

## STATE OF MAINE OFFICE OF THE GOVERNOR 1 STATE HOUSE STATION AUGUSTA, MAINE 04333-0001

29 April 2014

The 126<sup>th</sup> Legislature of the State of Maine State House Augusta, ME

Dear Honorable Members of the 126<sup>th</sup> Legislature:

Under the authority vested in me by Article IV, Part Third, Section 2 of the Constitution of the State of Maine, I am hereby vetoing LD 1578, "An Act To Increase Health Security by Expanding Federally Funded Health Care for Maine People."

This bill models Medicaid expansion after what was proposed in New Hampshire, which modeled their expansion after Arkansas. These states and this bill intend to expand Medicaid by using federal funds to purchase private health insurance. However, the state cannot dictate the cost of the private health insurance.

As a result, Arkansas-style expansion is just like a conventional Medicaid expansion, only more expensive. Arkansas is already seeing cost overruns for its expansion far and above what the state had predicted, and state taxpayers are on the hook for those costs—not the federal government.

Unlike many other states being lured into expansion by the promise of federal deficit Medicaid dollars, Maine has been down this road before. We know how the story ends: broken budgets and the disabled on waitlists for services. We know the arguments—they're the same as the last time—and we know the ruinous results of expansion. For the sake of the truly needy and Maine taxpayers, we cannot go down this path again.

It does not matter which state we model ourselves after: Medicaid expansion is still a bad idea. This wolf in sheep's clothing is no better than the other three Medicaid expansion bills I have vetoed during the 126<sup>th</sup> Legislature.

For these reasons, I return LD 1578 unsigned and vetoed. I strongly urge the Legislature to sustain it.

Sincerely,

Paul R. LePage

Governor