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Governor



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February 15, 2017

United States Senate
Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510-6200

Dear Sens. Wyden, Stabenow, Cantwell, Nelson, Menendez, Carper, Cardin, Brown, Bennet, Casey, Warner, and McCaskill:

I appreciate the opportunity to provide vital information to the Finance Committee and the people of the United States about the potential impact of the proposed reductions in federal support for our safety net programs. Many people are either unaware of the importance of these programs for their own communities or are playing politics with people's lives. I trust it is the former, and I hope this document and the attachment help in informing you and them of the value of the safety net – in particular the essential federal Medicaid program – and its relationship to the economies, jobs and safety of our state and communities.

The programs financed through Medicaid support people in all parts of Washington State – more in rural communities and mostly in working families. Our beneficiaries are a cross-section of our communities – most are white, but many are minorities. Almost all are low-income. Most in the working-age population do work. For our elderly, blind and disabled people, Medicaid is the backbone of the safety net providing long-term care services, care management, health and supportive services. And, Medicaid ensures children have a healthy beginning and can learn and grow and enter school ready to succeed.

The truth is that the Affordable Care Act (ACA) has been good for the vast majority of people in our state – overall and especially for those in the individual market. Cost shifting (costs that we all pay for people without insurance) in our state is down from \$2.38 billion in 2013 to \$1.1 billion in 2014 – the first year of implementation of the ACA. We have seen 51,000 more people employed in Washington State due to the ACA. And, we all have the knowledge and comfort of knowing that we can start new businesses, change jobs and retire early knowing there is affordable health insurance available for our families.

If the discussion in Washington, DC is truly about improving the health system, we must continue to provide needed and appreciated coverage and services for the working families in our communities, in addition to the traditional Medicaid populations. It means that these people



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should have affordable care so the promise of access is real. It also means that we continue to share the burden between the federal and state budgets as we have since the inception of the program. Undoubtedly, there are ways to improve on the ACA, but the system needs to work for all people. The insurance market needs to be stable, as it is now in Washington State. And the federal government should not expect the states to bear more of the cost or the future risk for the health system alone.

I appreciate your interest in understanding the impact of the potential health care policy changes being considered in Congress. Attached are answers to the questions you posed. I stand ready to assist you in this process. Most importantly, I strongly urge Congress not to repeal the ACA, and especially not to do so without first identifying a sufficient replacement that ensures that 30 million Americans and 750,000 Washingtonians do not lose their affordable health coverage.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Jay Inslee", with a long horizontal flourish extending to the right.

Jay Inslee
Governor