



Idaho State Senate
Idaho House of Representatives
MINORITY LEADER

State Capitol
P.O. Box 83720
Boise, Idaho 83720-0081

February 7, 2011

TO: Senator Dean L. Cameron, Chairman Senate Finance Committee
Representative Maxine T. Bell, Chairman House Appropriations Committee

Dear Chairmen Bell and Cameron,

I received a copy of your recent memo to Health and Welfare Chairmen Lodge and McGeachin regarding the unanticipated reduced revenue projections for 2011 and your suggested recommendations for further cuts in the Health and Welfare FY 2012 budget. You "identified" that \$35 million to \$50 million in additional cuts need to be made.

I believe further cuts of that degree to the department of Health and Welfare are unwise and will prevent the department from fulfilling its statutory mission. Make no mistake, the lost services from these cuts will result in severe and long term damage to the communities of Idaho and to the families we represent.

Most of the H&W budget is Medicaid. The loss of State funding results in additional loss in federal funds. Should \$50 million in general fund support be removed, we will need to reduce the amount of services provided by almost \$185 million due to loss of federal FMAP funds.

Cuts of this degree will decimate our healthcare providers. It will add significantly to the rolls of the unemployed. It will cut the legs out from under the poor children, pregnant women, mentally ill and disabled individuals who depend on the program. The obligatory nature of our participation in the Federal Medicaid programs means that we still will have financial responsibility for these individuals. However, we will be forced to pay for their care in a more costly, less beneficial manner through hospital admissions and ER visits. Moreover, we are at great risk to foist millions of dollars of responsibility onto the Counties and our CAT fund where we have no federal financial assistance. This is neither clinically sound nor financially prudent.

The short term effect is bad, but long term may be worse. We can certainly expect increased use of institutions for care of our disabled, more low birth weight infants (with the associated health and educational problems costing us for many years), and an increased use of courts and corrections for untreated drug and mental health problems.

I understand that JFAC can only appropriate available revenue. It is important, however, to comprehend the consequences of such appropriation decisions. Shorting the budget for needed services will likely cost us much more, and diminish the health and safety of our Medicaid recipients. That may have a significant effect on the public health and public safety in our communities.

We should look to efficiencies where possible, but I have no doubt that we would be unwise to reduce these essential services. I continue to be ready to share my experience and skills as a physician and former health plan manager to assist, but I reiterate that what you ask will cause significant and long lasting harm to Idaho and its residents.

Sincerely,

A handwritten signature in black ink that reads "John Rusche". The signature is written in a cursive, flowing style.

John Rusche, MD
Fellow, American Academy of Pediatrics
Representative, District 7

Cc: Senate and House Majority Leadership
Senate and House Minority Leadership
Senate and House Health & Welfare committee Members
JFAC Members
Amy Johnson, Principal Budget & Policy Analyst