



Wes Retherford State Representative

**Sponsor Testimony of Representatives Wes Retherford
Regarding the House Bill 85
Before the Senate House Federalism and Interstate Relations Committee
Tuesday, March 7th, 2017**

Chairman Roegner, Vice-Chair Lipps, Ranking Member Leland and members of the House Federalism and Interstate Relations Committee, thank you for the opportunity to present to you House Bill 85, the Health Care Compact.

The first point I would like to stress is that the Health Care Compact is an Interstate Compact. An interstate compact is a contract, or agreement, between two or more states which has been approved by a simple majority of Congress, such as the Great Lakes Compact or compacts involving Drivers License Reciprocity. The ability of the states to enter into these compacts is given in the US Constitution, Article 1 Section 10. Currently 14 states, including Ohio have introduced the compact and eight of them have passed the Health Care Compact. With 8 states already in the compact, and more, including Ohio, considering the step, some Members of Congress are now discussing a compact bill, as well.

When approved by Congress, compact member States are empowered to decide directly how to spend the money the Federal Government currently spends on each state respectfully, based off of 2010 spending. For Ohio, this would be 35 Billion Dollars adjusted for inflation. This number will be adjusted annually based on inflation and changes to GDP. We, as State Representatives and Senators, would be able to use that money, through what would basically be block grants, to spend on our own, towards health care in Ohio. This gives us 3 strategic advantages.

1. We would be able to make adjustments to programs on a regular basis, if needed, without continually turning to the Federal Government for approval.
2. We would be able to adopt a system or set of systems that we would have local control over, giving us the ability to directly represent our constituents and allow us to adopt practices that would work best for Ohio. As we all know, a one size fits all approach is not always the best practice. What may work in California won't necessarily work in Ohio. We can keep what works and change what isn't working.
3. We would have a more direct control over federal spending in Healthcare. This is not a use it or lose it proposition, so if Ohio can effectively devise a system that only uses (for example) 25 Billion dollars, we would theoretically save 7 billion dollars at the Federal Level, However, when the next year rolls around, the number of dollars available will still be 35 Billion adjusted for inflation and population

I believe it is also important to note that under this compact, if approved by congress as part of the Repeal and Replace effort, or approved on its own merit, it gives the state another level of protection for what I

have heard expressed as a concern of the block grant system. Many have expressed concerns that under Congress, a block grant program can result in cuts to various programs because of the ever changing ability to fund the block grants. Under the Healthcare Compact, our funding to Ohio, along with every other state can only be changed to reflect population and inflation, thus protecting us from cuts from the federal budget, and also not punishing fiscal prudence and ingenuity through a “Use it or Lose It” scenario.

I believe that the Health Care Compact will give Ohio and other states a distinct advantage at truly making health care costs affordable for all residents. The growing support for this legislation is a true testament to state lawmakers who want to protect their constituents and actually get a say in Healthcare issues.

I strongly encourage the support of this compact and your assistance in joining with Missouri, Utah, Georgia, Texas, Oklahoma, Alabama, South Carolina, Kansas, and Indiana by making Ohio the 10th state to do so. As Ohio goes, so goes the nation, and I believe if we make this happen in Ohio, several more states will follow. I thank you for your time and consideration and I will be happy to answer any questions.

Thank you.

A handwritten signature in black ink, appearing to read "Wes Retherford", with a stylized flourish at the end.

Wes Retherford
State Representative
Ohio House District 51

