



For Immediate Release

Contact: Craig Orfield
(202) 224-6770

Thursday, September 24, 2009

Unfunded Medicaid Expansion in Health Bill Would Hurt States *Enzi Fights to Protect States from Costly Federal Mandate*

Washington, D.C. – Senator Mike Enzi (R-Wyo.) tonight offered an amendment to the Finance Committee health care bill to protect states facing budget shortfalls from unfunded, mandatory Medicaid expansions. Democrats rejected the amendment on party lines.

“The unfunded, mandatory Medicaid expansion in the Finance bill is going to bankrupt our states,” Enzi said. “The bill already provides additional funding to a select few states, including the Majority Leader’s home state. I think we need to give every state that’s facing a budget shortfall in this tough economy an exemption from the costly mandates in this bill.”

The Finance bill would significantly expand the Medicaid program and pass much of the cost along to the states, which are required to pay a share of all Medicaid expenses. The Enzi amendment would exempt states whose revenues have declined for two consecutive fiscal year quarters from any mandatory Medicaid expansions.

In 2006, Medicaid accounted for nearly one-fourth of the average state budget, and that number is climbing – Medicaid spending is the fastest growing line item in nearly every state’s budget. As a result, state budgets are sagging under the burdens of Medicaid and the weak economy, with more than 20 states imposing furloughs on state employees, and others being forced to cut jobs.

A 2002 [report](#) by MedPAC, an independent Congressional agency, found that “40 percent of physicians restricted access for Medicaid patients because of concerns about reimbursement and billing paperwork.” Enzi has fought to allow Medicaid beneficiaries to opt out of the program and receive subsidies to purchase quality, private health plans that meet their needs

“We need to expand health care coverage, but Medicaid is a terrible program to choose as a foundation for any expansion. Instead of trapping poor Americans in a substandard health care plan, we should be giving everyone more options to find the care they need. Senators get to choose between competing private plans; so should low-income Americans.”

Governors across the country have cried out against a federal mandate to expand Medicaid. Montana Governor Brian Schweitzer, a Democrat, [stated](#) in July, “one of the least effective programs in terms of health care, in the history of this country, is something called Medicaid . . . Now Medicaid is a system that isn’t working, almost everyone agrees. But what Congress intends to do is increase the number [of people] on Medicaid so they could do it for the cheap. It is not working for anybody.”

###