



# ***MEDIA ADVISORY***

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## **McMaster To Organize Group Of State Attorneys General To Review Senate Health Care Bill**

### ***Statement by Attorney General Henry McMaster***

**Columbia, S.C.** – “This morning, I received a letter from South Carolina's two United States Senators, Lindsey Graham and Jim DeMint, asking me, as Attorney General, to investigate the legality of the special funding arrangements negotiated with Nebraska Senator Ben Nelson to secure his vote for the Senate Democrat's health care reform bill which moved forward toward eventual passage in the Senate by a vote of 60-40.

We have made a copy of that letter available to you here:  
<http://www.scag.gov/newsroom/pdf/2009/grahamdemintmedicaid.pdf>

The language of the Nelson provision appears to give the State of Nebraska a permanent exemption from paying the Medicaid expenses all other states in the nation will be required to pay.

In other words, if this amendment stands, taxpayers from South Carolina and other states will be paying the bills for the increase in Nebraska's Medicaid population. The Nelson provision is unusual in that there is not cut off date or phase out. Many provisions in federal law have a sunset date -- say 2, 5, 10, or even 20 years-- but this provision will continue in perpetuity.

Quite obviously, this issue raises very serious concerns about equity, tax fairness as well as the constitutionality of having federal tax levies and mandates that treat one state differently from all the others. If the Nelson provision is not unprecedented, I feel comfortable in saying it is an exceptionally rare occurrence. States generally are treated in a similar manner. In this case, Nebraska will be treated in a widely divergent manner than any other state.

Beginning today, I have instructed my attorneys to begin looking into the constitutionality of this provision and exploring the options that may be available to South Carolina and other states to defend taxpayers should this provision ultimately become law.

I am pleased to announce that Attorney General Rob McKenna of Washington State has agreed to join our efforts. Later this afternoon, I will be holding a teleconference with additional attorneys general to ask them to join our nationwide group to exchange ideas and explore our legal options.

In my judgment, Democrats and Republicans alike from every state in the union should be outraged by this deal. Medicaid is a joint federal-state program but in this instance one state -- Nebraska -- will be able to shift its future funding obligations back onto the federal government. Neither South Carolina, Georgia, California, nor any other state will have that luxury. Whatever the legal status may be (and we may soon find out), these negotiations -- on their face -- amount to a form of vote buying. Paid for by taxpayers.

And whether in the court of law or the court of public opinion, we must bring an end to this culture of corruption.”

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