



For Immediate Release
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**BAUCUS COMMENDS GOVERNORS' SHARED COMMITMENT
TO EXPANDING HEALTH CARE COVERAGE**

*Finance Chair notes America's Healthy Future Act
will reduce state Medicaid spending over the next three years*

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today commended state governors for their leadership and commitment to expanding quality, affordable health care coverage. In a letter sent to Congressional leaders yesterday, Democratic governors affirmed their shared commitment to expanding health care coverage to millions of low-income Americans through the Medicaid program.

"State budgets are breaking under the rising costs of health care, and the costs of maintaining the status quo have become too great to ignore," said Baucus. **"I'm encouraged by these governors' leadership in supporting health care reform that reduces health care costs over the long-term for government, for businesses and for all Americans."**

Under the America's Healthy Future Act, the federal government will cover nearly all of the costs of increasing Medicaid eligibility to Americans earning up to 133 percent of the federal poverty level (\$14,404 for individuals and \$29,327 for a family of four, in 2009). In fact, states will realize new savings in their Medicaid programs over the next three years and over the next ten years, state spending will only increase a net total of 1.3 percent, according to estimates by Senate Finance Committee staff.

From the Governors' letter:

"We are writing to express our support for your efforts to reform our nation's health care system. As the chief executives of our states and territories, we realize that the status quo is no longer an option and we support getting health reform done this year.

Sky-rocketing health care costs hurt families, force businesses to cut or drop health benefits and cause already strained state budget deficits to significantly grow. We believe reform can relieve these burdens by reining in costs and making coverage more affordable, both for our citizens and our state budgets. . . .

We commend you and your colleagues for provisions included in your bills that will help states and territories to achieve long term savings and help cover those who currently go without health coverage. We recognize that health reform is a shared responsibility and everyone, including state governments, needs to partner to reform our broken health care system.

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We thank you for your leadership in this historic effort and look forward to continuing to work together to get health reform passed this year.”

According to the Congressional Budget Office, Medicaid eligibility provisions in the America’s Health Future Act would expand coverage to more than 11 million Americans. In addition to covering 94 percent of Americans, the America’s Healthy Future Act includes provisions that financially benefit states such as:

- Increasing Medicaid prescription drug rebates states receive from drug manufacturers
- Reducing the burden of uncompensated care that cost an estimated \$35 billion last year alone
- Allowing states to scale back optional Medicaid coverage about 133 percent of the federal poverty level when new, state-based exchanges are established in 2013

“I am confident that, together, we will achieve meaningful health care reform this year,” said Baucus. **“This is our opportunity to put this great country on a path to a healthy future and we will not pass it up.”**

The letter, signed by 22 Governors, is available on the Finance Committee website here:

<http://finance.senate.gov/press/Bpress/2009press/prb100209a.pdf>.

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