

THE COUNCIL OF STATE GOVERNMENTS
RESOLUTION SUPPORTING THE U.S. HOUSE OF REPRESENTATIVES’
MORATORIUM ON MEDICAID REGULATIONS

Resolution Summary

Over the past year, the Department of Health and Human Services has issued a series of Medicaid regulations that could have a significant impact on the health of our most vulnerable citizens. These regulations attempt to alter longstanding Medicaid policies and do not require congressional approval.

Taken together these regulatory changes will reduce federal Medicaid spending by more than an estimated \$15 billion over the next five years, based on estimates from the Office of Management and Budget, while States report estimates of almost \$50 billion over the same time period. Most of these costs will be shifted to state and local governments. This comes at a time when states are dealing with an economic slowdown and weakening fiscal conditions.

The various regulations restrict how Medicaid pays for hospital services, graduate medical education, outpatient services, school-based health services, services for individuals with disabilities and case management services. While these regulations will directly impact Medicaid beneficiaries, educational and foster care services, and community safety net health care services will also be impacted.

Recognizing the imminent harm these regulations pose, The U.S House of Representatives acted on a bipartisan basis to delay implementation of these regulations. Without such action, states and localities that wish to continue providing these vital services will be forced to scale back other parts of their budgets or forced to cut services to Medicaid beneficiaries or payments to providers.

This resolution seeks to commend the House of Representatives for its passage of legislation that would place a moratorium on these regulations and to urge the President, the Secretary of HHS, and Congress to work with states to address the financial concerns in its partnership with the States.

Additional Resource Information

Committee on Oversight and Government Reform, The Administrations Medicaid Regulations: State-by-State Impacts.

<http://oversight.house.gov/story.asp?id=1778>

Kaiser Commission on Medicaid and the Uninsured. Medicaid: Overview and Impact of New Regulations.

www.kff.org/medicaid/upload/7739.pdf

Management Directives

Management Directive #1: Commend the bipartisan action of the U.S. House of Representatives to place a moratorium on certain proposed Medicaid regulations. Communicate this with House leadership.

Management Directive #2: Support collaboration in the financial partnership between states and the federal government in the Medicaid program.

Management Directive #3: CSG will post approved resolution on CSG's Web site and make available through its regular communication venues at the state and local level to ensure its distribution to the state government and policy community.

THE COUNCIL OF STATE GOVERNMENTS

RESOLUTION SUPPORTING A CONGRESSIONAL MORATORIUM ON MEDICAID REGULATIONS

WHEREAS, Medicaid is a cooperative federal-state program that provides a broad range of healthcare services to 60 million low-income Americans, including families, people with disabilities and the elderly;

WHEREAS, Medicaid accounts for about 22 percent of state budgets, second only to education in spending;

WHEREAS, Medicaid is a federal-state partnership with shared responsibility for funding and sufficient federal flexibility for states to design programs that meet their unique needs and circumstances;

WHEREAS, Medicaid is a key component of our nation's safety net of services and consistent or even increased federal financial participation in the program is critical to states in times of economic downturn;

WHEREAS, in the past year the Administration has issued seven regulations that would make major, widespread changes in federal Medicaid policy that would have significant implications for states, providers, Medicaid beneficiaries and federal spending;

WHEREAS, according to the federal Office of Management and Budget, these regulations would reduce federal Medicaid spending by \$15 billion over the five year budget period FY 2009-FY 2013 as a result of the federal government no longer providing matching funds for services and administrative activities for which it is currently matching payments;

WHEREAS, the proposed regulations have drawn bipartisan criticism from governors who said they would shift billions of dollars in costs to the states and require major service reductions, leaving the most vulnerable citizens unprotected;

WHEREAS, in a report based on information from 43 states and the District of Columbia, the House Committee on Oversight and Government Reform found that the regulations would disrupt care for fragile populations, reduce federal expenditures by shifting costs to the states, and threaten the financial stability of many hospitals and other safety-net providers that provide care to the uninsured;

WHEREAS, states reported to the House Committee on Oversight and Government Reform the proposed regulations would reduce federal Medicaid spending by not \$15 billion but by nearly \$50 billion over the next five years;

WHEREAS, the House passed H.R. 5613 which would place a moratorium on these regulations;

WHEREAS, while there is agreement on the need to protect the fiscal integrity of the Medicaid program, the cumulative effect of these proposed regulatory changes will not only impact vulnerable populations and safety-net providers, but will also impact states in how they administer and budget for Medicaid;

WHEREAS, states must balance their budgets each year, the decrease in federal spending that would occur as a result of these proposed changes, coupled with the current economic downturn, may require many states to increase taxes and fees or cut Medicaid, SCHIP and other essential services;

BE IT NOW THEREFORE RESOLVED that The Council of State Governments commends the United States House of Representatives and the United States Senate for acting in a bipartisan manner to pass legislation that will temporarily delay implementation of proposals that would have significantly restricted federal support for essential Medicaid services, limited access to services and threatened the ability of providers to continue delivering services to Medicaid beneficiaries and the uninsured;

BE IT FURTHER RESOLVED that The Council of State Governments urges the President, the Secretary of the U.S. Department of Health and Human Services (HHS), the Administrator of the Centers for Medicare and Medicaid Services (CMS) and Members of Congress to work with the States to address concerns regarding the financial partnership between states and the federal government in the Medicaid program.

Adopted this 31st Day of May, 2008 at the
CSG 75th Anniversary Celebration
in Lexington, Kentucky

The image shows two handwritten signatures in black ink. The signature on the left is for Governor M. Jodi Rell, and the signature on the right is for Representative Kim Koppelman. Both signatures are written in a cursive, flowing style.

Governor M. Jodi Rell

Representative Kim Koppelman

2008 CSG President

2008 CSG Chair