



# The Carleson Center for Public Policy

*“Advancing the Reagan Agenda”*

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March 12, 2012

The Honorable Todd Rokita  
U.S. House of Representatives  
Washington, DC 20515

Dear Rep. Rokita:

The Carleson Center for Public Policy applauds and thanks you for introducing H.R. 4160, the "State Health Flexibility Act," on March 7th with Tim Huelskamp (R-Kan), Paul Broun (R-Ga), and Jim Jordan (R-Ohio). It is a Medicaid reform bill that Ronald Reagan would champion one hundred percent!

The Carleson Center, which I founded last year, can speak with confidence on Ronald Reagan's views because its policy board is comprised entirely of individuals who served under Ronald Reagan. We are uniquely positioned to provide a voice for what he would do to repair the damage of an overbearing and interfering federal government. The Carleson Center reflects Reagan's belief that government works best when it is closest to the people – the fundamental impetus underlying your bill.

Ronald Reagan realized that the expanding welfare state was the greatest threat to America's federalist system of government, and fighting it was a driving force throughout his political career. In 1971, California was heading toward bankruptcy because of the massive growth in welfare spending and Governor Reagan took action. He and his welfare advisor, my late husband Bob Carleson, began a quarter-century long journey to move the decision-making authority for public assistance programs out of Washington and to the states. Their persistence ultimately succeeded eight years after President Reagan left office due to Bob's continued pursuit of the goal, with enactment of the 1996 Welfare Reform Act.

That new law freed millions of Americans from the shackles of government dependency and proved that states could do a better job of providing for the poor than the federal government. Indeed, the welfare cash assistance

rolls under the Temporary Assistance to Needy Families (TANF) block grant, that was created by the new law, were reduced more than 65 percent compared to what they had been under the Aid to Families with Dependent Children (AFDC) matching grant program. Welfare had finally become a safety net and not a way of life.

The Medicaid program was originally intended to be a safety net to provide health care services to our most vulnerable citizens. Over the years however, it has grown to cover more and more people and more and more services. Almost one in four Americans now receive Medicaid benefits, and the program will be extended to cover another 17-25 million citizens under the PPACA bill recently signed into law by President Obama.

The program's federal cost has soared from \$206 billion in 2000 to over \$400 billion in 2010 and will go up almost another \$120 billion a year on top of that under PPACA. The states themselves now spend more of their own tax dollars on Medicaid than they do to provide education from kindergarten to 12<sup>th</sup> grade for their children. In short, federal mandates and loosened eligibility requirements have turned the safety net into a tangled web.

Ronald Reagan understood the motivations of the welfare establishment in expanding such programs when, as President in 1982, he observed that: *"The war on poverty created a great new upper-middle class of bureaucrats that found they had a fine career as long as they could keep enough needy people there to justify their existence."*

The time has finally come to get this massive entitlement program under control, which is exactly what HR 4160 will do. Restraining the cost of the Medicaid and CHIP programs to 2012 levels will save taxpayers \$1.8 trillion over the next decade. By providing maximum flexibility for the states to determine their own priorities regarding who is covered, and for what, the taxpayers' finite resources will finally be directed not only to those most in need of help, but to the quality of the health care they receive as well. Which is what the program was originally intended to do.

Thank you again for taking this courageous step.

Sincerely,



Susan A. Carleson  
Chairman/CEO