

ROBERT P. CASEY, JR.  
PENNSYLVANIA

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SPECIAL COMMITTEE ON AGING

# United States Senate

WASHINGTON, DC 20510

March 26, 2019

The Honorable Alex M. Azar II  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Secretary Azar:

Medicaid is emblematic of who we are as a nation – reflecting what and who we value and the ideals we are willing to fight for. Together, Congress and the Administration have a responsibility to protect this program and the over 70 million people it serves. Yet, the President’s fiscal year (FY) 2020 budget proposal and comments you made during the Finance Committee hearing on March 14, 2019 indicate that your Department is in active discussion behind closed doors with states to undermine Medicaid by transforming the program into a block grant or imposing a per capita cap on spending. I urge you to cease all such conversations, as well as request you make all documents pertaining to these discussions available to the public so that the people impacted have the ability to weigh in.

Since its creation in 1965, Medicaid has been indispensable in providing health care and other essential services to over 70 million children and families, seniors and people with disabilities across the country. Medicaid keeps 40 percent of all children and 60 percent of children with disabilities healthy. Medicaid covers nearly half of all births in the United States. Medicaid also pays for nursing home care, an almost \$90,000 per year expense (on average) that would otherwise force countless middle-class families out of their homes or make them spend hard-earned savings to pay for care for an aging loved one. I joined these individuals, their family members and neighbors in speaking up in 2017 to protect this program and Congress’ intent for the program.

Based on the President’s fiscal year (FY) 2020 budget proposal, the Department of Health and Human Services seems to be ignoring recent history. Instead of preserving the current Medicaid program, the budget seeks to advance the same proposals to have states block grant or cap their Medicaid programs that Congress rejected. Further, during the March 14 Finance Committee hearing, you confirmed press reports<sup>1</sup> that conversations with states are already taking place to

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<sup>1</sup> Armour, Stephanie. “Trump Administration Plans Efforts to Let States Remodel Medicaid.” The Wall Street Journal. January 11, 2019. <https://www.wsj.com/articles/trump-administration-plans-effort-to-let-states-remodel-medicaid-11547259197>

transform Medicaid programs into a block grant or impose per capita caps on spending, stating “...there may be states that have asked about block granting, per capita restructurings, especially around expansion populations...”<sup>2</sup> Congress and the public should not be learning of discussions to radically transform state Medicaid programs in a brief exchange during a Senate hearing or after the fact. The people who will be impacted by these changes deserve the right to be a part of this process that could prove so harmful to their health. Moreover, while Section 1115 of the Medicaid statute allows states to waive certain requirements, any waiver application must also remain true to the statutory requirements and obligations of the program. That includes preventing fundamental changes to the program.

To provide transparency and ensure states and the American people understand the full implication of the Administration’s plan, I request the following documentation:

1. All documents created, shared or distributed internally within HHS regarding the proposal to use block grants, impose spending caps, or otherwise change the administration of Medicaid funding. This includes but is not limited to emails, memos, fact sheets, talking points, proposed guidelines and proposed guidance;
2. All documentation that HHS has shared with federal, state and local governments regarding the proposal to use block grants, impose spending caps, or otherwise change the administration of Medicaid funding;
3. All documents provided to HHS by other federal, state, or local governments regarding the proposal to use block grants, impose spending caps or otherwise change the administration of Medicaid funding. Please include any feedback that HHS has received from federal, state, or local governments regarding the impact that such changes may have on the Medicaid program;
4. Any planning documents that have been developed by HHS or provided to HHS as a part of the proposal to use block grants, impose spending caps, or otherwise change the administration of Medicaid funding, including, but not limited to, budget tables, timeline proposals and impact analysis;
5. Any analyses that has been conducted by HHS or provided to HHS regarding the impact that changes to Medicaid may have on the care or coverage of low income individuals, children, seniors and people with disabilities.

I request that you provide this information as soon as possible, but not later than April 12, 2019. In addition, I request that you provide a briefing on all proposed changes to the Medicaid program that HHS has considered since January 20, 2017, and any plans HHS has to pursue those changes.

I urge you to stop this harmful effort and focus on strengthening and improving the Medicaid program and do so in line with Congress’ intent for the program. Medicaid has been a strong

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<sup>2</sup> U.S. Senate Committee on Finance Hearing “The President’s Fiscal Year 2020 Budget.” March 14, 2019. <https://www.finance.senate.gov/hearings/the-presidents-fiscal-year-2020-budget>

foundation for the middle class and tens of millions of children, seniors and people with disabilities for over fifty years and it is our responsibility to protect and strengthen it.

Sincerely,

A handwritten signature in blue ink that reads "Bob Casey, Jr." in a cursive style.

Robert P. Casey, Jr.  
United States Senator