

AZ Legislative District 23 Republican Committee

Web: www.d23azgop.org

Doug Little, Chairman 480-686-5387

The Lincoln Link – April, 2013

Judy Eisenhower, Distributor

District Meeting – April 11, 2013 6:30 PM, Social Hour - 7:00 PM Meeting – Chaparral Suites 5001North Scottsdale Road, Scottsdale

Our April meeting will feature Christine Jones, Managing Director of the Arizona Research Project. You will receive an update on the District's business network website ad two fundraisers in May.

CHAIRMAN'S CORNER – DOUG LITTLE

Thanks again for the exciting meeting last month. For those that were not present, we had an excellent discussion on Governor Brewer's proposed expansion of Medicaid under ObamaCare. It was a great opportunity to understand more about this important issue facing our legislature. It was also very enlightening for some of our PCs as they did not realize the breadth of the impact that this expansion would have on Arizona, not only in the very near future but for many years to come.

It is my plan to continue to provide these types of opportunities to educate and inform our PCs of important issues facing our state and our nation. We will be working hard to identify major issues and provide experts to help us all better understand them.

I also want to see more active discussions by our District. Too often we forget that part of the reason we come together is to share ideas and engage in political discourse.

We welcome your ideas and suggestions for topics you would like to see addressed. Please feel free to send them along to me or Joe Meli. We will do our best to see they get put on the program.

Don't forget, this month our meeting is at the Chaparral Suite Hotel in Scottsdale. Our meeting time is the same...6:30pm for networking and 7:00pm for the meeting itself. We look forward to seeing you there...

FIRST VICE CHAIRMAN – JOE ROMACK

Contact Info: azgopld23@hotmail.com

Please continue to recruit new Precinct Committeemen; we're on our way to reach 600!

The nomination form is on our website:

http://d23azgop.org/sites/d8/files/Documents/PCAppointmentForm.pdf

The potential PC will need to fill out: Name of Precinct, Name , Address, Home Phone, Cell Phone, E-mail Address, Date of Birth & Voter ID #

Then scan the document or mail it to me.

If you need a walking list for your Precinct, please e-mail me and I will send one to you. Also, if you are receiving this newsletter via regular mail, please send me your e-mail address, since this is the most efficient way to communicate. Thank you all for your help.

SECOND VICE CHAIRMAN – JOE MELI

This month we have some exciting things happening. Our featured speaker at our April 11th meeting will be Christine Jones. Christine is the Managing Director of the Arizona Research Project. She is the Former Executive Vice President, General Counsel & Corporate Secretary of Go Daddy Operating Company LLC. She will be speaking about the mission of the ARP and how it will be applied to future elections.

We will also have an update on our LD23 Business network website as well as two fundraisers coming up in May.

Our Armed Forces Day Breakfast event will be May 18th. The response thus far has been very strong. We will have some amazing items up for auction this year! If you or someone you know has an item for the auction or raffle to donate, please contact Shirley Cordasco or me. Please also remember to get your checks for the breakfast in to Shirley. It is going to be a great event, full of surprises!

The first LD23 Business Network event will take place on May 4th. Look for an email soon with details. We'll also be speaking about it at the April 11th meeting.

DISTRICT 23 MINUTES – VERA HEMINGER, SECRETARY

I. Call to Order – With concurrence of the Members present, the Monthly General Meeting of the Members of Arizona Legislative District 23, held at the Mustang Library located at 10101 North 90th Street, Scottsdale, Arizona 85258 on March 14, 2013, was called to order at 7:03 PM by Chairman Doug Little. Present were First Vice Chairman Joe Romack, Second Vice Chairman Joe Meli, Treasurer Linda Rizzo and Secretary Vera Heminger. Also present were 83 Precinct Committeemen for a quorum under Section 1 of the Bylaws. Also present by invitation was Andrew Thomas.

- **II. Invocation and Pledge of Allegiance** Led by Reverend C.T. Wright.
- **III. Introduction of Elected Officials and Guests** Chairman Doug Little introduced the elected officials present, as well as guests.
- **IV.** Chairman's Business Chairman Doug Little reported on the Lincoln Day Luncheon and the award recipients honored at that event. The names of the recipients were disclosed in the March Newsletter 2013 and will also be posted on the Website.
- V. Approval of Minutes All of the Members present having reviewed the Minutes of the February 2013 Monthly General Meeting which were sent out for review and approval in the March 2013 Newsletter. There being no questions or corrections to be made, Chairman Doug Little asked for a motion to accept the February 2013 Minutes as written. Upon motion duly made, seconded and unanimously carried, it was

RESOLVED that the Minutes of the February 2013 Monthly General Meeting be, and hereby are, approved as written.

- VI. First Vice Chairman's Membership Report The next order of business was the Membership Report by First Vice Chairman Joe Romack, who addressed the following matters:
 - PC Recruitment The form to be used for PC nomination is now posted on the Website. Prospective PCs should fill in the form, forward it to Mr. Romack for processing.
 - PC Business Cards Business cards for PCs will soon be made available.
- VII. Chairman's Remarks on Membership Report First, Chairman Doug Little noted that the District also intends to reintroduce the Notice of Intent form to be required of anyone intending to run for any District office including State Committeeman. This matter will be brought up for discussion at the upcoming Board Meeting.
- VIII. Treasurer's Report Treasurer Linda Rizzo announced that the Financial Report for the District as of February 2013 was sent out for review and acceptance in the March 2013 Newsletter. Total contributions for the month of February were at \$170.00. A restitution check in the amount of \$620.00 was received from the Court. The net gain for the District, after regularly incurring operational expenses (not including the restitution check) was only \$52.90. As there were no questions or suggested corrections from the floor, the Treasurer asked for a motion to accept the Financial Report as presented. Upon motion duly made, seconded and unanimously carried, it was

RESOLVED that the Financial Report be, and hereby is, approved as presented.

- VIX. Second Vice Chairman's Report on the Mutual Support Initiative Council ("MUSIC") Next, Mr. Little gave the floor to Second Vice Chairman Joe Meli who opened by reporting that the expected date to bring the MUSIC Website online was April 11, 2013. In the meantime due diligence is still underway as well as meetings with legislators and the Secretary of State to ensure the setup of the MUSIC complies with the laws.
 - Event Chairman's Report Treasurer Linda Rizzo delivered the Event Chairman's Report on behalf of Shirley Cordasco with a reminder that the Legislative Breakfast 2013 will be taking place at the Gainey Ranch Golf Clubhouse located at 7600 Gainey Club Drive Scottsdale, AZ 85258 on Saturday, May 18, 2013 at 8:30 AM. With respect to the Legislative Breakfast she addressed the following:
 - Ms. Cordasco was able to arrange as a surprise the appearance of a world-renowned author at the Legislative Breakfast. The ticket price per person is \$25.00. Checks for the Legislative Breakfast can be mailed effective immediately either to Event Chair Shirley Cordasco directly or to Treasurer Linda Rizzo.
 - Linda Rizzo delivered a brief memorial speech remembering Ms. Cordasco's grandson

Kevin, who, after battling cancer for most of his childhood, passed away in his teens. At the age of ten, Kevin wrote a letter to President Bush telling him about his fight with cancer. Soon thereafter the family was summoned to Los Angeles Airport where Kevin received a tour of Air Force One and got to meet with President Bush. [*Our prayers are with Ms. Cordasco's family and Kevin. We mourn with you.*]

- X. Chairman's Report on the ObamaCare/Medicaid Expansion (hereinafter referred to as "Expansion") Meeting. Mr. Little took the floor to report on the case as presented by the Governor to the District and County Chairs at a joint meeting at the Governor's Office in January, as follows:
 - Virtually all neighboring states will be Expanding coverage under their own Medicaid programs, with only Utah currently undecided.
 - The Governor's key argument was that if neighboring states Expanded their programs, then they were doing so with federally-collected tax dollars from Arizona; and if neighboring states were receiving Arizona tax dollars to Expand, then the Governor was determined to secure Arizona tax dollars for Expansion in Arizona as well.
 - If Arizona does not Expand, all Arizona tax Dollars collected by the federal government for Expansion go to neighboring states, none to Arizona. The Governor sees this as a wealth shift from non-Expanding states to the Expanding states.
 - By not receiving federally-collected Arizona tax Dollars, Arizona would be exposed to higher levels of uncompensated care.
 - The costs would hurt Arizona in competition with other states.
 - Current AHCCCS rules provide coverage to adults who are at 100% percent of the federal poverty level. This rule is based on Proposition 204 in 2000 which mandated that all of tobacco industry settlements (approximately 3 ½ billion dollars) distributed to Arizona should be allocated to AHCCCS. That enabled the State to Expand coverage from those people making 34% of the federal poverty level up to 100% of the federal poverty level i.e. current coverage.
 - In order to take advantage of federal Expansion funds, the State would have to Expand coverage to include people up to 133% of the federal poverty level which equals about \$24,000 for family of four.
 - Estimated increase on the rolls would be about 57,000 individuals a contested number that many estimate to be closer to 300,000.
 - If Arizona does not Expand, the State may have to eliminate coverage for approximately 50,000 childless adults starting January 1, 2014. Accepting Expansion funds will allow the State to continue coverage for these individuals.
 - Accepting Expansion funds will have a direct positive effect on the State's General Fund each year, as follows:

•	Year	State-Matched Increases	Federal Subsidies	Credit to General Fund
	2014	\$27 Million Dollars	\$337 Million Dollars	\$62 Million Dollars
	2015	\$154 Million Dollars	\$1.556 Billion Dollars	\$136 Million Dollars
	2016	\$105 Million Dollars	\$1.7 Billion Dollars	\$155 Million Dollars

- A so-called "Provider Assessment" provision will provide hospitals with a 2:1 return compensating them for currently uncompensated care provided under AHCCCS. Hospitals, therefore, greatly favor the Expansion.
- One concern voiced at the Meeting was what if ObamaCare ceases to exist? Then the State of Arizona will have to pay for the Expansion all by itself for the full Expanded amount of \$1.7 Billion Dollars.
- Another concern was raised with respect to a circuit-breaker provision built into the law that would result in an automatic repeal of this particular piece of legislation should ObamaCare funding drop below a certain level.

- Another concern raised at the Meeting was that after adding all these people to the AHCCCS rolls and ObamaCare dropped away, what would the political consequences for the then-seated Legislators and Governor?
- Chairman's Report on the Fallout of Expansion Meeting Both on political principle, and on the concerns enumerated above, the Expansion was not well-received amongst the Arizona District and County Chairs. This resulted in multiple resolutions from multiple Districts and Counties in opposition to the Expansion.
- XI. Presentation by Andrew Thomas Chairman Doug Little, having finished his report on the joint Meeting at the Governor's Office, then pointed out that after all sides had given their views on the matter at hand, there would be a discussion, after which the District would vote to either a) support a draft resolution to be presented; b) not support a draft resolution presented; or c) do nothing. Next, Second Vice Chairman Joe Meli introduced Andrew Thomas. Mr. Thomas pointed out that he was not a healthcare expert, but was giving his presentation from a public policy perspective. He then raised the following issues with respect to the Expansion:
 - Public officials must be politely but firmly rebuked if they go astray on core principles. If the Party doesn't stand up to leadership from time to time it will lose a platform that is the basis for the Members' participation in it. If the Members lose that, they lose the reason for being Republicans and the Party will witness an ever-increasing, accelerated loss of voters because the Party no longer stands for principles the people expect it to embrace when leaders consistently renounce the core principles.
 - The Arizona Medicaid Expansion will add 300,000 people to the rolls. The 50,000 figure cited by Governor Brewer is refuted in a concession-against-interest move by the notoriously left-partisan Arizona Republic Newspaper supporting the Expansion.
 - Arizona will reap 7.9 billion worth of "free" money by opting into the Expansion, in part to be funded as follows:
 - \$256 million of the free, federally-collected subsidies will be raised by imposing a "Bed Tax" levied on Arizona hospitals to be passed down to middle-class Arizonans by way of increased healthcare expenses and medical insurance. Local Legislatures will not be able to tackle this "Bed Tax" as they cannot prevent providers from passing down cost increases to the consumers, even if they were to cap prices and control the economy which would result in a Soviet-style healthcare black market.
 - Despite the initial credits to the Arizona General Fund in 2013 through 2015, according the Heritage Foundation's calculations, starting 2017 going forward to 2022, the Expansion would begin costing Arizona tax payers \$417 Million.
 - Continued, long-term federal subsidies are highly questionable, since the federal government is Trillions of Dollars in debt. If any federal austerity measures are to be enacted, they will come first and foremost as cuts on states' subsidies, instead of cuts to essential federal operations. The states will be left to their own devices in trying to fund the excessive Expansions.
 - The Expansion is incompatible with Republican principles, as follows:
 - It represents a vast welfare explosion at the local level.
 - It is an endorsement of ObamaCare and the principles it is founded on.
 - It is a sizeable new tax burden on the middle class.
 - It is a pet project of powerful, moneyed special interests who through media complicity skew public opinion in their favor.
- **XII. Presentation by Representative John Kavanagh** Next, Representative John Kavanagh gave his presentation as follows:

• America is already bankrupt and can't afford subsidy schemes like the Expansion.

- Annual national deficit is at 1.1 Trillion Dollars.
- National debt is at a record (steadily growing) high of 17 Trillion Dollars this is over 100% of GDP, the tipping point.

- In addition to the national debt of 17 Trillion Dollars there are the unfunded liabilities of Medicare, Social Security and government pensions for a total debt as of this moment (and rapidly growing) of 88.6 Trillion Dollars which equals 550% of GDP.
- The Expansion in the individual states will be accomplished on borrowed money from nations like China, obligating the individual states directly to the foreign creditor. Forty cents of every Dollar spent by Washington today is borrowed money, and big chunk of that is money borrowed from China. America's children and grandchildren will be on the hook for this massive debt.
- The above are Greece-level conditions degrading the USA to a third-rate power, a third-rate economic force where over half of the population lives off the other half and goes to the polls to vote for more handouts until the whole system collapses.
- Arizona will be put at grave risk for serious fiscal problems in the coming years.
 - Knowing that even liberal states operating under "tax & spend" policies could not afford the *regular matches* for this Expansion, the federal scheme gives 100% funding "free" money to Arizona to Expand like a heroin pusher gives free heroin to the young kid to get him addicted and dependent on the subsidy/drug, then the heroin pusher starts charging the price.
 - The 100% funding provided to Arizona is only minimally tax-revenue based it's not just "tax & spend", it is in even larger degree "borrow & spend" relying on funds *borrowed* from countries like China. So Arizona's "free" Expansion money is still Arizona's debt obligation to China and other foreign creditors.
 - The Expansion is based on the assumption that the federal matches are going to stay at 100% for three years and then only drop to 90% thereafter. That assumption is utopian, since the federal government is going broke raising the debt ceiling every few months.
 - When the federal government hits the debt wall, the first thing that will go away will be the 100% match to the states.
 - If the federal match drops to only 80%, Arizona will be faced with an immediate \$225 Million Dollar hole in Arizona's budget in 2016.
 - The Expansion will add 300,000 people to the rolls, a figure that will be swelled by a "woodwork effect" to about 400,000, where an additional 100,000 people will find a way to jump on the money wagon.
 - Partial money to fund the Expansion will be obtained through a "Hospital Provider Tax". It's not called a "tax", because that would trigger the Arizona constitutional requirement of a 2/3rds vote under Proposition 208. So that "tax" is called a "Hospital Provider Assessment"
 - Arizona citizens should not allow the State of Arizona to become victim of a *scam*.
 - The scheme where you tax a hospital and you take the money the hospital gives you in tax Dollars and you then buy more federal Medicaid coverage and get a 2:1 match and draw down more money and give it all back to the same hospital – so their tax actually was the catalyst for more federal money –was identified by the National Commission on Fiscal Responsibility and Reform (aka Simpson-Bowles Commission) as one of the scams that has to be eliminated if the federal government was to become financially stable.
 - The day the federal government has to come to terms with its debt and actually follow through on the Simpson-Bowles Commission's recommendations, the first items to be eliminated from the spending schedules are going to be items that will not hurt the federal pockets but the states' pockets. Doing away with the federal scam will save the federal government \$44 Billion Dollars.
 - The ability to rely on the debt-tax buydown as embodied in the "Hospital Provider Tax" scam is bound to terminate, and if all the new Expansion enrollees are still on the books the Governor's assumptions are all based on a federal match dropping below 80%, but does not take into account the debt-tax buydown going away as well come 2016, the

State of Arizona and its tax payers will be on the hook for \$1.6 Billion Dollars in additional *mandated* Medicaid financing that the State won't be able to get out of. That is a time-bomb the Governor hasn't even addressed yet.

- The "Bed Tax" (mentioned by Andrew Thomas above) also causes a massive redistribution of money from hospitals in middle- to upper-class neighborhoods like Mayo Clinic, Mayo Hospital and Scottsdale Healthcare to poverty neighborhoods, where the hospitals aren't all that poor because Betsey Bayless' salary the head of the Maricopa Integrated Healthcare System just went up from \$350,000 to \$500,000 Dollars. That is how uncompensated healthcare is crushing Arizona hospitals they can only give Betsey Bayless a pay increase to a Half-Million Dollars for managing a hospital system that is going broke.
- Currently the State of Arizona has 1.2 Million people on indigent Medicaid healthcare, which will increase to 1.6 Million people in a State with only 6 Million people. That is a lot of people on indigent healthcare.
- The Expansion puts more people on Medicaid, a horrible system where people can't get doctors to treat them, because the reimbursements are so below par and the outcomes are ridiculous because of the way the program is administered.
- The hospitals are now complaining about being short in cash and being overcrowded. What will happen when 400,000 more people are added overnight to the health system? What will happen when you call your doctor to get an appointment or try to get admitted to the hospital? And they claim that the ERs will no longer be crowded when 400,000 more people go to ERs for treatment? That's not what happened in Massachusetts under when RomneyCare kicked in. Because when you have insurance you use it and Massachusetts used it by flocking to the ERs for all kinds of treatment. Under Medicaid programs you can't put any reasonable co-pays in place to deter frivolous visits. Additionally, the Medicaid programs are wasteful, Platinum-level policies, not staggered systems where consumers can pick and choose between varying levels of coverage.
- The bill is unconstitutional.
 - Under the Arizona Constitution, if Legislators give specific parameters to raise a given amount of money, then such action triggers Prop 108 which requires a 2/3rds majority vote.
 - If the Legislators don't give specific parameters to the government bureaucrats, but just let the bureaucrats decide on how funds are to be raised, then they are in violation of the Arizona Constitution as well, because Legislators cannot delegate appropriation and budgeting authority to any other branch of government.
 - Notwithstanding the above, there aren't enough Republicans even in the house to kill the bill on Prop 108 alone. Therefore, the pressure needs to be kept on and the vote on a District Resolution opposing Expansion is extremely important in helping with that.
- There are better, Republican free-market ways of dealing with these issues.
 - Tort Reform. Limit the frivolous lawsuits giving out ridiculous judgments and force doctors to practice defensive medicine and order all kinds of unnecessary tests in preparation for a potential court case the physician may still end up losing.
 - More custom-tailored choices on insurance plans allowing people to have strip-down versions that only cover catastrophic care.
 - Increase competition and expand to interstate competition to break up intrastate monopolies that drive the costs up.
 - Impose reasonable co-pays to discourage unnecessary office visits.
 - Allow individuals who buy their own insurance (without a third-party involved) write it off as a tax deduction (just like companies).
- XIII. Presentation by Representative Michelle Ugenti John Kavanagh, having finished his presentation, relinquished the floor to Michelle Ugenti to give a brief comment on the

Expansion:

- The Governor apparently decided to back the Expansion in the hopes of freeing up moneys from the General Fund, except that she's spending the money she's freeing up from the General Fund without the State getting the full benefit of the moneys freed up from the higher reimbursement rate.
- Michelle Ugenti and John Kavanagh at this point also reported that AHCCCS *a government agency* sent out an e-mail for activists and AHCCCS recipients asking them to show up at a planned appropriations hearing at the Legislature to stage a rally demanding the Legislators to Expand. AHCCCS in sending out the rallying e-mail, *acted as a community organizer or lobbyist* to push for Expansion.
- XIV. Question & Answer Session, Discussion Chairman Doug Little opened the floor for questions and answers and discussion of the issue at hand prior to voting on the proposed LD 23 Resolution which, after having been made available in written form to all PCs present at the meeting, was read aloud to the assembly Mr. Doug Little. A discussion moderated by Joe Meli, ensued, and, upon motion duly made, seconded and overwhelmingly approved, it was RESOLVED that the LD 23 Resolution Opposing Expansion be, and hereby is, approved as written.
- **XV. Adjournment** There being no further business to come before the Meeting, upon motion duly made, seconded and unanimously carried, the Meeting was adjourned at 8:30 PM.

TREASURER'S REPORT – LINDA RIZZO

March 2013

REVENUE Contributions (Dues) 369.00 Breakfast 50.00 Name Badges 195.00 614.00

EXPENSES

Name badges/ribbons, etc. 161.79 Supplies Website/Email 16.55 Rental-meeting room 163.25 Christmas Party 2013 500.00 Breakfast 841.59 Net Income (Loss) (227.59)

PLEASE MAKE YOUR ANNUAL CONTRIBUTION:

\$30.00 Individual, \$50.00 Couple of Household, \$100.00 Chairman's Level, or more I would like to thank the following PCs for making a contribution during the month of March 2013:

Joy Russell, Linda Longazel, Jack Zohar and Dan and Mary Ryan A special thanks to these PCs for contributing at the Chairman's Level: Lynne and Richard Breyer Vera and David Heminger

FOUNTAIN HILLS REPORT – BOE JAMES

About 120 people attended the March 16th breakfast which featured Secretary of State Ken Bennett as the keynote speaker. Secretary Bennett made an outstanding presentation of election procedures in Arizona. With colorful visual aids, he showed the various levels of participation in the process from the voter to the county recorders to the Secretary of State. Secretary Bennett also entertained the crowd with some of his original songs lampooning previous governors of the state and the members of the Arizona State Legislature where he once served.

An additional highlight of the day was the awarding of the 2012 "Fountain Hills Republican of the Year" Award to LD 23 PC and longtime grassroots activist Marilyn Higgins. Marilyn has been active in local politics for a number of years, especially with the David Schweikert campaigns. She was the AZ GOP "Rookie PC of the Year" for 2010. She has been a State Committeeman, and is the Precinct Captain for the Saguaro Precinct. In addition to being a board member of the Fountain Hills Republican Club, Marilyn belongs to the Palo Verde Republican Women's Club in Scottsdale.

In addition to the honor accorded Marilyn Higgins, our own CD 6 Congressman, David Schweikert, presented an American flag that had flown over the United States Capitol to Tyler Cosman, a second grader at McDowell Mountain School. Tyler won the grand prize for his knowledge of U.S. History while taking a quiz at the Fountain Hills Republican Club/LD 23 booth at the November Arts and Crafts Festival. Tyler's Mom, Amy, was on hand to show her pride in his accomplishment.

In addition to Congressman Schweikert, with his wife Joyce, and Secretary Bennett other political figures in attendance included all three LD 23 members of the Legislature: Senator Michele Reagan (with her parents Judge and Mrs. Michael and Donna Reagan), State Representative John Kavanagh (and his wife Mayor Linda Kavanagh), and State Representative Michelle Ugenti.

The Fountain Hills Republican Club's next meeting will be Saturday, April 20th and will feature State Senator Michele Reagan and her father Judge Michael Reagan as the keynote speakers. Persons interested in the club are encouraged to visit the web site <u>www.fhrepublicanclub.org</u>.

EVENTS – SHIRLEY CORDASCO

We are only a month away from our annual breakfast, MAY 18th, and I'm worried about the response time from everyone. For those of you who intend to be there, I have only received 6-7 reservations and checks. For those of you who know you will be there, but haven't even thought of sending your checks in, I can make it very easy for you -- bring your checkbook to our monthly meeting at CHAPPARAL SUITES on the 11th of April. We have a number that we have committed to at Gainey Ranch and a time frame to get things done; I cannot accomplish these things without your co-operation.

As far as the agenda goes, we will have our legislative wrap-up from our favorite legislators. They will keep us informed about what they are working on, what's happening, and some news we're not going to like. After a good breakfast and political speeches, then the fun starts......BUT, it can't start unless all of you help me. I asked for pictures of you from the 70's, even stretched it to the 80's but, so far, I have received only about seven prints. Surely we have more than seven members; go through your closets, your computers, your drawers and find me a picture, scan it and send it to me. We need to make this fun; I promise your picture won't wind up at the post office or on a milk carton, but it will add to our enjoyment at that moment.

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