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STATE AUDITOR



**STATE OF VERMONT  
OFFICE OF THE STATE AUDITOR**

March 21, 2010

Honorable Peter F. Welch  
Vermont Congressman  
Washington, DC

Dear Peter,

Today is historic. May you be filled with great courage. I called your cell phone earlier today and left message to share my perspective as a concerned Vermonter and State Auditor.

It's been quite a year since returning from Iraq last March 19. Although some things have been turbulent for me, things have quieted down. I am very focused, clear and concerned. Our office of professionals is cranking out some very high quality work according GAGAS standards and within the framework of a Professional Standards Manual we developed. One of our key staff is a gal that worked at the GAO in DC. Speaking of the GAO, I have 1:1 meeting with former Comptroller David Walker this Tuesday in NYC.

***To say that many of us State Auditors are outraged by what is happening in Washington is an understatement.*** We are still reeling from a Stimulus Program we warned of "over-promised transparency" while giving large amounts of oversight money to the Inspector General Community while being myopic as related to the State Accountability Community that received a fraction.

As an Auditor, the biggest "over-promise" going on today is that the Healthcare reform bill will produce savings by wringing out fraud waste and abuse within the estimated lost billions. As we know, in addition to fundamental flaws in oversight, the flaws in Medicare (spot-addressed by 208 billion Dr Fix) and continued problems with Medicaid spell a boondoggle. Please don't buy into the promise of fraud savings. They don't exist in this current delivery system (bowl of spaghetti) and the bill doesn't foster a structure to facilitate that oversight model.

Why has the number of uninsured gone up a million a year in California? Senator Feinstein said 8 million plus? Because of cost? I was once a California uninsured preparing to pay cash for the birth of our son. \$1600 to the Chinese born doctor and \$1000 to Children's hospital. If you wish to address this by pushing millions into Medicaid, where doctors are getting a 66% payment of the private marketplace, do you think this is going to work? I say no.

If you vote yes, please know you are part of one of the most fiscally irresponsible acts in the history of the US. Right up there with Medicare Part D... so I am not being a partisan observer.

I commend your efforts to get people to think differently:

“Earlier this month, Rep. Welch introduced legislation to require the federal government to negotiate the price of senior prescription drugs directly with the pharmaceutical industry. Welch’s bill would save taxpayers and seniors more than \$156 billion by ensuring Medicare follows the same cost-saving practices employed successfully by the Veterans Administration.” - Because it highlights an opportunity area if we skate to a Basic Medicare (*not this Medicare*) for All. However, unless you address the root of the problem, this is another cost shift exercise (VA prescription concept).

If Robert F. Kennedy were here today he would be speaking straight to the American people and saying, “*We must become a country of stronger and healthier individuals to face this challenge.*” The lack of such discussion presents a stark contrast of how leadership once fostered inspiration and personal responsibility. Let us not forget our nation’s rich history in times of transition and turmoil when empowerment, not a trillion dollars, was the answer.

FDR’s Fireside Chats to encourage trust (make deposits small and large) and participation, to JFK’s “Ask Not What Your Country Can Do For You...” are replaced today with a weak picture: *An American people, many unhealthy by choice, dependent on government to save them, fostering continued personal atrophy across the spectrum in a sort of “Give me my rights as an American-which includes healthcare, and we will get to my duties later...”*. Those that believe entitlements lead to empowerment and motivation are going to sorely disappointed.

Personally, this is my biggest sadness and the largest lost opportunity by DC leadership-to begin to face the nation- and level with them. On this issue and the many issues that are clearly Federal (Healthcare, Unemployment, Farm Models/milk pricing, Energy, Nuclear Waste, Special Education and an unsustainable, Broken Public School Model.) I think the USA is starving for the truth and Leadership. Those of us in the States see the Federal efforts failing miserably and question whether the legislative design and process is effective in DC and at home. Perhaps this is where we should overhaul.

**(I’m not a lobbyist. If I was a lobbyist, I would have contacted you sooner. My September 2009 letter informed all -explaining why I left the Democratic Party and references my view on Healthcare reform. )**

**So here on the day of the vote, leaders on the Commission to address the budget deficit (1.6 Trillion next year) were speaking honestly today on Wall Street Week (Sun Mar 21). To Paraphrase- Fmr. Sen. Alan Simpson regarding the commission- “people of goodwill appointed, we don’t know where we are going, but by Dec 1 we will produce a report.” He then went on to state he told Pres. Obama that he didn’t think the trillion dollar health care cost would be recovered, or to paraphrase “don’t think it will reduce costs/fulfill promises” One of the 18 Commission Members, Erskine Bowles, from the Clinton Administration was also quoted as saying “we are not living within our means and the entitlements need to be addressed.”**


I don't believe the Sen. Feinsteins that says this is all or nothing; We'll never have a future chance to reform Healthcare. I believe her type want to make history. The future rests in a Basic Care for all, phased in over 12 years. In the process, Medicaid, and all if its related failings (see Special Ed) needs to be exposed and folded into the Basic care.

Public Education and its mission to prepare our young for college or the work forces must be separate from Mental Health/Healthcare/Social Services design which Many deny what has been caused by the flow of MEDICAID into our school districts and the perverse incentives and unfunded mandates created with it. Remember ...Texas and California...Do you want to create a Medicaid State across this county to bankrupt our coffers, but worse...our potential and hunger for greatness?

If you were to vote NO, you would represent the fearless and faithful warriors who know this is bad policy. Forget the politics. Some people would rather be part of history by voting YES than looking at States like Massachusetts and their healthcare pilot and voting NO. Many would cheer you on and support you in all ways as the NEW Realists with real COURAGE.

God Bless you Peter.

Sincerely,

A handwritten signature in black ink that reads "Thomas M. Salmon CPA". The signature is written in a cursive, flowing style.

Thomas M. Salmon, CPA