan Stultz said hospitals agree with Perry that the Medicaid program is "severely flawed," but he added that "without the Medicaid expansion, many will remain uninsured, seeking care in emergency rooms, shifting costs to the privately insured and increasing uncompensated care to health care providers."

Stultz said that with "a strained budget, it's hard to imagine addressing the uninsured problem in Texas without leveraging federal funds."

U.S. Rep. Lloyd Doggett, among the Texas Democrats criticizing Perry's announcement, called the governor's decision "disgraceful."

He said Perry's "refusal of billions of federal dollars is more of the same — a narrow-minded policy, which denies our most economically disadvantaged neighbors access to a family doctor and denies many employers a more healthy workforce."

Perry has become known over the last three years for loudly pushing back against what he views as Washington meddling in state affairs. He has fought against Obama's health care plan and has often refused to cooperate with the U.S. Environmental Protection Agency.

But the Texas governor isn't alone in rejecting the expansion of

Medicaid following the Supreme Court decision. Several states have said they'll abandon the expansion — and more than a dozen other states are considering it. The federal government agreed to pay the full tab for the Medicaid expansion when it begins in 2014. But after three years, states must pay a gradually increasing share that tops out at 10 percent of the cost.

Perry, who in a Fox News interview earlier Monday compared expanding Medicaid to adding passengers to the Titanic, believes that [Medicaid](#) funding should come in block grants so "each state can tailor the program to specifically serve the needs of its unique challenges."

In response to Perry's letter, U.S. Department of Health and Human Services spokesman Keith Maley noted that consumers in all 50 states would have access to an exchange by 2014, and said the federal agency would ensure states have the "flexibility and resources they need" to implement the new law.

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