



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JOHN D. CHERRY, JR.
LT. GOVERNOR

March 29, 2005

The Honorable Mike Rogers
Member of Congress
133 Cannon House Office Building
Washington, DC 20515

Dear Congressman Rogers:

I am writing to express my disappointment with the FY06 budget resolution passed by the House of Representatives because it contained billions of dollars in cuts for Medicaid, and to urge you to support the Senate Medicaid provisions as the House and Senate budget resolutions are conferenced. As you know, I am very worried that any cuts to Medicaid will further erode our social safety net of health care that nearly 1.4 million Michigianians depend on for basic care.

Approximately 85% of our Medicaid dollars in Michigan pay for care for senior citizens, disabled people, and children. And more than 40% of Michigan's Medicaid expenditures are for *Medicare* beneficiaries. Voting for Medicaid cuts is a vote against care for some of our most fragile and less fortunate constituents.

Our Michigianians who have Medicaid coverage are *real* people in our communities: senior citizens who rely on life-saving prescription drugs and who may be in nursing homes; children—some of whom are utterly healthy, and others who have cystic fibrosis, cancer, and other illnesses that create an extreme need for special health care services; people with disabilities who rely on specialized care on a daily basis; and pregnant women we must care for so that both moms and babies are healthy. These are the real people who make up our Medicaid caseload in Michigan.

When we discussed Medicaid in our recent Congressional delegation meeting, I asked for your help to not cut Medicaid and noted that the Governors (both Republicans and Democrats) continue to work on real ideas for Medicaid reform. We Governors have been steadfast in our opposition to Medicaid cuts, caps, and further cost shifts to states. We are also united in our desire to craft real reform in Medicaid—but we believe the policy should drive the debate, and not a budget

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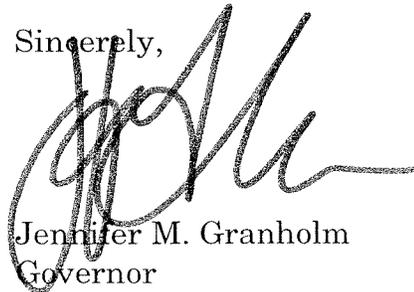
number. These ideas are being vetted with Governors' offices and with CMS, and we will have proposals to share soon. In the meantime, I hope the budget conference between the House and Senate will treat Medicaid as the life-saving and compassionate program that it is.

Medicaid has a changing face, and the costs of Medicaid are being fueled by many factors: overall growth rate for the entire U.S. health care system (medical advances; prescription drugs; demand and utilization); employers dropping coverage or offering coverage to employees that is expensive; economic difficulties causing people to fall on to Medicaid; and federal policies that shift costs to states (Medicare copays, premiums, prescription drugs, and long term care costs).

As the number of uninsured people in the U.S. continues to rise and Medicaid caseloads continue to grow, proposals to cut Medicaid seem counterproductive. Cutting Medicaid simply creates more uninsured, slices provider access and reimbursement, cuts a lifeline to the already unstable Medicaid program, and raises the insurance rates for business.

Governors have been caught in the painful web of choosing between providing health care for grandparents and education for grandchildren, and it is utterly unbearable. I thank you again for your service to us all in Michigan, and I respectfully ask that you support the Senate budget resolution language on Medicaid.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Granholm", with a long horizontal flourish extending to the right.

Jennifer M. Granholm
Governor