



Senator Eliot Shapleigh

District 29

Texas Press Release

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"**RICK PERRY ADVISING ON HEALTH CARE IS LIKE BERNIE MADOFF ADVISING ON FAMILY SAVINGS**"

"Rick Perry's had five sessions to fix Texas health care. In those 10 years, he kicked over 230,000 kids out of CHIP, 500,000 kids out of Medicaid, sent nearly \$1 billion in Texas CHIP money back to D.C., presided over 91.6% increase in health care premiums and led Texas to dead last in citizens who have health insurance. Last session, he threatened to veto the CHIP expansion bill that the Texas Senate passed 29-2. Rick Perry advising on health care is like Bernie Madoff advising on family savings. Now that responsible leaders are crafting responsible solutions, failed leaders like Rick Perry need to let real leaders get to work."

EL PASO - Today, Senator Eliot Shapleigh (D-El Paso) responded to Gov. Rick Perry's statement that the Congressional health reform plans will bankrupt Texas. "What will really bankrupt Texas is four more years of failed leadership that allows one in four to have no health insurance," said Senator Shapleigh.

The Congressional Budget Office (CBO), which is responsible for analyzing the fiscal impact of any legislation, released a report yesterday that states the Senate Finance Committee health bill will actually result in a *net reduction* of the federal budget deficit of \$81 billion by 2019.

The truth is that Texas stands to benefit more than any other state. By any measure, Texas is now "the ground zero of health care in America." [Not a single Texas city](#) meets the national average in citizens covered with insurance—not Austin, not Dallas, not Houston. Moreover, Texas leads the nation in the percentage of uninsured—both in terms of [children](#) and the [overall population](#). Contrary to the claims of some, even if non-citizens (who include legal residents as well as undocumented immigrants) were removed from the statewide estimate, Texas would still have the highest uninsured rate in the country with [4.1 million uninsured citizens](#).

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Facing these alarming statistics, Rick Perry instead chooses to play politics with children's lives. Last regular session, when it looked likely that the popular Children's Health Insurance Program (CHIP) was set to insure more Texas children via a bill filed by Senator Kip Averitt (R-Waco), Perry killed it by [trumpeting to the media](#) that he was opposed to any expansion of CHIP.

In 2003, Perry intentionally [kicked over 230,000 Texas children out](#) of CHIP and another 500,000 out of Medicaid. Then, he went to the Bahamas with Grover Norquist to brag about it. Instead of using the [nearly \\$1 billion](#) that the federal government set aside for Texans to expand CHIP to cover as many Texas children as possible, Gov. Perry sent Texas taxpayer dollars back to the federal government so that other states like Illinois could cover all of their children.

Perry's failed leadership results in real life tragedies. According to a 2008 Families USA study based on U.S. Census Bureau data, approximately [2,700 uninsured Texans of working age died](#) because they didn't seek medical care. In other words, seven Texans a day died last year due to lack of health care.

Moreover, failed leadership on Texas health care is increasingly shifting health care costs to local taxpayers at county hospitals and clinics at the highest possible emergency room rates. In Dallas, Parkland Hospital provided \$512 million in uncompensated care last year. In Houston, the Harris County Hospital District spent about \$436 million.

Why is Texas so far behind when it comes to providing basic health care to more citizens? Because nowhere in America has Perry's basic hostility to responsible governance become so engrained and been so costly to working families. Even President George Bush's Centers for Medicare and Medicaid Services (CMS) refused to approve Rick Perry's Medicaid waiver application because it simply redirects scarce DSH and UPL dollars from Texas hospitals, which already use it to fund care for millions of uninsured Texans, to instead fund his proposed Health Opportunity Pool (HOP).

The HOP is intended to provide private insurance to the uninsured parents of children enrolled in Medicaid and CHIP. However, after Perry's administration released details as to how the HOP would work, consumer advocates expressed serious concerns as to the adequacy of the limited benefits and whether these low income Texans would be able to afford the premiums. Hospitals in particular were concerned that Perry's plan would end up costing them millions more. Under HOP, advocates believe that scarce DSH dollars will go from direct health care by hospitals to denial management by insurance companies. And because Perry didn't reach an agreement with Bush's CMS, negotiations of this waiver application ended when President Obama took office. In other words, despite claims that Perry is hard at work trying to resolve the health care crisis in Texas, nothing has been done on this application since January.

The truth is that Texans can no longer afford "do nothing leadership." The Robert Wood Johnson Foundation recently released a report compiled by researchers from the Urban Institute who used their Health Insurance Policy Simulation Model to estimate how coverage and cost trends would change between now and 2019 if nothing is done to reform the current system. The report, entitled "[The Cost of Failure to Enact Health Reform](#)," shows that within 10 years:

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- The number of people without insurance could increase by more than 30 percent in 29 states. As many as 8.3 million Texans would be uninsured, up from 6 million this year.
- Businesses would see their premiums increase—more than doubling in 27 states. In Texas, employers' premiums would increase as much as 121 percent.
- Every state would see a smaller share of its population getting health care through their job. Half of the states would see the number of people with ESI fall by more than 10 percent.
- Every state would see spending for Medicaid/Children's Health Insurance Program (CHIP) rise by more than 75 percent. Texas' Medicaid/Children's Health Insurance Program spending would increase as much as 117 percent.
- The average Texan's health care spending would increase as much as 81 percent, with those in middle-class working families impacted the most.
- The amount of uncompensated care in the health system would more than double in 45 states. In Texas, uncompensated care would increase by as much as 138 percent.

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