

## Eye On Boise

### Otter on Fox News: Idaho budget a 'model for what the nation ought to do'

Posted by **Betsy**

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Gov. Butch Otter took to the national airwaves last night, in a phone interview with Fox News' Greta Van Susteren, touting Idaho's budget management as a "model for what the nation ought to do." Otter noted Idaho's recently upgraded credit rating of AA+, the same level to which the national debt was just downgraded by Standard and Poor's, from AAA. "Idaho, obviously, with our upgrade, we went to AA+ while the nation was coming down, because we balanced our budget, we saved money when we had a surplus, and we didn't spend more money than we had during the economic crisis," Otter said.

He also called for cuts in entitlement programs, touting Idaho's Medicaid cuts as a success story and recalling the "soul-crushing tyranny of entitlement" line he used in his last State of the State message. "There wasn't anybody thrown out in the streets," Otter told Van Susteren. "People became more responsible for their own needs. And when they had to share the cost when there was co-pay for some of the entitlements they were getting, then they were more judicious in how they spent that money. The second thing that happened was churches and the rest of the community said we can help a little, but you have to help yourself." Click below for a transcript of the interview provided by the program, "On the Record with Greta Van Susteren."

Idaho cut \$34 million from its Medicaid program this year, including new co-payment requirements, big new assessments on hospitals and other care providers, and trims in provider reimbursements. There were also cuts to services: More than 42,000 poor or disabled Idahoans lost their non-emergency dental coverage on July 1; dozens of patients are being

discharged from nursing homes to home-based care; treatments like chiropractic care, podiatry, vision coverage and hearing aids were cut; and the state is revising programs to move to more of a managed-care approach. A federal lawsuit has halted one move, to a single residential habilitation agency for developmentally disabled patients in certified family homes, that would have driven dozens of existing agencies out of business and drastically reduced oversight of the treatment of those patients.

GRETA VAN SUSTEREN, HOST: Well, it's probably safe to assume our nation's 50 governors are on edge tonight. As you know, our national debt was downgraded late Friday night from AAA status to AA-plus. Now, is that going to take our states' status down, as well? Are they next in line?

Joining us on the phone is Idaho's governor, Butch Otter. Good evening, Governor. And governor, your — your rating has just gone up a little bit in your state. Do you worry now that the fact that the national rating has been downgraded, credit rating, is going to impact on you, sir?

GOV. C.L. "BUTCH" OTTER (R), IDAHO (via telephone): Well, good evening, Greta. And no, I do not. You know, it's not unusual for companies and sub-departments of those companies to differ in their financial value. And Idaho, obviously, with our upgrade, we went to AA-plus, while the nation was coming down because we balanced our budget, we saved money when we had a surplus, and we didn't spend more money than we had during the economic crisis.

VAN SUSTEREN: Was it tough to do that, sir? I mean, because that's really is, you know, the problem that's facing our nation now, is you know, is how we can sort of dig ourselves out of a mess that your state is emerging from.

OTTER: Well, absolutely, Greta. And I believe Idaho and other states are a model for what the nation ought to do. I think Paul Ryan's plan was absolutely right. You simply have to cut back on the continuing cost and

expenditure of entitlements. In fact, I used a term which I was roundly criticized for in my last state of the state, and that was “the soul-crushing tyranny of entitlement.” It is tyranny for the taxpayer and it's tyranny for the continuation of government.

VAN SUSTEREN: What happens to these people who no longer have these entitlements who are dependent upon these entitlements?

OTTER: Obviously with Paul Ryan's plan, nobody was going to be cut off under the age —

VAN SUSTEREN: In your state, when you did it?

OTTER: We said we've been paying 135 percent of poverty or in some cases 185 percent of poverty for folks we went to a means testing and said if you can pay part of the price for the services you are getting, you going to pay that price.

VAN SUSTEREN: What happened? Tell the people. Were people thrown out on the street in your state? Tell me what happened?

OTTER: No, no there wasn't anybody thrown out in the streets. There was lots of things that happened. First of course, people became more responsible for their own needs. And when they had to share the cost when there was co-pay for some of the entitlements they were getting then they were more judicious in how they spent that money.

The second thing that happened was churches and the rest of the community said we can help a little, but you have to help yourself.

VAN SUSTEREN: Before you became governor you were a member of Congress. What do you think what is going on in Congress, and what about the thought of having them come back now rather than four, five weeks from now?

OTTER: I think the damage was done long before Congress passed what they considered the solution, because any time you create that much uncertainty, Greta, it is going to be disastrous for the psyche of the

marketplace. Any time that you've got gold over \$600 of the S&P and within striking distance of the NASDAQ, in values that's serious problem, because the people are looking at for intrinsic value. They're looking for their storehouse of wealth. And so whether it is gold, food, or whatever.

So anyway, I think the damage was already done by the lack of leadership out of the White House and in some cases because of the Senate. The Senate couldn't agree. We simply have to live within our means.

VAN SUSTEREN: If we brought Congress back now is that simply a stunt or could they make inroads and send a message and move us towards a solution?

OTTER: Greta, having been a member of Congress and taking that month of August off, gone home and talked to the people, I think one of the best things that can happen. Just like with what happened in years past is when people unhappy about a policy that was being advanced by the White House in the last couple of years, the best thing that can happen is for Congress to listen to the folks. Take this month to listen to the folks, and then go back with a focus on solving the problem.

So I think they ought to stay where they are. Listen to the folks at home. Go to the hearings they are going to have in the community's interest and listen the folks and then go back and effect policy.

VAN SUSTEREN: Governor, thank you, sir.

OTTER: Thank you, Greta.

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