



Dave Heineman
Governor

STATE OF NEBRASKA

OFFICE OF THE GOVERNOR
P.O. Box 94848 • Lincoln, Nebraska 68509-4848
Phone: (402) 471-2244 • dave.heineman@nebraska.gov

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The Honorable E. Benjamin Nelson
United States Senator
720 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Nelson:

I am writing you today because the current Senate health care bill is bad news for Nebraska. America's health care system needs improvement, but this bill is not the answer. You are now the 60th vote, and as Governor of the State that we both represent, I urge you to vote against this bill and against cloture.

You have said that the debate on health care reform needs to be based on facts, not rhetoric. I agree. The facts are compelling and undeniable. This bill increases taxes, cuts Medicare and is an unfunded expansion of Medicaid.

In reviewing the current Senate bill, it appears that while the increased state costs for the initial three years of the Medicaid expansion would be covered, the program quickly becomes a substantial unfunded Medicaid mandate. Late yesterday, the Nebraska Department of Health and Human Services completed the analysis of the bill in full. The report is enclosed.

In just six years, FY 2014-FY 2019, the Nebraska Medicaid program will cumulatively grow by a new \$2,493,852,279. This \$2.5 billion will be passed on to citizens through direct or indirect taxes and fees.

Federal reimbursement to the State would fall short by approximately \$45.5 million by FY 2019. Ultimately, this means the cost will be greater than \$450 million over a ten year period. Furthermore, program costs are projected to increase twice as fast as reimbursements.

The State of Nebraska cannot afford an unfunded mandate and uncontrolled spending of this magnitude. Additionally, Nebraskans are very concerned about the bill's increase in payroll taxes. Rural hospitals are very concerned about their ability to survive. Seniors are very concerned about the cuts in Medicare.

The bottom line is the current Senate bill is not in Nebraska's best interest. Therefore, I strongly urge you to oppose the current Senate health care legislation. Please vote "no" on cloture and vote "no" on the bill. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Dave Heineman". The signature is written in a cursive style with a large, prominent initial "D".

Dave Heineman
Governor

Enclosure

cc: U.S. Senator Mike Johanns
Congressman Lee Terry
Congressman Jeff Fortenberry
Congressman Adrian Smith