

# State Legislators for Health Reform

## State Leaders Statement of Purpose - October 13 and 14

The Congress is on the verge of passing long-awaited and potentially robust health care reform with the goal of ensuring that all Americans have quality and affordable health care. The bills moving through the House and Senate all require a strong state-federal partnership. By raising the voice of state legislators, mayors and other local officials through the State Leaders' Lobby Day, our goal is to ensure that states' needs and priorities are accounted for in the final legislation agreed to by the Congress and President Obama.

### Why States Matter:

- State **innovations inform the national reform debate**. States have experience moving and implementing the very reforms being debated in Congress – insurance exchanges in MA and AZ; Medicaid expansions in NY and WI, insurance regulations in ME; improved care for chronic diseases in VT; prescription drug marketing and negotiation reforms in VT, NH, and ME; affordability measures in IA and MA; and public options in CT, NY and ME.
- States will play a **key role implementing national reform**. Just like Medicaid and SCHIP, bills moving in the House and Senate require a strong state-federal partnership – creating insurance exchanges, enacting Medicaid expansions, quality improvement and cost reduction programs.
- State lawmakers are most able to implement new regulations and programs in ways that best **meet the unique needs of diverse state populations** and the needs of urban and rural communities.
- State **budget difficulties require a robust financial federal commitment** to new programs and initiatives.

### State Leaders' Principles and Priorities:

- **Create a Floor, Not a Ceiling** – As with Medicaid and SCHIP, reform ought to create necessary standards of accessibility and affordability for all states while enabling states to go further if they choose.
- **Avoid Pre-Emption** – Where federal and state laws intersect, reform should not pre-empt or prevent state laws that provide stronger consumer protections, coverage expansions, and industry and medical standards than what it is enacted by Congress. Structures should protect states' ability to create a more robust public option than the federal standard.
- **A Public Option** – State legislators are committed to the necessity of a robust public option to provide more choice for Americans and businesses, and create competition in the insurance market.
- **Ensure Reform is Sustainable During All Economic Conditions** – Because of states' financial vulnerability to economic downturns, the federal government must create a system of countercyclical funding so that states have the necessary financial resources to ensure health care for all is sustainable during downturns. This is evidenced by the current downturn and declining state revenue, underscoring the need for an extension of the existing enhanced federal match to maintain state health programs.
- **Provide All States with Necessary Financial Support** – Because reform requires a robust state-federal partnership (governing exchanges, Medicaid expansions, reimbursing providers), reform must provide states with the necessary financial support to implement new programs and achieve the access, cost

and quality goals of reform. States that have already expanded Medicaid to or beyond new mandated levels ought to receive the same level of support as states that have not similarly acted.

- **Ensure Affordability of Coverage** – The cost of health care must be limited to an affordable percentage of income for all families. Through their experience governing Medicaid, SCHIP and other access programs, state legislators understand the difficulty families and small businesses face in affording quality and affordable coverage.
- **Provide for Shared Responsibility** – Government, individuals, the industry, taxpayers and businesses must all equitably participate in reform. Just as a mandate on all Americans to have insurance is included in the bills in the House and Senate, a similarly robust requirement on employers to participate in the cost of health care for their employees must be included. Reform must protect the ability of states to set a higher mandate for employer responsibility than the federal floor.
- **State Flexibility to Implement Reforms Early, Show Results** – It's important to immediately demonstrate the positive impact of reform. Reform should support states that are primed to act early on key reform provisions early, including Medicaid expansions with enhanced federal funding, programs to build the health care workforce, and establishing the public option and insurance exchanges. This will help states reinforce public support for reform and maintain public programs financed by state-only funds as states face continued deficits.

#### **States' Sense of Urgency:**

More than 1000 state legislators have signed letters to President Obama and the Congress calling for robust reform, including a public option. (See <http://progressivestates.org/statefedhealth>.) Capturing their sense of urgency, the letters read:

The serious problems with health care in America , ever-rising costs, limited access, inconsistent quality, and waste and inefficiency , converge in the states. The effects of these problems stress state budgets, exhaust family resources, result in lost worker productivity, stifle entrepreneurial spirit, and literally cause tens of thousands of deaths each year.

Our disjointed health care system has formed a choke-hold on our economy, limiting job growth and economic development. We cannot fix the economy without fixing health care.

It is against this backdrop that state leaders have organized this Lobby Day, to ensure federal lawmakers are attuned to the needs and priorities of their state partners.

#### **A Show of Support:**

State legislators, mayors, city councilors, and members of Congress share many of the same constituents. State leaders speak to these constituents on a daily basis – in their homes, grocery stores, and places of business. An important purpose of the State Leaders Lobby Day is for state leaders to praise and encourage the reform efforts of their Congressional colleagues – and to bring that message of support to constituents all lawmakers share. A strong show of support from state lawmakers and positive media coverage of the Lobby Day will help provide federal lawmakers with the grassroots support they need to act boldly.