

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ASSISTANT SECRETARY FOR PLANNING AND EVALUATION
OFFICE OF HEALTH POLICY



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Comments:

Estimates of the Effects of the Conference Agreement Medicaid Plan on States, 2002 and 1996 - 2002
Formula as of November 16, 1995
(Dollars in Millions, Federal Spending, Fiscal Years)

States	2002				1996-2002			
	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction
Total	\$176,931	\$127,418	(\$49,513)	-28%	\$954,338	\$791,146	(\$163,192)	-17%
Alabama	\$2,485	\$2,145	(\$340)	-14%	\$13,823	\$12,664	(\$959)	-7%
Alaska	\$373	\$275	(\$98)	-26%	\$2,001	\$1,660	(\$341)	-17%
Arizona	\$2,436	\$1,913	(\$523)	-21%	\$12,903	\$11,668	(\$1,244)	-10%
Arkansas	\$2,084	\$1,430	(\$655)	-31%	\$11,081	\$8,574	(\$2,507)	-23%
California	\$17,955	\$13,678	(\$4,278)	-24%	\$95,663	\$80,310	(\$15,353)	-16%
Colorado	\$1,521	\$1,030	(\$491)	-32%	\$8,163	\$6,367	(\$1,796)	-22%
Connecticut	\$2,345	\$1,688	(\$657)	-28%	\$12,990	\$11,094	(\$1,896)	-15%
Delaware	\$323	\$285	(\$38)	-12%	\$1,728	\$1,720	(\$8)	0%
District of Columbi	\$848	\$579	(\$267)	-32%	\$4,511	\$3,802	(\$709)	-16%
Florida	\$7,691	\$5,680	(\$2,011)	-26%	\$40,720	\$33,045	(\$7,675)	-19%
Georgia	\$4,900	\$3,301	(\$1,599)	-33%	\$26,050	\$20,348	(\$5,702)	-22%
Hawaii	\$508	\$373	(\$135)	-27%	\$2,732	\$2,450	(\$281)	-10%
Idaho	\$545	\$426	(\$119)	-22%	\$2,933	\$2,448	(\$484)	-17%
Illinois	\$6,207	\$4,684	(\$1,523)	-25%	\$33,242	\$29,056	(\$4,186)	-13%
Indiana	\$4,317	\$2,589	(\$1,727)	-40%	\$23,100	\$16,069	(\$7,032)	-30%
Iowa	\$1,440	\$1,108	(\$333)	-23%	\$7,807	\$6,874	(\$933)	-12%
Kansas	\$1,078	\$946	(\$133)	-12%	\$5,962	\$5,874	(\$88)	-1%
Kentucky	\$3,455	\$2,230	(\$1,225)	-35%	\$18,353	\$13,374	(\$4,979)	-27%
Louisiana	\$6,147	\$2,909	(\$3,237)	-53%	\$33,991	\$18,818	(\$15,173)	-45%
Maine	\$1,082	\$801	(\$281)	-27%	\$5,889	\$5,284	(\$605)	-10%
Maryland	\$2,532	\$1,810	(\$722)	-28%	\$13,478	\$11,266	(\$2,212)	-16%
Massachusetts	\$4,717	\$3,312	(\$1,404)	-30%	\$25,516	\$21,815	(\$3,701)	-15%
Michigan	\$6,982	\$4,595	(\$1,397)	-23%	\$32,153	\$28,518	(\$3,635)	-11%
Minnesota	\$2,701	\$2,070	(\$631)	-23%	\$14,665	\$13,602	(\$1,063)	-7%
Mississippi	\$2,342	\$1,928	(\$413)	-18%	\$12,640	\$11,100	(\$1,540)	-12%
Missouri	\$2,625	\$2,484	(\$141)	-5%	\$14,871	\$15,338	\$467	3%
Montana	\$636	\$422	(\$214)	-34%	\$3,409	\$2,603	(\$807)	-24%
Nebraska	\$822	\$542	(\$280)	-34%	\$4,448	\$3,662	(\$786)	-18%
Nevada	\$540	\$394	(\$145)	-27%	\$2,899	\$2,539	(\$360)	-12%
New Hampshire	\$631	\$375	(\$256)	-41%	\$3,728	\$2,542	(\$1,186)	-32%
New Jersey	\$5,100	\$3,294	(\$1,806)	-35%	\$28,038	\$21,775	(\$6,263)	-22%
New Mexico	\$1,147	\$970	(\$177)	-15%	\$6,068	\$5,605	(\$463)	-8%
New York	\$22,034	\$14,888	(\$7,146)	-32%	\$119,527	\$98,331	(\$21,196)	-18%
North Carolina	\$5,406	\$3,432	(\$1,974)	-37%	\$29,014	\$21,298	(\$7,716)	-27%
North Dakota	\$457	\$320	(\$137)	-30%	\$2,491	\$1,985	(\$506)	-20%
Ohio	\$7,508	\$5,350	(\$2,158)	-29%	\$40,586	\$33,200	(\$7,386)	-18%
Oklahoma	\$2,060	\$1,393	(\$667)	-32%	\$11,074	\$8,016	(\$3,058)	-28%
Oregon	\$1,848	\$1,444	(\$405)	-22%	\$8,884	\$8,982	\$98	1%
Pennsylvania	\$7,102	\$5,818	(\$1,284)	-18%	\$38,448	\$36,174	(\$2,273)	-6%
Rhode Island	\$1,004	\$630	(\$374)	-37%	\$5,465	\$4,138	(\$1,327)	-24%
South Carolina	\$2,756	\$2,291	(\$465)	-17%	\$15,252	\$13,741	(\$1,511)	-10%
South Dakota	\$442	\$349	(\$93)	-21%	\$2,380	\$2,163	(\$217)	-9%
Tennessee	\$4,587	\$3,342	(\$1,245)	-27%	\$24,576	\$20,739	(\$3,838)	-16%
Texas	\$11,358	\$9,102	(\$2,257)	-20%	\$61,167	\$55,273	(\$5,894)	-10%
Utah	\$960	\$683	(\$278)	-29%	\$5,128	\$4,103	(\$1,024)	-20%
Vermont	\$366	\$305	(\$61)	-17%	\$1,982	\$1,919	(\$63)	-3%
Virginia	\$2,434	\$1,807	(\$627)	-26%	\$13,022	\$9,835	(\$3,188)	-24%
Washington	\$3,381	\$2,035	(\$1,346)	-40%	\$18,203	\$13,405	(\$4,797)	-26%
West Virginia	\$2,591	\$1,534	(\$1,057)	-41%	\$13,723	\$9,521	(\$4,203)	-31%
Wisconsin	\$3,068	\$2,267	(\$799)	-26%	\$16,484	\$14,069	(\$2,415)	-15%
Wyoming	\$238	\$178	(\$60)	-25%	\$1,289	\$1,077	(\$213)	-16%

Note: The savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines.

(1) From The Urban Institute as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995.

(2) From the GAO estimates of the block grant allocation of the Conference Agreement proposal, as of November 16, 1995.

Note: These estimates include supplemental payments for illegal aliens, Nebraska, Nevada & Louisiana.

Source: U.S. DHHS

16-Nov-95

Comparison of the Conference Agreement to the October House and Senate Medicaid Proposals: 1996-2002
 Conference Agreement Formula as of November 16, 1995; House & Senate Proposals as of November 3, 1995
 (Dollars in Millions, Federal Spending, Fiscal Years)

States	Baseline (1)	Conference Agreement Medicaid Block Grant		Senate Proposal Reduction in Medicaid		House Proposal Reduction in Medicaid	
		Reduction (2)	Percent Reduction	Reduction (2)	Percent Reduction	Reduction (2)	Percent Reduction
United States	954,338	-163,192	-17%	-175,594	-18%	-169,357	-18%
Alabama	13,823	-959	-7%	-958	-7%	-1,156	-8%
Alaska	2,001	-341	-17%	-341	-17%	-521	-26%
Arizona	12,903	-1,244	-10%	-1,328	-10%	-1,258	-10%
Arkansas	11,081	-2,507	-23%	-2,508	-23%	-2,964	-27%
California	95,663	-15,353	-16%	-17,964	-19%	-16,555	-16%
Colorado	8,163	-1,796	-22%	-1,820	-22%	-1,927	-24%
Connecticut	12,990	-1,898	-15%	-2,341	-18%	-1,896	-15%
Delaware	1,728	-8	0%	-8	0%	-365	-22%
District of Columbia	4,511	-709	-16%	-710	-16%	-882	-20%
Florida	40,720	-7,675	-19%	-9,205	-23%	-9,537	-23%
Georgia	28,050	-5,702	-22%	-5,776	-22%	-5,709	-22%
Hawaii	2,732	-281	-10%	-281	-10%	-443	-16%
Idaho	2,933	-484	-17%	-488	-17%	-522	-18%
Illinois	33,242	-4,188	-13%	-4,391	-13%	-5,798	-17%
Indiana	23,100	-7,032	-30%	-7,258	-31%	-7,032	-30%
Iowa	7,807	-933	-12%	-933	-12%	-936	-12%
Kansas	5,962	-88	-1%	-88	-1%	-133	-2%
Kentucky	18,353	-4,979	-27%	-4,978	-27%	-4,979	-27%
Louisiana	33,991	-15,173	-45%	-15,175	-45%	-5,262	-15%
Maine	5,998	-735	-12%	-845	-14%	-735	-12%
Maryland	13,478	-2,212	-16%	-2,285	-17%	-2,487	-18%
Massachusetts	25,516	-3,701	-15%	-5,684	-22%	-3,707	-15%
Michigan	32,153	-3,836	-11%	-3,834	-11%	-4,253	-13%
Minnesota	14,665	-1,063	-7%	-1,544	-11%	-1,942	-13%
Mississippi	12,640	-1,540	-12%	-1,819	-14%	-1,897	-13%
Missouri	14,871	467	3%	467	3%	321	2%
Montana	3,409	-807	-24%	-820	-24%	-930	-27%
Nebraska	4,448	-785	-18%	-785	-18%	-895	-20%
Nevada	2,899	-360	-12%	-877	-30%	-630	-22%
New Hampshire	3,728	-1,188	-32%	-1,187	-32%	532	14%
New Jersey	28,038	-6,263	-22%	-6,395	-23%	-6,437	-23%
New Mexico	6,065	-461	-8%	-489	-8%	-785	-13%
New York	119,527	-21,196	-18%	-21,710	-18%	-21,876	-18%
North Carolina	29,014	-7,718	-27%	-7,715	-27%	-8,596	-30%
North Dakota	2,491	-508	-20%	-508	-20%	-511	-21%
Ohio	40,588	-7,386	-18%	-7,637	-19%	-7,944	-20%
Oklahoma	11,074	-3,058	-28%	-3,178	-29%	-3,058	-28%
Oregon	8,984	98	1%	76	1%	-1,397	-16%
Pennsylvania	38,448	-2,273	-6%	-2,539	-7%	-3,144	-8%
Rhode Island	5,485	-1,327	-24%	-1,328	-24%	-1,550	-28%
South Carolina	15,252	-1,511	-10%	-1,515	-10%	-1,516	-10%
South Dakota	2,380	-217	-9%	-217	-9%	-375	-16%
Tennessee	24,578	-3,838	-16%	-3,837	-16%	-6,228	-25%
Texas	61,167	-5,894	-10%	-7,008	-11%	-6,038	-10%
Utah	5,128	-1,024	-20%	-1,031	-20%	-1,116	-22%
Vermont	1,982	-83	-3%	-65	-3%	-365	-18%
Virginia	13,022	-3,188	-24%	-3,282	-26%	-3,193	-25%
Washington	18,203	-4,797	-26%	-4,832	-27%	-5,112	-28%
West Virginia	13,723	-4,203	-31%	-4,202	-31%	-4,460	-32%
Wisconsin	16,484	-2,415	-15%	-2,414	-15%	-2,935	-18%
Wyoming	1,269	-193	-15%	-202	-16%	-285	-22%

Note: The savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines.

(1) From The Urban Institute as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995.

(2) From the GAO estimates of the block grant allocation of the Conference Agreement proposal, as of November 16, 1995

Note: These estimates include supplemental payments for illegal aliens, Nebraska, Nevada & Louisiana

Sources: U.S. DHHS

16-Nov-95

**Comparison of the Republican Medicaid Proposals
Federal Spending by States, 1996 - 2002
(Dollars in Millions, Federal Spending, Fiscal Years)**

States	Baseline (1)	September House	October House	September Senate	October Senate	Conference Agreement
United States	954,338	771,972	784,881	767,806	778,745	791,146
Alabama	13,823	12,688	12,668	11,216	12,865	12,854
Alaska	2,001	1,447	1,480	1,607	1,660	1,680
Arizona	12,903	11,576	11,645	10,386	11,575	11,858
Arkansas	11,081	8,117	8,117	8,221	8,574	8,574
California	85,883	78,971	80,108	81,852	77,700	80,310
Colorado	8,163	8,210	6,236	6,866	6,343	6,367
Connecticut	12,890	10,845	11,094	8,445	10,848	11,094
Delaware	1,728	1,312	1,342	1,612	1,720	1,720
District of Columbia	4,511	3,548	3,629	3,777	3,802	3,802
Florida	40,720	30,189	31,183	31,776	31,515	33,045
Georgia	26,050	20,274	20,342	20,146	20,274	20,348
Hawaii	2,732	2,288	2,288	2,465	2,450	2,450
Idaho	2,933	2,358	2,411	2,352	2,445	2,448
Illinois	33,242	27,108	27,445	30,340	28,852	29,056
Indiana	23,100	15,813	16,069	14,476	15,842	16,069
Iowa	7,807	6,871	6,871	6,725	6,874	6,874
Kansas	5,982	5,829	5,829	5,258	5,874	5,874
Kentucky	16,353	13,374	13,374	13,425	13,375	13,374
Louisiana	33,991	26,722	26,729	18,638	18,816	18,816
Maine	5,989	5,146	5,284	5,053	5,154	5,264
Maryland	13,478	10,982	10,991	11,842	11,193	11,268
Massachusetts	25,518	21,277	21,808	19,884	19,832	21,815
Michigan	32,153	27,900	27,900	27,482	28,519	28,518
Minnesota	14,655	12,582	12,722	13,645	13,121	13,802
Mississippi	12,640	10,702	10,943	11,388	10,821	11,100
Missouri	14,871	15,193	15,193	12,829	15,338	15,338
Montana	3,408	2,467	2,480	2,481	2,580	2,603
Nebraska	4,448	3,516	3,552	3,755	3,662	3,662
Nevada	2,899	2,219	2,269	2,049	2,022	2,539
New Hampshire	3,728	4,165	4,280	2,564	2,541	2,542
New Jersey	28,038	21,008	21,600	20,865	21,643	21,775
New Mexico	6,066	5,164	5,281	5,451	5,577	5,605
New York	119,527	94,939	97,553	98,077	97,817	98,331
North Carolina	29,014	20,418	20,418	20,695	21,289	21,288
North Dakota	2,491	1,979	1,978	1,951	1,985	1,986
Ohio	40,586	32,642	32,642	33,903	32,949	33,200
Oklahoma	11,074	7,839	8,016	7,651	7,896	8,018
Oregon	8,884	7,288	7,487	6,849	8,960	8,982
Pennsylvania	38,448	35,295	35,303	36,025	35,910	36,174
Rhode Island	5,465	3,827	3,915	4,324	4,137	4,138
South Carolina	15,252	13,738	13,738	12,288	13,737	13,741
South Dakota	2,380	2,003	2,006	2,140	2,163	2,163
Tennessee	24,576	18,153	18,348	20,412	20,740	20,739
Texas	61,167	54,166	55,129	48,980	54,161	55,273
Utah	5,128	4,012	4,012	4,076	4,098	4,103
Vermont	1,982	1,581	1,817	1,777	1,918	1,919
Virginia	13,022	9,723	9,830	9,843	9,730	9,835
Washington	18,203	12,769	13,091	12,623	13,370	13,405
West Virginia	13,723	9,264	9,264	9,108	9,521	9,521
Wisconsin	16,484	13,549	13,549	13,845	14,070	14,069
Wyoming	1,269	964	984	1,005	1,067	1,077

Note: The savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines.

(1) From The Urban Institute as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995.

All other estimates from the GAO estimates of the block grant allocation of the Republican proposals.

Note: These estimates include supplemental payments for illegal aliens, Nebraska, Nevada & Louisiana

Source: U.S. DHHS

16-Nov-95

**Comparison of the Republican Medicaid Proposals
Federal Savings by States, 1996 - 2002
(Dollars in Millions, Federal Spending, Fiscal Years)**

States	September House	October House	September Senate	October Senate	Conference Agreement
United States	-182,366	-169,357	-186,733	-176,694	-163,192
Alabama	-1,155	-1,155	-2,607	-958	-959
Alaska	-554	-521	-394	-341	-341
Arizona	-1,328	-1,258	-2,517	-1,328	-1,244
Arkansas	-2,964	-2,964	-2,860	-2,506	-2,507
California	-18,693	-15,555	-13,801	-17,954	-15,353
Colorado	-1,953	-1,927	-1,297	-1,820	-1,796
Connecticut	-2,145	-1,896	-3,544	-2,341	-1,896
Delaware	-415	-385	-115	-8	-8
District of Columbia	-963	-882	-734	-710	-709
Florida	-10,531	-9,537	-8,944	-9,205	-7,675
Georgia	-5,776	-5,709	-5,904	-5,776	-5,702
Hawaii	-443	-443	-267	-281	-281
Idaho	-575	-522	-581	-488	-484
Illinois	-6,135	-5,798	-2,902	-4,391	-4,186
Indiana	-7,287	-7,032	-8,624	-7,258	-7,032
Iowa	-936	-936	-1,082	-933	-933
Kansas	-133	-133	-704	-88	-88
Kentucky	-4,979	-4,979	-4,928	-4,978	-4,979
Louisiana	-5,269	-5,262	-15,362	-15,175	-15,173
Maine	-853	-735	-846	-845	-735
Maryland	-2,515	-2,487	-1,536	-2,285	-2,212
Massachusetts	-4,239	-3,707	-5,652	-5,684	-3,701
Michigan	-4,253	-4,253	-4,692	-3,634	-3,635
Minnesota	-2,072	-1,942	-1,019	-1,544	-1,063
Mississippi	-1,938	-1,697	-1,251	-1,819	-1,540
Missouri	321	321	-2,043	467	467
Montana	-943	-930	-848	-820	-807
Nebraska	-932	-895	-692	-785	-785
Nevada	-680	-630	-850	-877	-360
New Hampshire	437	532	-1,164	-1,187	-1,186
New Jersey	-7,032	-6,437	-7,172	-6,395	-6,263
New Mexico	-902	-785	-615	-489	-481
New York	-24,588	-21,975	-21,450	-21,710	-21,186
North Carolina	-8,596	-8,596	-8,319	-7,715	-7,716
North Dakota	-511	-511	-540	-506	-506
Ohio	-7,944	-7,944	-8,683	-7,637	-7,388
Oklahoma	-3,235	-3,058	-3,423	-3,176	-3,058
Oregon	-1,696	-1,397	-35	-78	98
Pennsylvania	-3,153	-3,144	-2,422	-2,538	-2,273
Rhode Island	-1,638	-1,550	-1,141	-1,328	-1,327
South Carolina	-1,516	-1,516	-2,954	-1,515	-1,511
South Dakota	-378	-375	-260	-217	-217
Tennessee	-6,424	-6,228	-4,165	-3,837	-3,838
Texas	-7,001	-6,038	-12,187	-7,006	-5,694
Utah	-1,116	-1,116	-1,052	-1,031	-1,024
Vermont	-401	-365	-205	-65	-63
Virginia	-3,300	-3,193	-3,079	-3,292	-3,188
Washington	-5,434	-5,112	-5,579	-4,832	-4,797
West Virginia	-4,460	-4,460	-4,615	-4,202	-4,203
Wisconsin	-2,935	-2,935	-2,639	-2,414	-2,415
Wyoming	-305	-285	-264	-202	-193

Note: The savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines.

(1) From The Urban Institute as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995. All other estimates from the GAO estimates of the block grant allocation of the Republican proposals.

Note: These estimates include supplemental payments for illegal aliens, Nebraska, Nevada & Louisiana.

Source: U.S. DHHS

16-Nov-95

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ASSISTANT SECRETARY FOR PLANNING AND EVALUATION



Dipe

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State-by-State Impact of House Republican Medicaid Cuts \$182 billion

The House Republican Medicaid plan is designed to cut federal Medicaid spending by \$182 billion below the Congressional Budget Office's projected Medicaid spending over the next seven years. The state-by-state allocation of federal spending -- and the cut below the baseline -- is based on an extraordinarily complex formula in the bill.

To assess the impact on states, it is necessary to compare two estimates: estimated federal Medicaid spending under the current law baseline, and estimated spending under the proposed plan. Pending further review and assessment of the just-released formula, this impact analysis is based on two publicly-released projections:

- o Baseline spending estimate: the Urban Institute's projection of baseline Medicaid spending state-by-state was published in May and has been in public use since then.
- o Spending under the plan: the General Accounting Office estimated the allocation of federal funds to states under the House Republican formula on September 19, 1995.

The difference between the two provides a preliminary estimate of state impact. It shows:

- o The plan achieves the target of \$182 billion in cuts in federal spending over 7 years -- 19 percent below the seven year baseline, and 30 percent below projected spending in 2002.
- o The range of state impact is extraordinary:
 - By the year 2002, one state -- New Hampshire -- has no cut. All the rest of the states are cut below their baseline estimate.
 - Five other states, however, suffer cuts of more than 40 percent below their 2002 baseline: Alaska (-41 percent); Indiana (-44 percent); Rhode Island (-42 percent); Washington (-43 percent); West Virginia (-42 percent).
- o Financially, the greatest dollar impact is in the largest states -- New York and California.
 - New York is cut by \$24.6 billion below its seven-year baseline estimate -- and 35 percent below its baseline estimate for the year 2002.
 - California is cut by \$18.7 billion below its seven-year baseline estimate -- and 27 percent below its baseline estimate for the year 2002.
 - One-half of the total cut of \$182 billion comes from eight states: California, Florida, Indiana, New Jersey, New York, Ohio, North Carolina, and Texas.

Estimates of the Effects of the House Republican Medicaid Plan on States, 2002 and 1996 - 2002
(Dollars in Millions, Federal Spending, Fiscal Years)

States	2002				1996-2002			
	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction
Total	\$176,931	\$124,077	(\$52,855)	-30%	\$954,338	\$771,972	(\$182,366)	-19%
Alabama	\$2,485	\$2,112	(\$373)	-15%	\$13,823	\$12,668	(\$1,155)	-8%
Alaska	\$373	\$219	(\$154)	-41%	\$2,001	\$1,447	(\$554)	-28%
Arizona	\$2,436	\$1,921	(\$515)	-21%	\$12,903	\$11,575	(\$1,328)	-10%
Arkansas	\$2,084	\$1,353	(\$731)	-35%	\$11,081	\$8,117	(\$2,964)	-27%
California	\$17,955	\$13,050	(\$4,905)	-27%	\$95,663	\$76,971	(\$18,693)	-20%
Colorado	\$1,521	\$1,025	(\$497)	-33%	\$8,163	\$6,210	(\$1,953)	-24%
Connecticut	\$2,345	\$1,643	(\$702)	-30%	\$12,990	\$10,845	(\$2,145)	-17%
Delaware	\$323	\$199	(\$124)	-38%	\$1,728	\$1,313	(\$415)	-24%
District of Columbia	\$846	\$537	(\$308)	-36%	\$4,511	\$3,548	(\$963)	-21%
Florida	\$7,691	\$5,119	(\$2,573)	-33%	\$40,720	\$30,189	(\$10,531)	-26%
Georgia	\$4,900	\$3,267	(\$1,633)	-33%	\$26,050	\$20,274	(\$5,776)	-22%
Hawaii	\$508	\$369	(\$139)	-27%	\$2,732	\$2,288	(\$443)	-16%
Idaho	\$545	\$400	(\$145)	-27%	\$2,933	\$2,358	(\$575)	-20%
Illinois	\$6,207	\$4,423	(\$1,784)	-29%	\$33,242	\$27,108	(\$6,135)	-18%
Indiana	\$4,317	\$2,398	(\$1,919)	-44%	\$23,100	\$15,813	(\$7,287)	-32%
Iowa	\$1,440	\$1,107	(\$333)	-23%	\$7,807	\$6,871	(\$936)	-12%
Kansas	\$1,079	\$939	(\$140)	-13%	\$5,962	\$5,829	(\$133)	-2%
Kentucky	\$3,455	\$2,230	(\$1,225)	-35%	\$18,353	\$13,374	(\$4,979)	-27%
Louisiana	\$6,147	\$4,504	(\$1,642)	-27%	\$33,991	\$28,722	(\$5,269)	-16%
Maine	\$1,092	\$780	(\$312)	-29%	\$5,999	\$5,146	(\$853)	-14%
Maryland	\$2,532	\$1,717	(\$815)	-32%	\$13,478	\$10,962	(\$2,516)	-19%
Massachusetts	\$4,717	\$3,223	(\$1,493)	-32%	\$25,516	\$21,277	(\$4,239)	-17%
Michigan	\$5,992	\$4,496	(\$1,496)	-25%	\$32,153	\$27,900	(\$4,253)	-13%
Minnesota	\$2,701	\$1,914	(\$787)	-29%	\$14,665	\$12,592	(\$2,072)	-14%
Mississippi	\$2,342	\$1,814	(\$527)	-23%	\$12,640	\$10,702	(\$1,938)	-15%
Missouri	\$2,625	\$2,448	(\$177)	-7%	\$14,871	\$15,193	\$321	2%
Montana	\$636	\$401	(\$235)	-37%	\$3,409	\$2,467	(\$943)	-28%
Nebraska	\$522	\$534	(\$287)	-35%	\$4,448	\$3,496	(\$952)	-21%
Nevada	\$540	\$376	(\$163)	-30%	\$2,899	\$2,219	(\$680)	-23%
New Hampshire	\$631	\$631	\$0	0%	\$3,728	\$4,165	\$437	12%
New Jersey	\$5,100	\$3,182	(\$1,918)	-38%	\$28,038	\$21,006	(\$7,032)	-25%
New Mexico	\$1,147	\$876	(\$271)	-24%	\$6,066	\$5,164	(\$902)	-15%
New York	\$22,034	\$14,382	(\$7,652)	-35%	\$119,527	\$94,939	(\$24,588)	-21%
North Carolina	\$5,406	\$3,290	(\$2,116)	-39%	\$29,014	\$20,418	(\$8,596)	-30%
North Dakota	\$457	\$319	(\$138)	-30%	\$2,491	\$1,979	(\$511)	-21%
Ohio	\$7,508	\$5,260	(\$2,248)	-30%	\$40,586	\$32,642	(\$7,944)	-20%
Oklahoma	\$2,060	\$1,329	(\$731)	-35%	\$11,074	\$7,839	(\$3,235)	-29%
Oregon	\$1,649	\$1,195	(\$454)	-28%	\$8,884	\$7,288	(\$1,596)	-18%
Pennsylvania	\$7,102	\$5,519	(\$1,583)	-22%	\$38,448	\$35,315	(\$3,133)	-8%
Rhode Island	\$1,004	\$580	(\$424)	-42%	\$5,465	\$3,827	(\$1,638)	-30%
South Carolina	\$2,756	\$2,290	(\$466)	-17%	\$15,252	\$13,736	(\$1,516)	-10%
South Dakota	\$442	\$323	(\$119)	-27%	\$2,380	\$2,003	(\$378)	-16%
Tennessee	\$4,587	\$3,027	(\$1,560)	-34%	\$24,576	\$18,153	(\$6,424)	-26%
Texas	\$11,358	\$9,089	(\$2,270)	-20%	\$61,167	\$54,166	(\$7,001)	-11%
Utah	\$960	\$669	(\$291)	-30%	\$5,128	\$4,012	(\$1,116)	-22%
Vermont	\$366	\$240	(\$127)	-35%	\$1,982	\$1,581	(\$401)	-20%
Virginia	\$2,434	\$1,604	(\$830)	-34%	\$13,022	\$9,723	(\$3,300)	-25%
Washington	\$3,381	\$1,934	(\$1,447)	-43%	\$18,203	\$12,769	(\$5,434)	-30%
West Virginia	\$2,591	\$1,493	(\$1,098)	-42%	\$13,723	\$9,264	(\$4,460)	-32%
Wisconsin	\$3,066	\$2,183	(\$883)	-29%	\$16,484	\$13,549	(\$2,935)	-18%
Wyoming	\$236	\$146	(\$90)	-38%	\$1,269	\$964	(\$305)	-24%

Notes: Based on the Commerce Committee's formula as of September 18, 1995.

(1) From The Urban Institute's Medicaid Expenditure Growth Model

(2) From the General Accounting Office's estimates of the spending by state under the proposal.

Source: U.S. DHHS

19-Sep-95

Projected Number of Medicaid Beneficiaries, 2002

State	Baseline
United States	45,663,533
Alabama	737,918
Alaska	97,306
Arizona	568,256
Arkansas	514,584
California	6,525,073
Colorado	422,676
Connecticut	453,199
Delaware	98,028
District of Columbia	142,580
Florida	2,796,542
Georgia	1,519,989
Hawaii	161,526
Idaho	150,705
Illinois	1,737,408
Indiana	704,941
Iowa	380,793
Kansas	315,549
Kentucky	856,134
Louisiana	1,081,591
Maine	227,286
Maryland	591,654
Massachusetts	1,054,057
Michigan	1,432,950
Minnesota	531,194
Mississippi	706,300
Missouri	822,420
Montana	111,338
Nebraska	217,171
Nevada	132,513
New Hampshire	108,264
New Jersey	1,082,880
New Mexico	355,684
New York	3,576,932
North Carolina	1,575,219
North Dakota	88,124
Ohio	1,854,988
Oklahoma	549,455
Oregon	497,541
Pennsylvania	1,612,660
Rhode Island	261,101
South Carolina	752,963
South Dakota	96,529
Tennessee	1,265,375
Texas	3,545,644
Utah	226,308
Vermont	107,648
Virginia	929,016
Washington	886,075
West Virginia	548,958
Wisconsin	582,023
Wyoming	68,467

SOURCE: The Urban Institute Medicaid Expenditure Growth Model, 1995

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State-by-State Estimates of the Effects of the
Congressional Majority Conference Agreement

Medicare:

There are two sets of estimates for the effects of Medicare on states: the aggregate dollar loss by states, and the increase in the out-of-pocket costs for beneficiaries in states.

The amount that each state could lose under the proposal is based on the projected proportion of Medicare spending in each state. The proportion of spending by state is projected by first examining the 1994 distribution of Medicare spending by state. Second, the change in that distribution by state between 1989 and 1994 was calculated, to assess the trends in spending by state. The 1994 state share of Medicare spending was projected to 2002 using the 1988 to 1994 growth in the state share. The share of the total spending was multiplied by the total savings to yield an estimate of the reduction by state. For instance, in California, the projected state share of total Medicare spending is 13.9% in 2002. This is multiplied by the savings total of \$71 billion to estimate the loss of \$9.9 billion in Medicare spending in California in 2002.

The increase in out-of-pocket costs for beneficiaries in states was calculated in a similar way. First, the amount that each state could lose under the proposal was calculated (see previous paragraph). Second, the number of beneficiaries in each state was projected. This was done in the same way that the spending in each state was projected: multiplying the 1994 state share of beneficiaries by the change in that share between 1989 and 1994. Third, this projected number of beneficiaries in each state was divided into the 50% of the state share of the Medicare cuts (in the absence of specific proposals, it was assumed that 50% of the savings would affect beneficiaries). Fourth, an adjustment was made to each states' per beneficiary increase to account for the likely extension of the policy that the Part B premium is based on 25 percent of program costs (this is due to expire in 1998). All of the couple effects in the report are simply the per-beneficiary effects multiplied by two.

Medicaid:

The state-by-state effects of the Conference Agreement reductions for Medicaid were calculated by the Urban Institute. For a full discussion of their results, please see "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures" by John Holahan and David Liska, The Urban Institute, July 1995.

Other Estimates in the State-by-State Report:

The number of Medicare and Medicaid beneficiaries comes from the actual enrollment data from the Health Care Financing Administration (HCFA).

The national estimate of the effect on beneficiaries (\$2,825 over seven years) assumes that 50% of the cuts would affect beneficiaries, and is relative to a 25% Part B premium. The estimate of the \$1,700 average increase in the costs for a beneficiary using home health care in 2002 is a combination of premium and cost sharing increases. The premium increase is an estimated \$300 per beneficiary in 2002 -- based on Congressional Budget Office (CBO) estimates of premium increase to 33% from 25%. The home health cost sharing increase is based on CBO estimates of Medicare savings from a 20% coinsurance for all home health care (in its "Reducing the Deficit: Spending and Revenue Options"). Their 2000 estimate, extended to 2002, was divided by the projected number of users of home health to get an average of \$1,400 in 2002. This is consistent with the AARP's analysis of the same policy, which showed the increase cost of \$1,200 in the year 2000. The same methodology was used to estimate the \$1,400 increase in payments for the average beneficiary in a nursing home in 2002 (assuming 20% coinsurance for skilled nursing facilities).

Numbers Cited by the President on Medicare

1. "They would ... raise premiums and out-of-pocket costs by **\$1,250** per couple in 2002, ... by **\$5,600** over seven years".

The Republican Conference Agreement estimates of saving were released on June 30, 1995. That document contained:

- \$270 billion in Medicare cuts over seven years;
- \$71 billion in Medicare cuts in 2002 alone.

The Republicans gave no indication of how those savings targets would be met. To estimate the impact of these cuts on beneficiaries, it was assumed that 50% of the total cuts would be borne by beneficiaries. This is consistent with the recent Republican Ways and Means document outlining Medicare cuts. These estimates assume that the current policy of setting the Part B premium at 25% will be extended when it expires in 1998.

For couples, this increase in premiums and out of pocket costs is multiplied by two. For the seven year period, the increases in each year are added together to get a cumulative total.

2. "But each year, private health care costs increase over **40%** more than the value of a voucher."

Data from the Congressional Budget Office (CBO) suggest that the projected private sector spending per insured person will grow at 7.1% between 1996 and 2002. The Republican Conference Agreement estimates of spending after their cuts show Medicare spending per beneficiary growing at 4.9%. The private rate of 7.1% is about 44% higher than the Republican Medicare growth rate per beneficiary of 4.9%.

3. "But under the plan of the congressional majority, he must pay **\$1,400** in copayments to get the visiting nurse."

The Congressional Budget Office, in its "Reducing the Deficit: Spending and Revenue Options", estimated the cost of a 20% coinsurance for all home health care for Medicare beneficiaries. Their 2000 estimate, extended to 2002, was divided by the projected number of users of home health to get an average of \$1,400 in 2002. This is consistent with the AARP's analysis of the same policy, which showed the increase cost of \$1,200 in the year 2000.

4. "Every person in Medicare will pay **\$1,650** more in premiums over seven years to cover their doctor bills."

In the Republicans' Ways and Means document outlining potential premium increases, they listed increasing the premium to 31.5%, 33%, or 35%. The Congressional Budget Office has estimated the change in premiums for several different levels. These estimates suggest that the monthly premium would be \$109 under the mid-range option of 33% in 2002, relative to \$61 under current law, and \$83 if the current policy of 25% is extended beyond its expiration in 1998. When the 33% premium is subtracted from the 25% premium, multiplied by 12 to get the annual savings, this means a \$320 increase in 2002, and approximately \$1,650 increase over the seven years.

5. "The average person who receive care in their home will pay at least **\$1,700** more in the year 2002 alone"

This estimate of \$1,700 includes the increased premium in 2002 (about \$300) plus the average increase in coinsurance for home health users (\$1,400).

6. "Remember these are people who already pay **21%** of their income on health care."

The Urban Institute estimated that in 1994, the elderly paid on average \$2,519 in out-of-pocket costs for health care, which translates into 21% of their income. This is more dramatic for the poor elderly, who pay 34% of their income for out-of-pocket costs, and for the oldest elderly, who pay on average \$3,782 in out-of-pocket costs. (See: "Out-of-Pocket Health Care Costs for Older Americans in 1994", The Urban Institute, May 1995).

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

THE UNITED STATES

The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage

Republican's Proposal: Reduce Medicaid Payments to States by 30 Percent in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20 percent over seven years and 30 percent in 2002. Even if states absorb half of the cuts by reducing services and provider payments, they would still have to eliminate coverage for 8.8 million people in 2002, according to the Urban Institute. Over 40 percent of all people losing coverage would be concentrated in five states: California, Florida, New York, Texas and North Carolina. The 8.8 million who lose coverage includes:

- 920,000 older Americans;
- 1.4 million people with disabilities; and
- 6.3 million children and their families.

The Republican proposal would force states to eliminate coverage for about 350,000 nursing home residents and another 330,000 people needing home care in 2002.*

Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 68 percent of the nation's 1.3 million nursing home residents. Medicaid also serves about 1.4 million older Americans and people with disabilities using home care. Without Medicaid, families could not afford nursing home care that costs an average of \$38,000 per year.

The Republican proposal would force states to eliminate coverage for 4.4 million children in 2002.* Currently, over 20 percent of the nation's children rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 18 million children.

States could avoid these difficult choices only by increasing their Medicaid spending by 40 percent in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

Methodology for the Medicaid State Estimates

The following describes the sources for the estimates in the September 14, 1995 White House Medicaid document.

Most of the estimates come from the July 1995 report by the Urban Institute entitled: "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures" (July 1995). This report and supplemental analyses by the Urban Institute are the source for:

- Dollar and percent reduction in Federal Medicaid payments by state;
- Number of total people losing coverage, number of people in families, elderly, and disabled losing coverage under the proposal.

The estimates for the number of children and nursing home residents and home health users losing coverage were calculated by the Department of Health and Human Services based on the Urban Institute data. Both sets of estimates were derived by: (a) calculating the number of children and nursing home residents and home health users in 1993 as a percent of people in families and the aged and disabled, respectively; and (b) applying those percentages to the number of people in families and aged and disabled losing coverage in 2002. For example, in California, 62.3 percent of people in families were children in FY 1993. It was assumed that within families there is no disproportionate reductions in coverage of adults or children -- people are cut in proportion to their representation the group. This percent of children was multiplied by the Urban Institute estimate of the number of people in families losing coverage -- 918,095 -- to estimate that about 571,700 children in California could lose coverage in 2002.

The estimated increase in state spending to offset the loss of Federal funds was also calculated by the Department of Health and Human Services based on the Urban Institute data. This percentage increase was based on the Urban Institute's estimates of Federal baseline spending in 2002 and the reduction resulting from the proposal. Using the 1996 FMAPs, the state share in 2002 was estimated. Then, the reduction resulting from the proposal was added to the estimated state share to calculate the percent increase in state share if the state increased its spending to offset the loss of Federal funds.

Other facts in the document come from secondary sources. The percent of children covered by Medicaid by state comes from the March 1994 Current Population Survey. The number of children and home care users covered by Medicaid by state comes from the 1994 Health Care Financing Administration tabulation of 2082 data, submitted by states. The data on nursing home residents come from Harrington, Thollaug and Summers' report: "State Data Book on Nursing Facilities, Staffing, Residents, and Facility Deficiencies, 1991 - 1991" (January 1995).

**The Republican Budget Resolution Conference Agreement:
Estimated Number of People Losing Health Coverage, 2002**

STATE	TOTAL	Aged	Disabled	Families: Adults & Kids	Long-Term Care Users	Children
U.S.	8.8 million	920,000	1.4 million	6.3 million	680,000	4.4 million
Alabama	102,000	12,300	25,500	64,500	11,000	45,800
Alaska	22,000	1,200	1,900	19,200	na	12,700
Arizona	110,000	na	na	na	na	na
Arkansas	122,000	16,200	29,200	76,900	13,300	53,100
California	1.2 million	95,000	145,800	918,100	34,400	571,700
Colorado	97,000	10,700	16,800	70,000	9,200	48,000
Connecticut	74,000	7,500	12,300	54,200	11,800	37,100
Delaware	21,000	1,400	3,200	16,800	1,900	12,100
District of Columbia	20,000	1,500	4,400	14,400	1,500	10,100
Florida	706,000	78,900	94,900	532,100	49,100	423,000
Georgia	383,000	41,200	63,900	277,800	24,600	188,900
Hawaii	36,000	3,400	5,600	27,500	1,500	18,700
Idaho	34,000	3,100	5,500	25,500	2,400	17,800
Illinois	274,000	22,000	55,900	196,100	25,800	137,900
Indiana	112,000	11,800	17,400	83,200	11,000	56,800
Iowa	69,000	8,700	11,700	49,100	8,500	32,800
Kansas	40,000	4,500	6,100	29,200	4,500	19,700
Kentucky	171,000	17,700	43,200	110,600	22,400	73,400
Louisiana	154,000	16,600	26,800	111,000	3,900	79,000
Maine	34,000	4,300	7,200	23,000	3,500	15,400
Maryland	116,000	10,600	22,200	83,200	7,400	58,900
Massachusetts	210,000	24,100	43,600	142,200	22,900	94,700
Michigan	215,000	15,200	42,400	157,000	22,900	100,700
Minnesota	88,000	11,300	12,100	64,300	47,000	43,900
Mississippi	141,000	18,200	29,900	92,900	5,700	67,300
Missouri	83,000	10,200	13,000	59,600	7,900	39,300
Montana	27,000	3,000	5,600	18,300	2,100	10,100
Nebraska	41,000	4,700	5,500	31,000	4,200	23,100
Nevada	26,000	2,900	4,100	19,000	1,800	12,900
New Hampshire	1,100	na	na	na	na	na
New Jersey	166,000	15,300	29,000	121,600	16,700	79,600
New Mexico	80,000	8,000	17,100	55,300	4,200	37,500
New York	645,000	66,400	100,400	478,200	71,300	343,700
North Carolina	455,000	79,300	64,000	312,300	40,900	204,600
North Dakota	18,000	2,700	2,300	12,600	2,300	8,800
Ohio	292,000	32,200	50,100	209,800	28,000	143,100
Oklahoma	125,000	14,000	16,400	94,200	3,700	65,800
Oregon	118,000	8,900	15,400	94,100	8,600	62,700
Pennsylvania	308,000	31,600	67,300	209,400	22,200	150,800
Rhode Island	51,000	7,800	11,200	32,100	12,000	21,600

Continued...

**The Republican Budget Resolution Conference Agreement:
Estimated Number of People Losing Health Coverage, 2002**
Continued

STATE	TOTAL	Aged	Disabled	Families: Adults & Kids	Long-Term Care Users	Children
U.S.	8.8 million	920,000	1.4 million	6.3 million	680,000	4.4 million
South Carolina	149,000	21,300	24,700	102,600	7,800	73,300
South Dakota	19,000	2,300	3,300	13,300	2,100	9,600
Tennessee	246,000	27,800	61,000	157,000	5,800	112,000
Texas	687,000	66,800	68,500	551,600	43,100	394,100
Utah	53,000	3,200	6,200	43,800	3,100	29,000
Vermont	20,000	2,400	3,500	14,200	1,900	9,000
Virginia	236,000	32,400	36,400	167,100	17,800	117,000
Washington	183,000	12,900	29,500	140,500	8,200	91,200
West Virginia	140,000	13,200	26,100	100,300	5,400	60,200
Wisconsin	94,000	12,800	23,000	58,000	11,300	42,600
Wyoming	15,000	1,000	1,700	12,200	1,600	8,500

NOTES:

Numbers are rounded to the nearest hundred or thousand; as a result numbers may not sum to totals due to rounding. "Long-term care users" include residents of skilled nursing facilities and users of home care. The "aged", "disabled" and "families: adults & kids" columns sum to the total recipients. The number of long-term care recipients and children losing coverage are subsets of the "aged", "disabled" and "families: adults & kids" estimates and thus cannot be added to these estimates. The first four columns are from the Urban Institute's Medicaid Expenditure Growth Model. The last two columns are U.S. Department of Health and Human Services' estimates based on the Urban Institute's estimates. All are based on the assumption that states could achieve approximately half of the savings target through reducing their growth rate per recipient to inflation plus 1.9 percent. Data for Arizona, Alaska and New Hampshire were insufficient for these analyses.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

ALABAMA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Alabama would lose \$2 billion over the seven years, a 22% reduction in 2002 alone. Even if Alabama could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 102,000 people in 2002, according to the Urban Institute, including:

- 12,300 older Americans;
- 25,500 people with disabilities; and
- 64,500 children and their families.

The Republican proposal would force Alabama to eliminate coverage for about 11,000 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 72% of the 19,500 nursing home residents in Alabama. Medicaid also serves about 37,400 older Americans and people with disabilities using home care in Alabama. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Alabama to eliminate coverage for 45,800 children in 2002.* Currently, 16% of the children in Alabama rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 244,000 children in Alabama.

Alabama could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 51% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

ALASKA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Alaska would lose \$429 million over the seven years, a 32% reduction in 2002 alone. Even if Alaska could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 22,000 people in 2002, according to the Urban Institute, including:

- 1,200 older Americans;
- 1,900 people with disabilities; and
- 19,200 children and their families.

The Republican proposal would force Alaska to eliminate coverage for a significant number of people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 86% of the 500 nursing home residents in Alaska. Medicaid also serves about 1,000 older Americans and people with disabilities using home care in Alaska. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Alaska to eliminate coverage for 12,700 children in 2002.* Currently, 20% of the children in Alaska rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 39,000 children in Alaska.

Alaska could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 32% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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ARIZONA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Arizona would lose \$3 billion over the seven years, a 33% reduction in 2002 alone.** Even if Arizona could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 110,000 people in 2002, according to the Urban Institute.

The Republican proposal would force Arizona to eliminate coverage for a significant number of people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 59% of the 10,500 nursing home residents in Arizona. Medicaid also serves about 11,700 older Americans and people with disabilities using home care in Arizona. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Arizona to eliminate coverage for a significant number of children in 2002.* Currently, 15% of the children in Arizona rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 310,000 children in Arizona.

Arizona could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 63% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

Note: Due to data limitations, specific estimates for Arizona are not available.

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ARKANSAS

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Arkansas would lose \$2 billion over the seven years, a 33% reduction in 2002 alone.** Even if Arkansas could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 122,000 people in 2002, according to the Urban Institute, including:

- 16,200 older Americans;
- 29,200 people with disabilities; and
- 76,900 children and their families.

The Republican proposal would force Arkansas to eliminate coverage for about 13,300 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 78% of the 19,800 nursing home residents in Arkansas. Medicaid also serves about 19,500 older Americans and people with disabilities using home care in Arkansas. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Arkansas to eliminate coverage for 53,100 children in 2002.* Currently, 20% of the children in Arkansas rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 112,000 children in Arkansas.

Arkansas could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 93% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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CALIFORNIA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. California would lose \$18 billion over the seven years, a 31% reduction in 2002 alone. Even if California could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 1.2 million people in 2002, according to the Urban Institute, including:

- 95,000 older Americans;
- 145,800 people with disabilities; and
- 918,100 children and their families.

The Republican proposal would force California to eliminate coverage for about 34,400 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 66% of the 90,400 nursing home residents in California. Medicaid also serves about 56,400 older Americans and people with disabilities using home care in California. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force California to eliminate coverage for 571,700 children in 2002.* Currently, 26% of the children in California rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 2,260,000 children in California.

California could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 31% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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COLORADO

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Colorado would lose \$2 billion over the seven years, a 31% reduction in 2002 alone.** Even if Colorado could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 97,000 people in 2002, according to the Urban Institute, including:

- 10,700 older Americans;
- 16,800 people with disabilities; and
- 70,000 children and their families.

The Republican proposal would force Colorado to eliminate coverage for about 9,200 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 62% of the 16,100 nursing home residents in Colorado. Medicaid also serves about 12,000 older Americans and people with disabilities using home care in Colorado. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Colorado to eliminate coverage for 48,000 children in 2002.* Currently, 14% of the children in Colorado rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 142,000 children in Colorado.

Colorado could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 34% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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CONNECTICUT

**The Republican Budget Resolution Conference Agreement:
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Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Connecticut would lose \$1 billion over the seven years, a 21% reduction in 2002 alone.** Even if Connecticut could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 74,000 people in 2002, according to the Urban Institute, including:

- 7,500 older Americans;
- 12,300 people with disabilities; and
- 54,200 children and their families.

The Republican proposal would force Connecticut to eliminate coverage for about 11,800 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 68% of the 25,800 nursing home residents in Connecticut. Medicaid also serves about 22,100 older Americans and people with disabilities using home care in Connecticut. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Connecticut to eliminate coverage for 37,100 children in 2002.* Currently, 14% of the children in Connecticut rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 166,000 children in Connecticut.

Connecticut could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 21% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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DELAWARE

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Delaware would lose \$331 million over the seven years, a 30% reduction in 2002 alone. Even if Delaware could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 21,000 people in 2002, according to the Urban Institute, including:

- 1,400 older Americans;
- 3,200 people with disabilities; and
- 16,800 children and their families.

The Republican proposal would force Delaware to eliminate coverage for about 1,900 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 55% of the 3,000 nursing home residents in Delaware. Medicaid also serves about 4,400 older Americans and people with disabilities using home care in Delaware. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Delaware to eliminate coverage for 12,100 children in 2002.* Currently, 16% of the children in Delaware rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 40,000 children in Delaware.

Delaware could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 31% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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DISTRICT OF COLUMBIA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. District of Columbia would lose \$863 million over the seven years, a 31% reduction in 2002 alone. Even if District of Columbia could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 20,000 people in 2002, according to the Urban Institute, including:

- 1,500 older Americans;
- 4,400 people with disabilities; and
- 14,400 children and their families.

The Republican proposal would force District of Columbia to eliminate coverage for about 1,500 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 91% of the 2,700 nursing home residents in District of Columbia. Medicaid also serves about 2,900 older Americans and people with disabilities using home care in District of Columbia. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force District of Columbia to eliminate coverage for 10,100 children in 2002.* Currently, 45% of the children in District of Columbia rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 67,000 children in District of Columbia.

District of Columbia could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 31% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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FLORIDA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Florida would lose \$10 billion over the seven years, a 35% reduction in 2002 alone. Even if Florida could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 706,000 people in 2002, according to the Urban Institute, including:

- 78,900 older Americans;
- 94,900 people with disabilities; and
- 532,100 children and their families.

The Republican proposal would force Florida to eliminate coverage for about 49,100 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 62% of the 59,000 nursing home residents in Florida. Medicaid also serves about 70,500 older Americans and people with disabilities using home care in Florida. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Florida to eliminate coverage for 423,000 children in 2002.* Currently, 23% of the children in Florida rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 991,000 children in Florida.

Florida could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 44% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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GEORGIA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Georgia would lose \$6 billion over the seven years, a 35% reduction in 2002 alone. Even if Georgia could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 383,000 people in 2002, according to the Urban Institute, including:

- 41,200 older Americans;
- 63,900 people with disabilities; and
- 277,800 children and their families.

The Republican proposal would force Georgia to eliminate coverage for about 24,600 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 82% of the 34,700 nursing home residents in Georgia. Medicaid also serves about 21,700 older Americans and people with disabilities using home care in Georgia. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Georgia to eliminate coverage for 188,900 children in 2002.* Currently, 17% of the children in Georgia rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 543,000 children in Georgia.

Georgia could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 56% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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HAWAII

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Hawaii would lose \$572 million over the seven years, a 32% reduction in 2002 alone.** Even if Hawaii could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 36,000 people in 2002, according to the Urban Institute, including:

- 3,400 older Americans;
- 5,600 people with disabilities; and
- 27,500 children and their families.

The Republican proposal would force Hawaii to eliminate coverage for about 1,500 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 72% of the 1,500 nursing home residents in Hawaii. Medicaid also serves about 900 older Americans and people with disabilities using home care in Hawaii. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Hawaii to eliminate coverage for 18,700 children in 2002.* Currently, 15% of the children in Hawaii rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 60,000 children in Hawaii.

Hawaii could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 32% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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IDAHO

**The Republican Budget Resolution Conference Agreement:
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Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Idaho would lose \$542 million over the seven years, a 29% reduction in 2002 alone. Even if Idaho could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 34,000 people in 2002, according to the Urban Institute, including:

- 3,100 older Americans;
- 5,500 people with disabilities; and
- 25,500 children and their families.

The Republican proposal would force Idaho to eliminate coverage for about 2,400 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 61% of the 4,200 nursing home residents in Idaho. Medicaid also serves about 4,000 older Americans and people with disabilities using home care in Idaho. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Idaho to eliminate coverage for 17,800 children in 2002.* Currently, 15% of the children in Idaho rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 59,000 children in Idaho.

Idaho could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 65% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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ILLINOIS

**The Republican Budget Resolution Conference Agreement:
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Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Illinois would lose \$6 billion over the seven years, a 30% reduction in 2002 alone.** Even if Illinois could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 274,000 people in 2002, according to the Urban Institute, including:

- 22,000 older Americans;
- 55,900 people with disabilities; and
- 196,100 children and their families.

The Republican proposal would force Illinois to eliminate coverage for about 25,800 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 64% of the 77,800 nursing home residents in Illinois. Medicaid also serves about 40,500 older Americans and people with disabilities using home care in Illinois. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Illinois to eliminate coverage for 137,900 children in 2002.* Currently, 21% of the children in Illinois rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 719,000 children in Illinois.

Illinois could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 30% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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INDIANA

**The Republican Budget Resolution Conference Agreement:
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Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Indiana would lose \$4 billion over the seven years, a 30% reduction in 2002 alone.** Even if Indiana could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 112,000 people in 2002, according to the Urban Institute, including:

- 11,800 older Americans;
- 17,400 people with disabilities; and
- 83,200 children and their families.

The Republican proposal would force Indiana to eliminate coverage for about 11,000 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 66% of the 28,500 nursing home residents in Indiana. Medicaid also serves about 7,600 older Americans and people with disabilities using home care in Indiana. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Indiana to eliminate coverage for 56,800 children in 2002.* Currently, 18% of the children in Indiana rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 319,000 children in Indiana.

Indiana could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 50% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

IOWA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Iowa would lose \$1 billion over the seven years, a 27% reduction in 2002 alone. Even if Iowa could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 69,000 people in 2002, according to the Urban Institute, including:

- 8,700 older Americans;
- 11,700 people with disabilities; and
- 49,100 children and their families.

The Republican proposal would force Iowa to eliminate coverage for about 8,500 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 49% of the 29,300 nursing home residents in Iowa. Medicaid also serves about 15,100 older Americans and people with disabilities using home care in Iowa. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Iowa to eliminate coverage for 32,800 children in 2002.* Currently, 8% of the children in Iowa rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 136,000 children in Iowa.

Iowa could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 48% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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KENTUCKY

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Kentucky would lose \$4 billion over the seven years, a 32% reduction in 2002 alone. Even if Kentucky could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 171,000 people in 2002, according to the Urban Institute, including:

- 17,700 older Americans;
- 43,200 people with disabilities; and
- 110,600 children and their families.

The Republican proposal would force Kentucky to eliminate coverage for about 22,400 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 76% of the 19,400 nursing home residents in Kentucky. Medicaid also serves about 52,000 older Americans and people with disabilities using home care in Kentucky. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Kentucky to eliminate coverage for 73,400 children in 2002.* Currently, 26% of the children in Kentucky rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 273,000 children in Kentucky.

Kentucky could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 77% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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LOUISIANA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Louisiana would lose \$5 billion over the seven years, a 25% reduction in 2002 alone. Even if Louisiana could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 154,000 people in 2002, according to the Urban Institute, including:

- 16,600 older Americans;
- 26,800 people with disabilities; and
- 111,000 children and their families.

The Republican proposal would force Louisiana to eliminate coverage for about 3,900 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 82% of the 28,900 nursing home residents in Louisiana. Medicaid also serves about 15,200 older Americans and people with disabilities using home care in Louisiana. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Louisiana to eliminate coverage for 79,000 children in 2002.* Currently, 30% of the children in Louisiana rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 376,000 children in Louisiana.

Louisiana could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 63% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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MAINE

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Maine would lose \$675 million over the seven years, a 22% reduction in 2002 alone.** Even if Maine could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 34,000 people in 2002, according to the Urban Institute, including:

- 4,300 older Americans;
- 7,200 people with disabilities; and
- 23,000 children and their families.

The Republican proposal would force Maine to eliminate coverage for about 3,500 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 78% of the 8,000 nursing home residents in Maine. Medicaid also serves about 8,000 older Americans and people with disabilities using home care in Maine. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Maine to eliminate coverage for 15,400 children in 2002.* Currently, 19% of the children in Maine rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 77,000 children in Maine.

Maine could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 37% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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MARYLAND

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Maryland would lose \$3 billion over the seven years, a 32% reduction in 2002 alone. Even if Maryland could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 116,000 people in 2002, according to the Urban Institute, including:

- 10,600 older Americans;
- 22,200 people with disabilities; and
- 83,200 children and their families.

The Republican proposal would force Maryland to eliminate coverage for about 7,400 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 67% of the 21,900 nursing home residents in Maryland. Medicaid also serves about 14,200 older Americans and people with disabilities using home care in Maryland. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Maryland to eliminate coverage for 58,900 children in 2002.* Currently, 14% of the children in Maryland rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 198,000 children in Maryland.

Maryland could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 32% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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MASSACHUSETTS

**The Republican Budget Resolution Conference Agreement:
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Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Massachusetts would lose \$4 billion over the seven years, a 28% reduction in 2002 alone. Even if Massachusetts could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 210,000 people in 2002, according to the Urban Institute, including:

- 24,100 older Americans;
- 43,600 people with disabilities; and
- 142,200 children and their families.

The Republican proposal would force Massachusetts to eliminate coverage for about 22,900 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 73% of the 44,400 nursing home residents in Massachusetts. Medicaid also serves about 38,900 older Americans and people with disabilities using home care in Massachusetts. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Massachusetts to eliminate coverage for 94,700 children in 2002.* Currently, 19% of the children in Massachusetts rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 304,000 children in Massachusetts.

Massachusetts could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 28% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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MICHIGAN

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Michigan would lose \$6 billion over the seven years, a 30% reduction in 2002 alone. Even if Michigan could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 215,000 people in 2002, according to the Urban Institute, including:

- 15,200 older Americans;
- 42,400 people with disabilities; and
- 157,000 children and their families.

The Republican proposal would force Michigan to eliminate coverage for about 22,900 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 67% of the 38,700 nursing home residents in Michigan. Medicaid also serves about 76,000 older Americans and people with disabilities using home care in Michigan. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Michigan to eliminate coverage for 100,700 children in 2002.* Currently, 23% of the children in Michigan rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 571,000 children in Michigan.

Michigan could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 39% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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MINNESOTA

**The Republican Budget Resolution Conference Agreement:
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Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Minnesota would lose \$2 billion over the seven years, a 25% reduction in 2002 alone. Even if Minnesota could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 88,000 people in 2002, according to the Urban Institute, including:

- 11,300 older Americans;
- 12,100 people with disabilities; and
- 64,300 children and their families.

The Republican proposal would force Minnesota to eliminate coverage for about 47,000 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 64% of the 41,500 nursing home residents in Minnesota. Medicaid also serves about 187,800 older Americans and people with disabilities using home care in Minnesota. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Minnesota to eliminate coverage for 43,900 children in 2002.* Currently, 16% of the children in Minnesota rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 193,000 children in Minnesota.

Minnesota could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 30% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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MISSISSIPPI

**The Republican Budget Resolution Conference Agreement:
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Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Mississippi would lose \$2 billion over the seven years, a 30% reduction in 2002 alone. Even if Mississippi could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 141,000 people in 2002, according to the Urban Institute, including:

- 18,200 older Americans;
- 29,900 people with disabilities; and
- 92,900 children and their families.

The Republican proposal would force Mississippi to eliminate coverage for about 5,700 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 82% of the 14,600 nursing home residents in Mississippi. Medicaid also serves about 5,300 older Americans and people with disabilities using home care in Mississippi. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Mississippi to eliminate coverage for 67,300 children in 2002.* Currently, 28% of the children in Mississippi rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 258,000 children in Mississippi.

Mississippi could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 107% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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MISSOURI

**The Republican Budget Resolution Conference Agreement:
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Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Missouri would lose \$1 billion over the seven years, a 17% reduction in 2002 alone. Even if Missouri could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 83,000 people in 2002, according to the Urban Institute, including:

- 10,200 older Americans;
- 13,000 people with disabilities; and
- 59,600 children and their families.

The Republican proposal would force Missouri to eliminate coverage for about 7,900 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 65% of the 33,500 nursing home residents in Missouri. Medicaid also serves about 26,700 older Americans and people with disabilities using home care in Missouri. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Missouri to eliminate coverage for 39,300 children in 2002.* Currently, 22% of the children in Missouri rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 328,000 children in Missouri.

Missouri could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 25% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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MONTANA

**The Republican Budget Resolution Conference Agreement:
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Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Montana would lose \$766 million over the seven years, a 33% reduction in 2002 alone. Even if Montana could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 27,000 people in 2002, according to the Urban Institute, including:

- 3,000 older Americans;
- 5,600 people with disabilities; and
- 18,300 children and their families.

The Republican proposal would force Montana to eliminate coverage for about 2,100 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 62% of the 6,000 nursing home residents in Montana. Medicaid also serves about 0 older Americans and people with disabilities using home care in Montana. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Montana to eliminate coverage for 10,100 children in 2002.* Currently, 15% of the children in Montana rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 34,000 children in Montana.

Montana could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 75% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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NEBRASKA

**The Republican Budget Resolution Conference Agreement:
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Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Nebraska would lose \$728 million over the seven years, a 27% reduction in 2002 alone. Even if Nebraska could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 41,000 people in 2002, according to the Urban Institute, including:

- 4,700 older Americans;
- 5,500 people with disabilities; and
- 31,000 children and their families.

The Republican proposal would force Nebraska to eliminate coverage for about 4,200 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 53% of the 15,200 nursing home residents in Nebraska. Medicaid also serves about 4,900 older Americans and people with disabilities using home care in Nebraska. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Nebraska to eliminate coverage for 23,100 children in 2002.* Currently, 14% of the children in Nebraska rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 74,000 children in Nebraska.

Nebraska could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 40% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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NEVADA

**The Republican Budget Resolution Conference Agreement:
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Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Nevada would lose \$516 million over the seven years, a 29% reduction in 2002 alone. Even if Nevada could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 26,000 people in 2002, according to the Urban Institute, including:

- 2,900 older Americans;
- 4,100 people with disabilities; and
- 19,000 children and their families.

The Republican proposal would force Nevada to eliminate coverage for about 1,800 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 65% of the 2,700 nursing home residents in Nevada. Medicaid also serves about 2,600 older Americans and people with disabilities using home care in Nevada. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Nevada to eliminate coverage for 12,900 children in 2002.* Currently, 9% of the children in Nevada rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 46,000 children in Nevada.

Nevada could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 29% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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NEW HAMPSHIRE

**The Republican Budget Resolution Conference Agreement:
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Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. New Hampshire would lose \$51 million over the seven years, a 6% reduction in 2002 alone. Even if New Hampshire could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 1,100 people in 2002, according to the Urban Institute.

The Republican proposal would force New Hampshire to eliminate coverage for people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 72% of the 5,700 nursing home residents in New Hampshire. Medicaid also serves about 4,800 older Americans and people with disabilities using home care in New Hampshire. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force New Hampshire to eliminate coverage for children in 2002.* Currently, 13% of the children in New Hampshire rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 41,000 children in New Hampshire.

New Hampshire could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 6% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

Note: Due to data limitations, specific estimates for New Hampshire are not available.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

NEW JERSEY

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. New Jersey would lose \$4 billion over the seven years, a 23% reduction in 2002 alone. Even if New Jersey could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 166,000 people in 2002, according to the Urban Institute, including:

- 15,300 older Americans;
- 29,000 people with disabilities; and
- 121,600 children and their families.

The Republican proposal would force New Jersey to eliminate coverage for about 16,700 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 69% of the 36,300 nursing home residents in New Jersey. Medicaid also serves about 39,200 older Americans and people with disabilities using home care in New Jersey. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force New Jersey to eliminate coverage for 79,600 children in 2002.* Currently, 17% of the children in New Jersey rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 364,000 children in New Jersey.

New Jersey could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 23% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

NEW MEXICO

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. New Mexico would lose \$1 billion over the seven years, a 34% reduction in 2002 alone. Even if New Mexico could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 80,000 people in 2002, according to the Urban Institute, including:

- 8,000 older Americans;
- 17,100 people with disabilities; and
- 55,300 children and their families.

The Republican proposal would force New Mexico to eliminate coverage for about 4,200 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 72% of the 5,700 nursing home residents in New Mexico. Medicaid also serves about 5,100 older Americans and people with disabilities using home care in New Mexico. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force New Mexico to eliminate coverage for 37,500 children in 2002.* Currently, 17% of the children in New Mexico rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 152,000 children in New Mexico.

New Mexico could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 91% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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September 14, 1995

Contact: 202/456-7150

NEW YORK

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. New York would lose \$19 billion over the seven years, a 27% reduction in 2002 alone. Even if New York could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 645,000 people in 2002, according to the Urban Institute, including:

- 66,400 older Americans;
- 100,400 people with disabilities; and
- 478,200 children and their families.

The Republican proposal would force New York to eliminate coverage for about 71,300 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 79% of the 84,500 nursing home residents in New York. Medicaid also serves about 241,800 older Americans and people with disabilities using home care in New York. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force New York to eliminate coverage for 343,700 children in 2002.* Currently, 25% of the children in New York rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 1,300,000 children in New York.

New York could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 27% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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NORTH CAROLINA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **North Carolina would lose \$7 billion over the seven years, a 34% reduction in 2002 alone.** Even if North Carolina could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 455,000 people in 2002, according to the Urban Institute, including:

- 79,300 older Americans;
- 64,000 people with disabilities; and
- 312,300 children and their families.

The Republican proposal would force North Carolina to eliminate coverage for about 40,900 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 76% of the 31,600 nursing home residents in North Carolina. Medicaid also serves about 31,300 older Americans and people with disabilities using home care in North Carolina. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force North Carolina to eliminate coverage for 204,600 children in 2002.* Currently, 19% of the children in North Carolina rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 491,000 children in North Carolina.

North Carolina could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 62% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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NORTH DAKOTA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **North Dakota would lose \$382 million over the seven years, a 26% reduction in 2002 alone.** Even if North Dakota could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 18,000 people in 2002, according to the Urban Institute, including:

- 2,700 older Americans;
- 2,300 people with disabilities; and
- 12,600 children and their families.

The Republican proposal would force North Dakota to eliminate coverage for about 2,300 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 57% of the 6,700 nursing home residents in North Dakota. Medicaid also serves about 3,600 older Americans and people with disabilities using home care in North Dakota. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force North Dakota to eliminate coverage for 8,800 children in 2002.* Currently, 12% of the children in North Dakota rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 27,000 children in North Dakota.

North Dakota could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 58% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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OHIO

**The Republican Budget Resolution Conference Agreement:
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Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Ohio would lose \$7 billion over the seven years, a 28% reduction in 2002 alone.** Even if Ohio could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 292,000 people in 2002, according to the Urban Institute, including:

- 32,200 older Americans;
- 50,100 people with disabilities; and
- 209,800 children and their families.

The Republican proposal would force Ohio to eliminate coverage for about 28,000 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 69% of the 70,600 nursing home residents in Ohio. Medicaid also serves about 51,500 older Americans and people with disabilities using home care in Ohio. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Ohio to eliminate coverage for 143,100 children in 2002.* Currently, 20% of the children in Ohio rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 785,000 children in Ohio.

Ohio could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 43% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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OKLAHOMA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Oklahoma would lose \$2 billion over the seven years, a 31% reduction in 2002 alone.** Even if Oklahoma could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 125,000 people in 2002, according to the Urban Institute, including:

- 14,000 older Americans;
- 16,400 people with disabilities; and
- 94,200 children and their families.

The Republican proposal would force Oklahoma to eliminate coverage for about 3,700 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 66% of the 21,900 nursing home residents in Oklahoma. Medicaid also serves about 12,300 older Americans and people with disabilities using home care in Oklahoma. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Oklahoma to eliminate coverage for 65,800 children in 2002.* Currently, 15% of the children in Oklahoma rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 198,000 children in Oklahoma.

Oklahoma could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 72% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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OREGON

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Oregon would lose \$2 billion over the seven years, a 31% reduction in 2002 alone.** Even if Oregon could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 118,000 people in 2002, according to the Urban Institute, including:

- 8,900 older Americans;
- 15,400 people with disabilities; and
- 94,100 children and their families.

The Republican proposal would force Oregon to eliminate coverage for about 8,600 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 61% of the 11,300 nursing home residents in Oregon. Medicaid also serves about 25,200 older Americans and people with disabilities using home care in Oregon. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Oregon to eliminate coverage for 62,700 children in 2002.* Currently, 13% of the children in Oregon rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 172,000 children in Oregon.

Oregon could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 49% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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PENNSYLVANIA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Pennsylvania would lose \$6 billion over the seven years, a 27% reduction in 2002 alone.** Even if Pennsylvania could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 308,000 people in 2002, according to the Urban Institute, including:

- 31,600 older Americans;
- 67,300 people with disabilities; and
- 209,400 children and their families.

The Republican proposal would force Pennsylvania to eliminate coverage for about 22,200 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 64% of the 75,700 nursing home residents in Pennsylvania. Medicaid also serves about 22,300 older Americans and people with disabilities using home care in Pennsylvania. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Pennsylvania to eliminate coverage for 150,800 children in 2002.* Currently, 18% of the children in Pennsylvania rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 581,000 children in Pennsylvania.

Pennsylvania could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 30% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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RHODE ISLAND

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Rhode Island would lose \$861 million over the seven years, a 26% reduction in 2002 alone. Even if Rhode Island could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 51,000 people in 2002, according to the Urban Institute, including:

- 7,800 older Americans;
- 11,200 people with disabilities; and
- 32,100 children and their families.

The Republican proposal would force Rhode Island to eliminate coverage for about 12,000 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 75% of the 7,200 nursing home residents in Rhode Island. Medicaid also serves about 12,000 older Americans and people with disabilities using home care in Rhode Island. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Rhode Island to eliminate coverage for 21,600 children in 2002.* Currently, 23% of the children in Rhode Island rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 44,000 children in Rhode Island.

Rhode Island could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 31% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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SOUTH CAROLINA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **South Carolina would lose \$2 billion over the seven years, a 24% reduction in 2002 alone.** Even if South Carolina could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 149,000 people in 2002, according to the Urban Institute, including:

- 21,300 older Americans;
- 24,700 people with disabilities; and
- 102,600 children and their families.

The Republican proposal would force South Carolina to eliminate coverage for about 7,800 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 74% of the 12,400 nursing home residents in South Carolina. Medicaid also serves about 13,100 older Americans and people with disabilities using home care in South Carolina. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force South Carolina to eliminate coverage for 73,300 children in 2002.* Currently, 24% of the children in South Carolina rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 232,000 children in South Carolina.

South Carolina could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 59% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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SOUTH DAKOTA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **South Dakota would lose \$396 million over the seven years, a 28% reduction in 2002 alone.** Even if South Dakota could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 19,000 people in 2002, according to the Urban Institute, including:

- 2,300 older Americans;
- 3,300 people with disabilities; and
- 13,300 children and their families.

The Republican proposal would force South Dakota to eliminate coverage for about 2,100 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 56% of the 7,600 nursing home residents in South Dakota. Medicaid also serves about 2,200 older Americans and people with disabilities using home care in South Dakota. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force South Dakota to eliminate coverage for 9,600 children in 2002.* Currently, 15% of the children in South Dakota rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 37,000 children in South Dakota.

South Dakota could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 56% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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TENNESSEE

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Tennessee would lose \$5 billion over the seven years, a 32% reduction in 2002 alone. Even if Tennessee could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 246,000 people in 2002, according to the Urban Institute, including:

- 27,800 older Americans;
- 61,000 people with disabilities; and
- 157,000 children and their families.

The Republican proposal would force Tennessee to eliminate coverage for about 5,800 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 77% of the 31,800 nursing home residents in Tennessee. Medicaid also serves about 9,300 older Americans and people with disabilities using home care in Tennessee. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Tennessee to eliminate coverage for 112,000 children in 2002.* Currently, 27% of the children in Tennessee rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 452,000 children in Tennessee.

Tennessee could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 61% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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TEXAS

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Texas would lose \$11 billion over the seven years, a 29% reduction in 2002 alone. Even if Texas could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 687,000 people in 2002, according to the Urban Institute, including:

- 66,800 older Americans;
- 68,500 people with disabilities; and
- 551,600 children and their families.

The Republican proposal would force Texas to eliminate coverage for about 43,100 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 76% of the 63,700 nursing home residents in Texas. Medicaid also serves about 85,900 older Americans and people with disabilities using home care in Texas. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Texas to eliminate coverage for 394,100 children in 2002.* Currently, 20% of the children in Texas rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 1,407,000 children in Texas.

Texas could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 48% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

UTAH

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Utah would lose \$1 billion over the seven years, a 31% reduction in 2002 alone.** Even if Utah could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 53,000 people in 2002, according to the Urban Institute, including:

- 3,200 older Americans;
- 6,200 people with disabilities; and
- 43,800 children and their families.

The Republican proposal would force Utah to eliminate coverage for about 3,100 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 65% of the 5,500 nursing home residents in Utah. Medicaid also serves about 3,200 older Americans and people with disabilities using home care in Utah. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Utah to eliminate coverage for 29,000 children in 2002.* Currently, 8% of the children in Utah rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 86,000 children in Utah.

Utah could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 86% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

VERMONT

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Vermont would lose \$318 million over the seven years, a 27% reduction in 2002 alone. Even if Vermont could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 20,000 people in 2002, according to the Urban Institute, including:

- 2,400 older Americans;
- 3,500 people with disabilities; and
- 14,200 children and their families.

The Republican proposal would force Vermont to eliminate coverage for about 1,900 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 68% of the 3,300 nursing home residents in Vermont. Medicaid also serves about 4,600 older Americans and people with disabilities using home care in Vermont. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Vermont to eliminate coverage for 9,000 children in 2002.* Currently, 18% of the children in Vermont rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 47,000 children in Vermont.

Vermont could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 42% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

VIRGINIA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Virginia would lose \$3 billion over the seven years, a 33% reduction in 2002 alone.** Even if Virginia could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 236,000 people in 2002, according to the Urban Institute, including:

- 32,400 older Americans;
- 36,400 people with disabilities; and
- 167,100 children and their families.

The Republican proposal would force Virginia to eliminate coverage for about 17,800 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 70% of the 25,400 nursing home residents in Virginia. Medicaid also serves about 17,600 older Americans and people with disabilities using home care in Virginia. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Virginia to eliminate coverage for 117,000 children in 2002.* Currently, 14% of the children in Virginia rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 334,000 children in Virginia.

Virginia could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 35% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

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THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

WASHINGTON

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Washington would lose \$4 billion over the seven years, a 31% reduction in 2002 alone. Even if Washington could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 183,000 people in 2002, according to the Urban Institute, including:

- 12,900 older Americans;
- 29,500 people with disabilities; and
- 140,500 children and their families.

The Republican proposal would force Washington to eliminate coverage for about 8,200 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 67% of the 23,600 nursing home residents in Washington. Medicaid also serves about 4,300 older Americans and people with disabilities using home care in Washington. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Washington to eliminate coverage for 91,200 children in 2002.* Currently, 12% of the children in Washington rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 328,000 children in Washington.

Washington could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 31% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

WEST VIRGINIA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. West Virginia would lose \$3 billion over the seven years, a 35% reduction in 2002 alone. Even if West Virginia could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 140,000 people in 2002, according to the Urban Institute, including:

- 13,200 older Americans;
- 26,100 people with disabilities; and
- 100,300 children and their families.

The Republican proposal would force West Virginia to eliminate coverage for about 5,400 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 75% of the 6,300 nursing home residents in West Virginia. Medicaid also serves about 3,300 older Americans and people with disabilities using home care in West Virginia. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force West Virginia to eliminate coverage for 60,200 children in 2002.* Currently, 24% of the children in West Virginia rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 161,000 children in West Virginia.

West Virginia could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 97% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

WISCONSIN

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Wisconsin would lose \$3 billion over the seven years, a 29% reduction in 2002 alone. Even if Wisconsin could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 94,000 people in 2002, according to the Urban Institute, including:

- 12,800 older Americans;
- 23,000 people with disabilities; and
- 58,000 children and their families.

The Republican proposal would force Wisconsin to eliminate coverage for about 11,300 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 68% of the 43,100 nursing home residents in Wisconsin. Medicaid also serves about 13,200 older Americans and people with disabilities using home care in Wisconsin. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Wisconsin to eliminate coverage for 42,600 children in 2002.* Currently, 15% of the children in Wisconsin rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 141,000 children in Wisconsin.

Wisconsin could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 43% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

WYOMING

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Wyoming would lose \$245 million over the seven years, a 30% reduction in 2002 alone. Even if Wyoming could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 15,000 people in 2002, according to the Urban Institute, including:

- 1,000 older Americans;
- 1,700 people with disabilities; and
- 12,200 children and their families.

The Republican proposal would force Wyoming to eliminate coverage for about 1,600 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 66% of the 1,700 nursing home residents in Wyoming. Medicaid also serves about 3,300 older Americans and people with disabilities using home care in Wyoming. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Wyoming to eliminate coverage for 8,500 children in 2002.* Currently, 13% of the children in Wyoming rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 26,000 children in Wyoming.

Wyoming could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 45% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

July 19, 1995

Dear Senator:

The undersigned organizations write to express our concern that millions of older children and parents will lose guaranteed Medicaid eligibility if S. 1795, the pending welfare reform legislation, becomes law.

If S. 1795 is passed, any family that loses AFDC eligibility as a result of either federally mandated time limits or discretionary state actions would lose Medicaid automatically even if Medicaid law is unchanged. More than 4 million parents--most of whom are women--and 1.3 million children over the age of 13 would no longer be guaranteed Medicaid coverage.

Additionally, provisions in this bill will force hundreds of thousands of legal immigrants off Medicaid and cause many children to lose their Medicaid eligibility because of their loss of SSI.

At a time when private, employer-based health coverage is eroding, we do not believe that Congress should add to the growing numbers of uninsured. Recent Census Bureau data indicated that over 61 million Americans were uninsured during a one-week period in March of 1995.

We urge you to take action to prevent this drastic loss of health coverage to America's poorest families. Effective "Medicaid hold harmless" provisions must be added to the welfare bill to avoid devastating cuts in guaranteed health coverage for millions of low-income people.

Sincerely,

ACORN
AIDS Action Council
American Academy of Pediatrics
American Association of University Women
American Civil Liberties Union
American Nurses Association
American Public Health Association
American Psychological Association
Asian and Pacific Islander American Health
Forum
Bazelon Center for Mental Health Law
Catholic Health Association
Center on Disability and Health
Citizen Action
Coalition for American Trauma Care
Coalition on Human Needs
Consumers Union
Council of Jewish Federations
InterHealth

Families USA
Family Service America
Legal Action Center
National Association of Area Agencies on
Aging
National Association of Child Advocates
National Association of Children's Hospitals
National Association of Counties
National Association of Developmental
Disabilities Councils
National Association of Homes and Services
for Children
National Association of Social Workers
National Citizen's Coalition for Nursing
Home Reform
National Council of Senior Citizens
National Community Mental Healthcare
Council

National Family Planning and Reproductive
Health Association
National Health Care for the Homeless
Council
National Health Law Program
National Hispanic Council on Aging
National Women's Law Center
Neighbor To Neighbor
Older Women's League
Planned Parenthood Federation of America
San Francisco AIDS Foundation
Service Employees International Union
United Church of Christ,
Office for Church in Society
United Methodist Church, General Board of
Church and Society, Ministry of
God's Human Community
Women's Legal Defense Fund

Medicaid FY

395-9119

456-7431

TO: Nancy-Ann Min & Chris Jennings
FROM: Len Nichols and Linda Blumberg
RE: Some Thoughts on the Cutler-Gruber paper on Medicaid "crowd out"
for our special friends whom we miss.
DATE: 7/13/95

1. The paper is cleverly done, given the data limitations. **HOWEVER**, CPS data cannot support definitive conclusions about the magnitude of public insurance availability actually "crowding out" private insurance coverage. Only a panel data set that follows the same people over time can do that. (NEM: this is one reason we want HHS to modify the NMES into a panel, as they are now planning to do). Stringing CPS data together for several years is **NOT** the same thing. (Cutler knows this, and is actually fairly careful about what he claims, but obviously the paper's results will get stretched to imply all sorts of other things, ergo this epistle).
2. The most important result of the paper is that looser Medicaid eligibility is associated with lower probabilities of private coverage. What you don't know from CPS data that you can only know from a panel data set is, did people actually drop private coverage to take Medicaid, or did the increase in Medicaid coverage come from the previously uninsured or the involuntarily uninsured?
3. The dynamics of the insurance market in the time period of the study, 1987-1992, were quite complex. (You may remember, a President was elected because of the economy, stupid). So, people were being laid off fairly substantially, along with a temporarily exacerbated secular trend of firms dropping coverage, paying smaller shares, and especially paying smaller shares for dependent coverage (these secular trends obviously continue today). An inference a Republican will draw from an overstatement of Cutler's result is that workers with a good deal voluntarily dropped private coverage to take a better deal "on the dole." This surely happened, but on the order of magnitude suggested by Cutler? (a) doubtful; (b) unknowable from a study of CPS data, no matter how cleverly done.
4. It is particularly hard to believe that women drop their private coverage to voluntarily go on Medicaid (last I heard it was hard to find OBGYNs who would take these women) and thereby forfeit coverage 1 month after giving birth. Yet the econometrics of the paper suggest that women are the group most crowded out from private coverage. This would make old Urban Institute economists doubt the ability of this econometric model to capture the essence of the market phenomenon in real life. But young assistant professors at Harvard are not permitted such doubts.
5. While the paper is predictably clever, you can safely say there are many methodological issues about this approach that will keep researchers here and elsewhere busy for a while sorting all this out.

No. 672

Medicaid File

Exploring the Impact of Medicaid Block Grants and Spending Caps

Friday, July 14, 1995

8:15 to 8:45 am - Continental Breakfast

8:45 am to noon - Discussion

216 Hart Senate Office Building
Capitol Hill

A workshop featuring

Vernon Smith
Medicaid Director
State of Michigan

Barbara Matula
Director
North Carolina division of Medical Assistance

fax-862-9837
↓
Luo

DeAnn Friedholm
Medicaid Director
State of Texas

Judy Miller Jones → 872-1468

with roundtable discussion involving

Roy Ramthun
Health Analyst
Senate Finance Committee

John Holahan
Director, Health Policy
Research Center
The Urban Institute

James Cantwell
Health Economist
House Budget Committee

Jack Meyer
President
New Directions for Policy

Bridgett Taylor
Minority Professional Staff
House Energy and Commerce
Committee

Nelda McCall
President
Laguna Research Associates

Chris Jennings
Special Assistant to the President
for Health Policy Development
The White House

1) 3 Medicaid Directors
2) Break
3) Discussion - handling
4% growth cap
quiz from Hill folks

Registration: Please call Dagny Canard at 202/872-1392 as soon as possible.

Medicaid FY

July 12, 1995



Health Division



Office of Management and Budget
Executive Office of the President
Washington, DC 20503

Please route to:

Nancy-Ann Min and
Chris Jennings

Decision needed	_____
Please sign	_____
Per your request	<u> X </u>
Please comment	_____
For your information	_____

Subject: **Medicaid Block Grant Quotes and
Analyses**

With informational copies for:
BC, MM, HFB Medicaid staff

From: Andy Allison  and Judy Mann 

Attached, as requested, is a compilation of quotations, paraphrased comments, and analysis related to Congressional proposals to provide Federal Medicaid funds via a block grant. Items were taken from available news reports and published documents. Editorial comments are minimal. Quotes may relate to any of a number of specific block grant proposals, but in general are targeted at the House, Senate, or Concurrent Budget Resolution proposals.

The items fall into three groups:

- State and Congressional Perspectives;
- Interest Group Perspectives; and
- Analysis.

Items in State and Congressional Perspectives are grouped by political affiliation and are in general regional order.

Attachment.

MEDICAID BLOCK GRANTS

State and Congressional Perspectives

Governor Howard Dean (D - Vermont, Chairman of the National Governors Association)

"I'm very sympathetic with" some Republican Governors' proposal to block grant Medicaid, "but *I don't think block grants are necessarily the solution.*"

"*I would like to see the entitlement kept* because it will protect our State budgets, but I would [like to get rid of] all the ridiculous rules....What I'd like to do is keep all the benefits and make people pay copayments and deductibles. That's a much more responsible thing to do than to kick people off the program or get rid of [benefits]."

"The Federal government has an important role to play in financing the Medicaid program. The Federal government is "our partner" in providing health services to those who need it. "I believe the [Senate Finance] Committee can dramatically reform the program without breaking this important Federal/State partnership. *One option to consider is a per capita cap* that would limit the Federal government's exposure but ensure that increases in eligibility are funded."

Sen. Jay Rockefeller (D - West Virginia)

It would be "immoral" for States to set AFDC or Medicaid eligibility rates without some *Federal oversight.*

Governor Lawton Chiles (D - Florida)

"I understand that some of my fellow governors here today think that" the proposed block grant program "should lock-in the inefficiencies of the past program into a baseline and apply a one-size-fits-all growth rate for each State. It doesn't make a bit of sense that a State like Michigan or Wisconsin, with lower population growth than States like Florida, Texas and California, should receive the same growth rate under the cap."

"I hope that this subcommittee would not endorse a proposal to let a State use Federal *Medicaid dollars for non-health purposes....I think you've seen the results of that kind of gimmickry in the Disproportionate Share program.*"

"Our base year for the" proposed "block grant reflects the savings we've generated" through managed care. "States that have done nothing start out at a higher base."

"Now, *I think the overall level of cut is too high.* And I think we'll have a disagreement over that. But, if you do need to cut \$185 billion out of this program you should at least do it equitably."

"The dollars, very simply, should go where the needy live. As the Congress looks at capping the program, it should account for the differences in population growth, poverty, uninsured rates, and the percentage of elderly and disabled in each State."

Gary Strangler (Director of the Missouri Department of Social Services)

"I'm loath to hit prenatal care and preventive services" for low-income clients, "but compared to the *political clout of the elderly and the disabled*, that's where we'd have to go." [discussing how Missouri might live with proposed block grants]

[Missouri's Governor is Democrat Mel Carnahan]

Donna Checkett (Missouri Medicaid Director, and Chairperson of the State Medicaid Director's Association)

"It's questionable as to how we can" live with the proposed savings under block grants "without cutting people off the program or severely reducing the program's benefits."

Ray Hanley (Arkansas Medicaid Director)

"We couldn't make it all up in managed care." It would become "a question of enrollment versus benefits." The political strength of providers, hospitals, and the nursing home industry would play a large role in how States allocate their money under a block grant, perhaps to the detriment of poor mothers and children.

"Typically mothers and kids don't vote and don't lobby."

[Arkansas' Governor is Democrat Jim Guy Tucker]

Sen. John H. Chafee (R-Rhode Island)

[Sen. Chafee may be a key swing vote on block grants on the Senate Finance Committee]

The Republican Governors' block grant proposal is "astonishing." It "would result in the federal government literally handing \$738 billion over to the States over the next seven years with no standards for eligibility, benefits or quality of care."

"I do not think the answer is a redistribution of Federal dollars through a block grant. *The answer is to find alternatives to a block grant.*"

Rep. Charles Bass (R - New Hampshire)

"I think for [State] legislators to assume New Hampshire's problems are over is counting their chickens before they hatch." [The Manchester Union Leader reported that Republican block grant proposals would preserve at least \$60 million in Federal funding New Hampshire is expected to lose in SFY 1996 under Federal limits on DSH payments passed as part of OBRA 1993, i.e., *New Hampshire hopes that the block grant base amount will not reflect Federal DSH limits that take effect in SFY 1996*].

Kevin Piper (Wisconsin Medicaid Director)

Deciding whether States should be able to set eligibility rules for AFDC and Medicaid is a "philosophical" question "*whether we recognize States as States.*"

[Wisconsin's Governor is Republican Tommy Thompson]

Governor Arne Carlson (R - Minnesota)

Congress should "do nothing less than *blow up the current Medicaid system.*" Congress should fund Minnesota's Medicaid program through a block grant "with no Federal strings attached..." that would allow his State "to turn Medicaid into a system of tightly managed care, with limited benefits and premium payments for all who can afford them."

"There will be, ultimately, some rationing."

Governor John Engler (R - Michigan)

✓ "But *only the block grant strategy holds any hope* that our most vulnerable citizens will continue to receive the health care they need."

"Any provisions" in block grant legislation "that require set-asides for specific populations are unnecessary. No child, no elderly person, no individual with disabilities

is going to be abandoned when Michigan takes control of its Medicaid program.”

✓ “Any financing mechanism that continues a *Federal matching formula* is not acceptable. I repeat: not acceptable.”

“The only condition that should accompany a block grant is that States use the money to finance health care for low-income citizens.”

[Governor Engler has also urged the Commerce Committee to use current Medicaid reimbursement levels to distribute block grant money makes sense, i.e., *don't redistribute* along the lines that Governors Symington, Wilson, and Chiles have proposed.]

Governor Jim Edgar (R - Illinois, Chairman of the Medicaid Task Force of the Republican Governor's Association)

“I can't imagine how anyone can defend” the failed Medicaid system. “ We need to bring some fiscal sanity to the Medicaid program. And the only way we can do it is through a total revamp....Massive reform has been long overdue” [Governor Edgar's prepared Statement for the Commerce Committee made no reference to block grants]

Rep. Greg Ganske (R - Iowa)

Some States “had a part in the explosion of [Medicaid] costs” by finding “creative ways” to extract more money from the program. “My State did not game the system. Consequently, we get one third of the dollars per recipient of some other States.” [In response to Gov. Engler's suggestion that block grant base amounts be tied to current spending.]

Governor Don Sundquist (R - Tennessee)

“I believe it is important to move forward with block grant legislation.”

“The caps in the *growth rate* must be reasonable, and the *distribution* of funds must be reasonable.”

“It is critical that the States' financial contribution to the program be dealt with in a manner that does not jeopardize the integrity of the indigent health care programs and yet provides for the ability of the State to be able to meet its financial requirements.”

“*Matching formulas* should be eliminated and replaced by reasonable maintenance of effort requirements.”

“I strongly propose that in whatever is ultimately developed as a Medicaid alternative,

that States like Tennessee have the option to *maintain the section 1115 waiver* that we are currently operating under for at least the duration of that waiver [through 1999].”

Rep. Tillie Fowler (R - Florida)

“All of us in Florida want to *make sure Florida gets its fair share.*”

Sen. Kay Hutchinson (R - Texas)

“This is not Democrat versus Republican. *This is State versus State.*”

Sen. Phil Gramm (R - Texas)

“We’re going to offer an amendment [that] would change the [block grant]-formula and...give a premium to growth States that have growing populations. As an ideal, “*I’d like to go to a per-capita basis*, so that Mississippi would get a per-capita figure and [Texas] would too.”

“Medicaid in New York is astronomically expensive because of the way it has been gamed. I don’t think they ought to get a big premium over every other State in the union because they inflated the cost.”

Alex Sanchez (New Mexico Department of Health Secretary)

“*States like New Mexico should receive funding based on services provided as well as the extent of unmet need.*”

“Any block grant legislation which maintains the current level of Federal funding for Medicaid will leave New Mexico at a disadvantage in its efforts to assure adequate financial coverage for basic medical services.”

A base year of 1994 is “unacceptable.” New Mexico’s “major [coverage] expansions in 1995 must be taken into account in the distribution of funds to the States.”

[New Mexico’s Governor is Republican Gary Johnson]

Governor Fife Symington (R - Arizona)

“If Federal block grants to the States are based on current Federal outlays, the effect will be to permanently entrench welfare policies in some States.” Under the current system, “those States which have chosen to spend most lavishly on welfare benefits and subsidized health care have received the most Federal money. Block grants based on such a formula would be patently unfair to the taxpayers of many States, who will want to

know, for example, *why a Medicaid patient in a Northeastern State should be funded with three times as much Federal money as Medicaid patient in a Western or Southern State.*"

Governor Symington proposes:

- *abolishing the Federal-State matching fund relationship;*
- basing block grant allotments on the proportion of the national population under the Federal poverty level, perhaps with a State-specific cost-of-living adjustment; and
- *the elimination of individual entitlements.*

Governor Michael Leavitt (R - Utah)

"What is fundamentally lacking here is a sense of *trust in local communities.*" [In response to the President's June 6 comments on welfare reform and Medicaid coverage]

Governor Pete Wilson (R - California)

"To ensure funding equity, the baseline established" for a block grant "must include a reasonable *equity adjustment* for States like California to ensure that we are not permanently locked into a funding disadvantage."

In a hearing before the House Budget Committee, Governor Wilson said California could accept a Medicaid program with a fixed annual growth limit if several mitigating factors were included in calculating the State's share of total funding:

- Medicaid caseload growth;
- the number of individuals qualifying for SSI;
- the over-85 population; and
- the number of residents below 100% of the Federal poverty level.

Western Governors Association (18 member States -- 11 Republican)

The WGA approved a resolution June 25 that stated:

- block grant formulas should recognize that State populations are growing at different levels;
- States have different benefits levels and block grants *should not reward States operating less efficiently* nor penalize States operating more efficiently; and
- the Federal government should offer timely and responsive assistance to States during *economic downturns.*

National Association of State Medicaid Directors

Has recommended to the American Public Welfare Association (their parent organization) that the block grant base year be based on State spending in FY 1995, and that the amount not be adjusted as Governors Wilson, Symington and Chiles have proposed. *They have also recommend that States with approved or pending 1115 waivers, and those that have submitted State plan amendments under the regular program, should have the associated amounts built into their block grant allocation.*

Interest Group Perspectives

American Academy of Public Health Physicians

Has urged the AMA to oppose Medicaid block grants outright, citing the impact on public health if indigent persons begin receiving inadequate care and the likelihood that block grants may be accompanied by budget cuts.

American Association of Retired Persons

Under a 5% growth cap, and assuming that a) States would maintain funding in the face of Federal growth limits, that b) States would reduce spending on all services equally, and c) that 75% of the required savings would be obtained through enrollment reductions, the AARP (i.e., Lewin-VHI) estimates that:

- *1.74 million Medicaid beneficiaries would lose coverage for long-term care services or would be unable to secure such coverage.*
- *By the year 2000, Alabama, Indiana, Louisiana, Mississippi, and Tennessee would have to completely eliminate their home and community-based services.*

National Association of Public Hospitals

Opposes block grants and "any effort to eliminate the entitlement nature of Medicaid," and charges that such changes would "substantially increase" the number of the uninsured.

Supports per-capita spending limits as proposed by the Bipartisan Commission for Entitlement Reform last year, e.g., 5-6% per-capita caps.

Children's Defense Fund

Public position statement not available.

Analysis

The Urban Institute

Urban's analysis assumes that States will respond to block grants in the following way:

- States would reduce spending from State revenues at the same rate as the reduction in Federal payments;
- States would pursue per-capita cost controls first, including rate cuts, service rollbacks, and expanded use of managed care; and
- States would reduce enrollment (growth) as a last resort.

[ed: *Urban's analysis does not assume that States would reduce DSH payments more than other service payments, a questionable assumption given that Urban has reported separately that not all DSH payments are used to meet the health care needs of the poor. As a result, Urban's estimates of enrollment reductions may be overstated]*

Under Urban's optimistic cost-control assumptions, States would have to reduce projected enrollment by 4 million in 2002 to meet the expenditure growth limits imposed under the House Budget Resolution.

States with the largest (projected) percentage *reductions in eligibility* due to a block grant include West Virginia, North Carolina, South Carolina, Florida, Georgia and Montana -- States in the South and Mountain regions with high percentages of acute care expenditures (which are growing faster than long term care expenditures).

The States that would lose the most Federal funding (in percentage terms) are generally low-income States with low per-capita expenditures, e.g., Florida, Montana, New Mexico, Oregon, and West Virginia. Low per-capita expenditures imply higher baseline per-capita growth in the future, and thus greater pain from growth limits.

The States that would lose the least Federal funding (in percentage terms) are generally high-income States with high per-capita Medicaid expenditures, e.g., Connecticut, Massachusetts, New Jersey, New York, and Rhode Island. High per-capita expenditures may imply lower baseline per-capita growth in the future, and thus less pain from growth limits.

The Center for Budget and Policy Priorities

"The House Budget Committee's proposal would exacerbate" disparities among States in terms of DSH payments "since it would include each State's DSH payments in the base that would be increased each year. *It thus would give 'high DSH' States more DSH payments than they would receive under current law.*"

“A State whose economy turns down or grows sluggishly would not receive additional funding to help them meet costs caused by increased enrollment as poverty and unemployment climbed. *Adverse economic conditions* also would reduce State tax revenues, making it more difficult for such a State to absorb the full burden of providing health care to newly unemployed low-income people.”

Bruce Vladeck

“I believe that supplemental coverage for Medicare beneficiaries would be one of the first sets of Medicaid benefits that would be in jeopardy under any significant cutting of Federal support for Medicaid.”

Gail Wilensky

(Project HOPE)

“The Republicans in the Congress have backed themselves into a very little bitty corner and they don’t have a lot of maneuvering room. *There isn’t any other place to get that kind of money that they have said they want to get*” other than to block grant Medicaid.

“The absence of an ability to distinguish appropriate uses and abusive uses of intergovernmental transfers is a good reminder that money is fungible and that reliance on *the use of State matching as a cost containment strategy is a genie that can never be put back into the bottle.*” Any approach other than a block grant “exposes the Federal government to uncertainty with regard to future spending and the potential to be ‘gamed’ by the States in terms of claims for Federal funding.”

“Personally, I’m a little uneasy about the” proposed block grant growth rate of 4-5% “that is being talked about, which is in the four and a half percent range. That is just, to my mind, too low...because, unlike Medicare, there is an expected enrollment increase in addition to just increased spending.”

“It is really an issue of can we stop this process from continuing the lockdown so it stays at a *6-7% growth rate.*”

“This is going to be the bloodiest type of political fight you get into. This is not only a zero-sum game, but it’s *a zero-sum game on a slower-growing base.*”

“My political sense says there is no way you’re going to go back and get money out of that baseline [i.e., redistribute] ...it is only a question of whether you use FY 1994 or FY 1995, both of which are essentially set.”

Norm Ornstein

(American Enterprise Institute)

Block grant growth limits of 4% will hurt high-growth States “a lot. With uniform

formulas, efficient States, like California, will be hurt even more. The poorer States, which have relied more on Federal contributions, will be under tremendous pressure to make up the shortfalls. *And the overall impact of a tight cap will vary wildly across States, with some losing a lot and others suffering hardly at all. The only formula that will be equitable, as the States see it, is a more generous formula*"

"The problems we have implementing change in Medicaid -- change means cutting back growth, not expanding services or adding money -- have no easy answer or set of answers. One would feel a whole lot happier criticizing block grants if there were. *In the end, leaving it up to the States to work things through may be as sensible a policy alternative as we have. But it will be neither easy nor pretty.*"

Paul Peterson

(Harvard University)

"Should Medicaid be incorporated into a [welfare-like] block grant program, the race to the bottom could become deadly."

"If Congress enacts block grants, it can mitigate the race to the bottom by:

- tying the amount of the Federal grant to the size of the eligible population;
- requiring that each State maintain its current fiscal effort and increase State funding at the same rate as the overall inflation rate; and
- setting the minimum eligibility requirements and minimum cash benefits in any block grant it enacts."

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