



STATE OF INDIANA
OFFICE OF THE GOVERNOR
State House, Second Floor
Indianapolis, Indiana 46204

Michael R. Pence
Governor

May 1, 2013

Ms. Susan K. Brouillette
Program Director
Heathey Families and Sustainable Communities
420 North 4th Street
Lafayette, IN 47901-1112

Dear Ms. Brouillette:

Thank you for contacting me regarding implementation of the Affordable Care Act in Indiana. It was a pleasure to hear from you.

As you may know, I opposed passage of the Affordable Care Act and support its repeal. This law threatens to increase the cost of health insurance premiums, stifle economic growth, and diminish Indiana's sovereignty. Despite my opposition to the Affordable Care Act in principle, I understand and respect that some Hoosiers believe that Indiana should fully participate in its implementation.

With regard to the establishment of a state-based health insurance exchange, there is quite simply too much uncertainty to justify moving forward at this time. The way the regulations are currently written, Indiana would be forced to cover the over \$50 million in costs per year to operate an exchange controlled by a wide array of federal regulations. Furthermore, it is not clear that this investment would lower health insurance premium costs. For these reasons, the State of Indiana is inclined to leave the establishment of a health insurance exchange in the hands of the federal government.

Indiana will also not be moving forward with an expansion of our current Medicaid program per the Affordable Care Act. To do so, in my view, would be to expand a broken program in Indiana and place an enormous burden on Hoosier taxpayers. The State's actuary estimates that a Medicaid expansion could cost upwards of \$2 billion over the next seven years. We should not be simply seeking to put more people on the State's Medicaid rolls. The goal of Medicaid is to provide health care for the neediest, but it also should empower recipients to move toward self-sufficiency.

Indiana is fortunate to have the Healthy Indiana Plan, a consumer-directed alternative to Medicaid that has a proven ability to meet this goal and has shifted the Medicaid paradigm in Indiana. Our administration strongly supports the bipartisan-created Healthy Indiana Plan and has asked to continue it for the 40,000 current enrollees. We have also renewed the state's request to waive Medicaid's rules so that the Healthy Indiana Plan may be considered as vehicle to bring health care coverage to more Hoosiers. I have

made it clear to U.S. Health and Human Services Secretary Kathleen Sebelius that any discussion of a coverage expansion must begin with the Healthy Indiana Plan.

Indiana and other states need the freedom and flexibility to develop health care solutions that best meet the needs of our citizens, without interference from Washington. We must face our challenges in health care with a belief in more freedom, not more government.

Sincerely,

A handwritten signature in black ink that reads "Mike Pence". The signature is written in a cursive style with a long horizontal flourish at the end.

Michael R. Pence