

April 5, 2011

The Honorable Paul Ryan  
House Committee on the Budget  
1233 Longworth House Office Building  
Washington, D.C. 20515

Dear Chairman Ryan,

On behalf of Republican Governors, we applaud the bold FY 2012 budget proposal you announced today. The House Republican budget halts the out of control spending spree of recent years, and imposes a back to basics, fiscal discipline that voters clearly asked for in last November's mid-term elections. It also gives businesses the certainty they need to create jobs and accelerate the engines of economic growth.

We appreciate the many innovative reforms this budget will demand; the current path forward is unsustainable. As House Republican leadership redesigns programs to implement this budget, federal restrictions on Governors' ability to freely govern must be eliminated. Republican Governors are ready to assist you.

Medicaid reform is welcome and the Republican Governors overwhelmingly support the creation of a Medicaid block grant program. This well established approach will give states the freedom to innovate, share best practices, and create cost-effective ways to deliver quality health care to our most vulnerable populations. We appreciate this effort because The Patient Protection and Affordable Care Act (PPACA) does not provide the flexibility states need for the challenges of today or tomorrow. Medicaid remains an antiquated, federal maze of regulations and mandates focused on process instead of quality health care. It requires months and sometimes years of negotiations for even modest changes, "perhaps" resulting in a positive outcome at the end of the process. This practice must stop if Governors are to contain costs and provide a safety net for our citizens; we know their needs far better than the federal government. We cannot do the jobs we were elected to do while continuing to be hampered by a federal program that stifles innovation and handcuffs state flexibility.

Chairman Ryan, your Medicaid proposals are far superior to those envisioned in the PPACA. As you know, Republican Governors have urged the President to support an expedited review of the court cases associated with the new law; its federal command and control approach does not address the health care needs of the 21<sup>st</sup> century.

We commend your leadership during these challenging economic times. We are thankful for the opportunity to work with you and the entire House leadership to ensure that Governors are leading the necessary government reforms you seek.

Sincerely,



Governor Rick Perry  
Texas



Governor Robert F. McDonnell  
Virginia



Governor Haley Barbour  
Mississippi



Governor Chris Christie  
New Jersey