

JAMES H. DOUGLAS  
GOVERNOR



State of Vermont  
OFFICE OF THE GOVERNOR

July 17, 2007

The Honorable George W. Bush  
President of the United States  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Dear Mr. President:

Vermont has been applauded for its groundbreaking efforts in health care reform. Whether it is access to affordable insurance, improving the quality of care or containing costs, Vermont is recognized as a leader.

At a recent National Governors Association best practices meeting, Vermont received much deserved attention for its innovations in health care reform. In fact, in several visits to our state, the Secretary of Health and Human Services has praised our efforts both publicly and privately.

Making health care more accessible and affordable for every American should not be a partisan issue. Republicans and Democrats are recognizing there is a growing need to address the issues of health care access, quality and affordability. Vermont has developed a far-reaching, bipartisan consensus on how to achieve these necessary reforms and we believe our plan can be a model for the country as a whole.

However, the states need a federal partner willing to offer flexibility and embrace proven reforms on a state-by-state basis, without regard for the politics of the day on Capitol Hill.

That is why I am very disappointed by the Department of Health and Human Services' (HHS) decision regarding our request for an 1115 waiver amendment to cover Vermonters up to 300% of the federal poverty level (FPL). We are seeking to use federal Medicaid dollars to assist in funding those up to 300% of FPL in our pioneering Catamount health program—a program that extends affordable health insurance options to every resident in our state.

The Honorable George W. Bush  
July 17, 2007  
Page Two

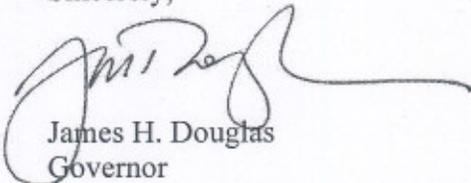
Although HHS has indicated its willingness to approve using Medicaid moneys for those enrolled in the program up to 200% of the federal poverty level, we have found that those between 200% and 300% FPL cannot afford health care and need premium assistance as well – this represents over a quarter of uninsured Vermonters.

It is important to note that, under our Global Commitment waiver, approving this amendment would not cause the federal government to incur any additional expense.

Members of your administration have suggested to me that this decision is a result of the current SCHIP reauthorization debate. It is my hope that both the Congress and the administration would encourage states to lead the way, rather than allowing meaningful state-level reform to be side-tracked by other issues.

A functional federal-state partnership is an integral part of every state's health care reform efforts. We therefore will leave our 1115 waiver request open. I respectfully request that your administration reconsider and approve our amendment.

Sincerely,



James H. Douglas  
Governor

JHD/gkp  
c: Secretary Michael Leavitt