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

Mitchell E. Daniels, Jr.
Governor

September 8, 2009

The Honorable Richard Lugar
306 Hart Senate Office Building
Washington, DC 20510-1401

Dear Senator Lugar:

During your summer recess I am sure that many, if not all of you heard from your constituents regarding health care reform.

I have heard from them as well. In fact, over the past few months, I have watched Americans come forward to passionately express their anxieties about the legislation currently making its way through Congress. Their worries are well-founded.

There is no disputing the fact that aspects of American health care, such access and affordability, truly do need to be restructured and improved. Yet, I have serious concerns about Congress's proposed solutions to these problems. In fact, I fear the current rush to overhaul the system will ultimately do more damage than good and create far more problems than it solves.

And unfortunately, Indiana would bear the brunt of many of the reckless policies being proposed. For example, our Healthy Indiana Plan (HIP), an innovative and successful state sponsored health insurance program for uninsured citizens, would suffer greatly as Congress expands Medicaid coverage, forcing many of the Hoosiers already enrolled in HIP out of the plan and into a broken Medicaid program that does not focus on prevention, healthy lifestyles, or personal responsibility.

Additionally, states will likely have to pick up the tab for this extension of Medicaid. We have estimated that the price for Indiana could reach upwards of $724 million annually. These additional costs will overwhelm our resources and obliterate the reserves we have fought so hard to protect.

While these reforms could do serious damage to our state, I fear they will also have harmful consequences all across the country by reducing the quality and quantity of available medical care, stifling innovation, and further burdening taxpayers.

There is another way. Americans from all walks of life and every political stripe should work together with President Obama and Congress to create a set of measured and sensible reforms that bring down costs, increase access and portability and stress the importance of innovative state-run health insurance programs.

The majority of Americans do believe that health care reform is needed, but do not believe that the legislation currently on offer is the answer. I agree. And I will do everything in my power to raise these concerns and work with you to find a solution.

Sincerely,

M E Daniels, Jr.