



STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR

PAT MCCRORY
GOVERNOR

February 4, 2013

RE: Senate Bill 4

Dear Senator ,

I am writing this letter to address concerns regarding Senate Bill 4. Governor McCrory realizes that both the Senate and the House have been working diligently over the past several months to assess the complexities and challenges of implementing the federal healthcare legislation. Governor McCrory has also had several meetings and conversations with other governors around the country over the past few months to share ideas and information about implementing the law.

I wanted to bring to your attention that Senate Bill 4 will reverse a path begun just two years ago by the General Assembly to fund a part of the *North Carolina Families Accessing Services through Technology* (NC FAST) program utilizing federal grants. The NC FAST program completes a task that is federally mandated. Even with a federal exchange, we need the NC FAST technology to properly determine eligibility, save taxpayer money and limit fraud and abuse in government assistance programs. This bill would force the state to apply for a new funding stream for NC FAST, which is not a guarantee, and may delay NC FAST and generate additional costs through labor-intensive manual workarounds.

The Governor agrees that North Carolina is not in a position to expand a broken Medicaid system at this time, which is why his current focus is to aggressively pursue reforms. The Governor understands that there are too many unanswered questions remaining about the cost, process and technology necessary to pursue a partnership or state-based exchange in 2014.

In order to address these challenges, the Department of Health and Human Services is issuing a Request for Information (RFI) and invites all stakeholders to come to the table with solutions based on the principles of accountability, better provision of health care and cost minimization.

We believe additional time is necessary to evaluate the serious financial ramifications of Senate Bill 4 to North Carolina taxpayers. We believe that in order to protect North Carolina taxpayers, our goal should be full funding and implementation of NC FAST on a timely basis, regardless of the type of health care exchange.

We appreciate your time on this important matter ahead of your vote on Senate Bill 4, and we thank you for your service to the state of North Carolina.

Sincerely,

A handwritten signature in cursive script that reads "Fred Steen".

Fred Steen
Legislative Liaison