



Mary Fallin
Office of the Governor
State of Oklahoma

The Honorable John Sullivan
434 Cannon House Office Building
Washington, D.C. 20515

Dear Rep. Sullivan,

I was pleased to learn the U.S. House of Representatives' Committee on Energy and Commerce plans to hold a hearing titled, "The Consequences of Obamacare: Impact on Medicaid and State Health Care Reform." There is no question that our nation's health care costs are spiraling out of control and the number of uninsured is certainly a major contributing factor. However, the cumbersome Patient Protection and Affordable Care Act (PPACA) is not an effective solution for curbing rising health care costs and is unworkable and unaffordable for many states.

The maintenance of effort (MOE) requirements under the new health care law in addition to the new mandates make it impossible to implement without massive increased costs to the state. States need flexibility to determine what will best serve our populations and allow us to balance our budgets, which, as you know, is a constitutional requirement in the state of Oklahoma. We already are facing a \$500 million budget shortfall for FY 2012. The timelines in the health care reform legislation are very aggressive and do not give states the freedom they need to implement meaningful changes.

Prior to the passage of PPACA, the state of Oklahoma was leading the way in lowering costs and increasing health insurance coverage with a very successful public-private program called "Insure Oklahoma," which offers health insurance and premium assistance to small businesses and individuals. We also created the "Health Care for the Uninsured Board" (HUB) in order to assist and educate consumers about their health insurance options. These are the types of innovative solutions the states should be given the freedom to develop and offer on their own.

Exchanges will no doubt be a valuable tool in expanding coverage by making health insurance information and coverage more accessible and in Oklahoma we are taking the steps necessary to establish an exchange; however, that process will be severely hindered if our ability to include market-driven, competitive solutions is taken away through federal mandates.

I was encouraged to hear the White House announce it will allow states to apply for "Innovation Waivers," however the waivers fail to address the increased spending under PPACA and are not providing states any flexibility from Washington's rigid Medicaid rules.

There is no "one size fits all" solution as each state's health care needs are different based on population and health risk factors. Therefore, the states are best suited to determine what program works for them. Thank you for giving me the opportunity to share with the Committee on Energy and Commerce the impact the federal health care bill will have on state health care reform efforts.

Sincerely,

A handwritten signature in cursive script that reads "Mary Fallin".

Mary Fallin
Governor of Oklahoma