

Written Testimony Of
Susana Martinez
Governor of New Mexico

Before the
United States House of Representatives
Committee on Oversight and Government Reform and
Speaker's Task Force on Intergovernmental Affairs

“FEDERALISM IMPLICATIONS OF TREATING STATES AS STAKEHOLDERS”

February 27, 2018

Chairman Gowdy, Ranking Member Connolly, Task Force Chairman Bishop, and members of the Committee and Task Force, I am very grateful for this opportunity to speak with you today about the balance of power between the states and our federal government.

As federal legislators, you all face an incredible challenge in finding solutions that work for a nation of 320 million people in urban, rural, and frontier areas spread out over 3.8 million square miles.

In fact, our nation's incredible geographic and human diversity makes finding a cookie cutter solution next to impossible.

What works in South Carolina may not work in Virginia. And what works in New Mexico may not work even for our neighbors in Utah, which is precisely why it is imperative the federal government recognize the sovereignty of states, work with us, and allow us to lead and innovate. When you do, great things will happen.

The New Mexico Human Services Department implemented our state's Medicaid managed care program, Centennial Care, in 2014 under a demonstration waiver granted by the Centers for Medicare and Medicaid Services.

Through this innovative program, managed care organizations administer a full array of services to New Mexicans through an integrated care model.

Care coordinators across the state help to ensure members receive the right services at the right time, New Mexico is a leader in providing home- and community-based services, and we are actually *decreasing* per-person health care costs.

This innovation and resulting success is possible because the federal government allowed New Mexico to design and implement a Medicaid program that works for our state and our people.

House Resolution 1333 sponsored by Earl “Buddy” Carter of Georgia would provide us with even more freedom to further improve program efficiencies.

When we do not receive that flexibility, inefficient federal processes tend to have dire consequences that reverberate across my state.

It takes our state Energy, Minerals and Natural Resources Department just 10 days to review new oil and gas permits, but it takes the Bureau of Land Management in New Mexico an average of 250 days.

This delay has led to a BLM backlog of more than 800 applications for permits to drill in Mexico, at a cost of approximately \$1.9 million to New Mexico and \$3.4 million to the federal government PER DAY.

Annually, this amounts to \$710 million for New Mexico and \$1.2 billion for the federal government in lost and delayed revenue.

If the BLM were to delegate its oil and gas review process to New Mexico and other western states with these resources on federal lands – states like Montana and Utah – it would result in billions of dollars of additional state and federal revenue.

During my time as New Mexico’s governor, I’ve seen two different sides of the state-federal partnership. At times, regulations and edicts from Washington have brought rigid and formulaic programs to New Mexico that do not allow us adapt them to our unique state.

That tide seems to be turning as federal agencies like the Department of Interior and Department of Transportation are engaging with us to face common challenges.

As elected officials, we all strive to deliver the best possible results for those we represent. We do that best when we work together constructively and collaboratively as true partners.

###