

**ALEC EXPOSED**

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda—underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

**ALEC's Corporate Board**  
--in recent past or present

- AT&T Services, Inc.
- centerpoint360
- UPS
- Bayer Corporation
- GlaxoSmithKline
- Energy Future Holdings
- Johnson & Johnson
- Coca-Cola Company
- PhRMA
- Kraft Foods, Inc.
- Coca-Cola Co.
- Pfizer Inc.
- Reed Elsevier, Inc.
- DIAGEO
- Peabody Energy
- Intuit, Inc.
- Koch Industries, Inc.
- ExxonMobil
- Verizon
- Reynolds American Inc.
- Wal-Mart Stores, Inc.
- Salt River Project
- Altria Client Services, Inc.
- American Bail Coalition
- State Farm Insurance

For more on these corporations, search at [www.SourceWatch.org](http://www.SourceWatch.org).

**DID YOU KNOW?** Corporations VOTED to adopt this. Through ALEC, global companies work as "equals" in "unison" with politicians to write laws to govern your life. Big Business has "a VOICE and a VOTE," according to newly exposed documents. **DO YOU?**

Home → Model Legislation → Health and Human Services ←

**Resolution on Medicaid Funding Through a Federal Block Grant**

**WHEREAS**, Total U.S. Medicaid spending in 2006 exceeded \$303 billion; and

**WHEREAS**, The share of federal Medicaid funding provided to the states is determined by a state-by-state matching percentage, and the actual amount of federal funding sent to the states is determined by how much the states spend in order to get those matching dollars; and

**WHEREAS**, Medicaid policy is also heavily controlled by the federal government, requiring states to apply for waivers if they want the flexibility to reform their Medicaid programs to better meet state needs; and

**WHEREAS**, States are encouraged to expand Medicaid programs and spend more to get additional funding. The U.S. Government Accountability Office projects that Medicaid spending will grow by 224 percent between 2007 and 2032, and at the same time Medicare and Social Security will put significant pressure on the federal budget; and

**WHEREAS**, These cost trends and projections for Medicaid, Medicare, and Social Security are unsustainable and will likely lead to difficult cost shifting from the federal government to the states in the Medicaid program, with the result that states will struggle to support their individual Medicaid programs without meaningful control over the policy; and

**WHEREAS**, Current Medicaid funding arrangements fail to reward states based on performance, but give states additional funding based on outright government appropriations; and

**WHEREAS**, Medicaid growth is fueled by an interest in gaining additional federal funding, which also makes reductions in state Medicaid spending more difficult due to the additional loss of federal funding; and

**WHEREAS**, Welfare reform changed the way states managed welfare programs by giving states more policy control and performance expectations, with a fixed amount of money each year; and

**WHEREAS**, Because welfare reform has proven to be a success since its passage more than ten years ago, states should ask for a similar arrangement with Medicaid that would give states more policy flexibility, fixed state funding, and broad performance goals; and

**WHEREAS**, Federal funding for the State Children's Health Insurance Program (SCHIP) is allocated to states based on a matching rate up to a total fixed amount of federal funding determined by state need, so there is clear precedent for giving states greater latitude in setting eligibility standards and a fixed amount of funding for similar programs.

**THEREFORE BE IT RESOLVED THAT** {Insert legislative body} believes that {insert state} is best suited to make decisions on Medicaid policy for the residents of this state, including prioritizing state Medicaid spending to reflect the unique needs of {insert state}, and setting eligibility standards that reflect state priorities.

**BE IT FURTHER RESOLVED THAT** {Insert legislative body} believes that a federal block grant for Medicaid funding would give states greater flexibility to manage the state Medicaid budget and tailor the program to meet state objectives.

**BE IT FURTHER RESOLVED THAT** Copies of this resolution be sent to the President of the United States, the United States Congress, and the appropriate leadership of the United States Department of Health and Human Services.

*Adopted by the Health and Human Services Task Force at the Spring Task Force Summit on May 17, 2008. Approved by the ALEC Board of Directors June, 2008.*

Did you know that global pharmaceutical company Bayer Healthcare was the corporate co-chair in 2011?

**About Us and ALEC EXPOSED.** The Center for Media and Democracy reports on corporate spin and government propaganda. We are located in Madison, Wisconsin, and publish [www.PRWatch.org](http://www.PRWatch.org), [www.SourceWatch.org](http://www.SourceWatch.org), and now [www.ALECExposed.org](http://www.ALECExposed.org). For more information contact: [editor@prwatch.org](mailto:editor@prwatch.org) or 608-260-9713.

**Exposed**

By the Center for  
Media and Democracy  
[www.prwatch.org](http://www.prwatch.org)

Center for Media and  
Democracy's quick summary

Like the Medicaid reforms proposed in the budget proposed by Rep. Paul Ryan (R-WI), this Resolution calls on Congress to amend Medicaid to replace the current funding program (a federal matching percentage of state costs) with block grants.

Medicaid block grants are unlikely to provide adequate funds for states to meet growing Medicaid costs, particularly for persons with disabilities. The result of this change would either reduce coverage in Medicaid programs or limit eligibility. A 1995 version of this bill from ALEC called for block grants for both welfare and Medicaid.