

STATE OF MINNESOTA

Office of Governor Tim Pawlenty

130 State Capitol • 75 Rev. Dr. Martin Luther King Jr. Boulevard • Saint Paul, MN 55155

February 18, 2010

The Honorable James Metzen President of the Senate 322 State Capitol Building Saint Paul, Minnesota 55155

Dear President Metzen:

I have vetoed and am returning Chapter 182, Senate File 2168, a bill that makes modifications to the General Assistance Medical Care (GAMC) program.

I initially vetoed this program in May 2009 because its costs were skyrocketing out of control, and the program was badly in need of reform. Senate File 2168 does not represent meaningful reform and does not address fundamental cost issues. It essentially re-establishes GAMC in its prior form, while reducing provider reimbursement rates by 50 percent.

I refer you further to both my veto letter of May 14, 2009, regarding a line-item veto of the program, as well as my letter to the House of Representatives from earlier today outlining my continuing concerns.

As the state struggles to resolve a \$1.2 billion deficit, passage of this legislation is at best premature. Legislation that appropriates significant funds simply cannot be passed in a piecemeal fashion. A comprehensive, balanced budget solution must first be reached.

This legislation utilizes \$170 million that I previously identified in my supplemental budget to help resolve the current \$1.2 billion deficit. Those same dollars cannot be used twice.

If a comprehensive budget solution is achieved, I remain open to working with you on these issues.

Sincerely

Tim Pawlenty

Governor

Voice: (651) 296-3391 or (800) 657-3717 Web site: http://www.governor.state.mn.us Fax: (651) 296-2089

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cc: Senator Lawrence J. Pogemiller, Majority Leader
Senator David Senjem, Minority Leader
Senator Linda Berglin
Representative Margaret Anderson Kelliher, Speaker of the House
Representative Kurt Zellers, Minority Leader
Representative Erin Murphy
Mr. Peter S. Wattson, Secretary of the Senate (Legislative)
Mr. Albin Mathiowetz, Chief Clerk of the House of Representatives
Mr. Mark Ritchie, Secretary of State



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The Honorable Erin Murphy 413 State Office Building 100 Rev. Dr. Martin Luther King Jr. Blvd. Saint Paul, MN 55155

Dear Representative Murphy:

As the House debates your bill to reinstate General Assistance Medical Care (GAMC), I want to express my concern that your legislation does not fit within a balanced budget plan.

Your bill reestablishes the GAMC program with almost no reform. Simply reinstating the same program I vetoed last year, along with a 50 percent reduction in reimbursements, does not properly reform the program. Likewise, with doctors under pressure on many fronts, the size of the proposed reimbursement reduction is alarming.

Just as importantly, the money you spend to recreate GAMC is otherwise used in my supplemental budget proposal to help solve the state's \$1.2 billion budget deficit. Those same dollars cannot be used twice.

A bill to reinstate GAMC cannot be considered in a vacuum, without first considering an overall budget solution. Passage of the GAMC bill in the absence of any plan by the legislature to solve the current budget deficit is premature. Legislation that significantly impacts the state's budget should not be enacted in a piecemeal fashion. A measure like this would need to be part of a comprehensive, balanced budget solution.

Further, my administration is implementing plans to serve most GAMC enrollees. The Department of Human Services is moving forward with the auto-enrollment process into MinnesotaCare, which is now scheduled to occur at the end of March. While the benefit set for MinnesotaCare is more modest, this solution will maintain health care coverage for most GAMC enrollees.

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I appreciate the work you have done on this issue and remain open to financially workable ideas. My Administration stands ready to offer additional technical assistance to you. However, we must keep in mind that our primary and overarching interest is to solve the deficit and balance the state's budget.

Thank you for your work on this important matter.

Sincerely,

Tim Pawlenty

Governor

cc: All Members of the Minnesota House of Representatives