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Congress of the United States House of Representatives

Washington, DC 20515-0911

November 8, 2005

COMMITTEE ON ENERGY AND COMMERCE SUBCOMMITTEE ON HEALTH SUBCOMMITTEE ON ENERGY AND AIR QUALITY

SUBCOMMITTEE ON COMMERCE, TRADE, AND CONSUMER PROTECTION

The Honorable Michael A. Leavitt Secretary Department of Health and Human Services 200 Independence Avenue, S.W. Washington, D.C. 20201

Dear Secretary Leavitt:

Recently, the Department of Health and Human Services (HHS) approved a Section 1115 Medicaid waiver proposed by Florida Governor Jeb Bush that would shift 2.2 million Medicaid beneficiaries in the State of Florida to managed care and cap per-beneficiary state expenditures in an effort to reduce costs. We are writing to express our concerns with the process by which this 1115 waiver was approved.

Earlier this year, we wrote to you urging your office to hold a detailed background briefing for us and encouraging the Department to hold a public hearing before Congress. We were disappointed when we never received a reply to either of our requests.

The Florida 1115 waiver is one of the most far-reaching proposals the nation has seen to restructure Medicaid. However, the Department approved the Florida 1115 waiver in record time, without any comment from the Florida Congressional Delegation. Despite having up to 90 days to approve any 1115 waiver submitted by the State, the Department of Health and Human Services never felt it necessary to conduct such meetings or hearings. Medicaid reform for the State of Florida is too important an issue to not be debated in an open and honest manner.

A successful partnership between the State, the federal government and the private sector is imperative to ensure and preserve Florida's Medicaid program so that it continues to provide a safety net for millions of Florida families. Since the Department's approval of the Florida waiver, the State's largest health insurer, Blue Cross and Blue Shield (BCBS) of Florida, has announced that they will not be participating in the State's proposed privatized Medicaid health insurance program. Having a strong company like BCBS of Florida would have strengthened the new program's chances of success; however, because it is such a risky population, BCBS is declining to take part in the program. We trust that you and the Department will be monitoring the process as Florida implements your approved changes to help ensure that our most vulnerable citizens continue to receive services through the Medicaid program. The Honorable Michael A. Leavitt November 8, 2005 Page 2

We appreciate your attention to this important matter. Should you have any questions or concerns regarding this issue, please contact Congressman Jim Davis at (202) 225-3376.

Jim Davis

Member of Congress

Allen Boyd

Member of Congress

Kendrick Meek

Member of Congress

Sincerely,

Corrine Brown Member of Congress

Alcee Hastings

Member of Congress

Debbie Wasserman Schultz Member of Congress

Robert Wexler

Robert Wexler Member of Congress