



HALEY BARBOUR
GOVERNOR

STATE OF MISSISSIPPI
OFFICE OF THE GOVERNOR

December 10, 2009

The Honorable Thad Cochran
113 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Cochran:

As the Senate continues to debate the current version of the health care reform bill, I wanted to make you aware of the bill's impact on Mississippians. This bill continues to place a huge unfunded mandate on states while harming our small businesses and seniors through budget gimmicks and increased taxes.

If the current bill, which would expand Medicaid up to 133% FPL, were enacted into law, the number of Mississippians on Medicaid would increase to 1,037,606 or one in three of our citizens. Over ten years (FFY 2010 to FFY 2019), this bill would cost Mississippi's taxpayers \$1.3 billion, necessarily requiring Mississippi to raise taxes in order to continue vital programs such as education and public safety. Currently, Medicaid is 24.5% of our state's General Fund budget. With the proposed expansion, Medicaid would be 36.6% of projected revenue in FFY 2019.

President Obama recently met with Senate Democrats, imploring them not to give up on a "historic" opportunity to pass health care reform. But the fact is that we are now experiencing historic unemployment within a historic recession. Mississippi's budget has missed revenue projections for 15 consecutive months. So far in the current budget year, state revenues have come in 7.38 percent, or \$136.8 million, below the estimate for the FY 2010. Our budget situation is tough like every other state's fiscal outlook. There is no way for Mississippi to pay the proposed extra costs of Medicaid except by raising our sales or income tax or both.

On December 8, 2009, NFIB wrote Senator Reid and Senator McConnell to indicate its opposition to the Patient Protection and Affordable Care Act (H.R. 3590). In the letter, small businesses explain how the bill will increase the overall cost of doing business while failing to reduce insurance. This bill harms our seniors, too. CBO has written that Medicare cuts could reduce access to care or diminish the quality of care. The bill includes \$135 billion in cuts to hospitals serving seniors and \$120 billion in cuts to Medicare Advantage.

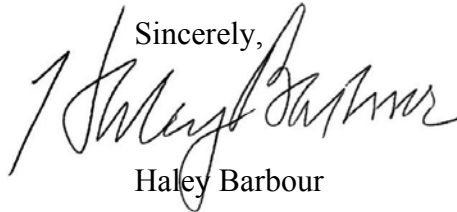


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This legislation is the wrong reform. As Democrats seem to be willing to take any deal to pass their "historic" bill, I will continue to share with taxpayers both in Mississippi and across the country the consequences such policies would have on their access to quality and affordable health care, and I genuinely appreciate your recognizing the terrible effects on your constituents. Please keep opposing this health care reform bill and any other one similar to it.

Sincerely,

Haley Barbour

HRB:MS