

THE COUNCIL OF STATE GOVERNMENTS

CSG EXECUTIVE COMMITTEE

RESOLUTION ON

MEDICAID MODERNIZATION

WHEREAS, Medicaid spending rose by 13 percent in 2002 and is anticipated to increase by at least nine percent annually through the end of the decade;

WHEREAS, States cover on average 43 percent of Medicaid's costs and Medicaid accounts on average for 20 percent of state budgets;

WHEREAS, Almost every state must balance its budget, and due to the weak economy, declining state revenues and rising health care costs, states have had to make substantial cuts in payments, services and eligibility in their Medicaid programs;

WHEREAS, Many of the gains over the last five years in health care coverage for low-income families, seniors, and the disabled have eroded under the pressure of the states' budget crises;

WHEREAS, Reductions in Medicaid eligibility come at a time when low-income Americans need help maintaining health care coverage the most due to slow economic growth, higher unemployment, rising health care costs, and rising numbers of those who lack health insurance;

WHEREAS, Medicaid was created to be a partnership between the states and the federal government to assist low-income families, elderly and disabled individuals with health care coverage;

WHEREAS, State innovation and appropriate cost management is limited by complex federal Medicaid requirements, requiring states to go through a lengthy waiver process and significantly constraining state policymakers options for managing eligibility and enrollment, redesigning benefits, altering services, implementing cost-sharing requirements and otherwise containing costs while maintaining health coverage for low-income individuals;

WHEREAS, Spending for individuals who are dually eligible for Medicare and Medicaid accounts for nearly a third of all spending within the Medicaid program, and there are numerous regulatory barriers to improving service delivery and managing spending more effectively for dual eligible beneficiaries;

WHEREAS, Treatment for chronic disease accounts for more than 75 percent of Medicaid spending, but numerous studies have shown that treatment for chronic diseases is frequently poorly coordinated and does not meet acceptable standards of care, resulting in preventable complications and higher health care costs;

WHEREAS, The current trends in Medicaid cost growth are unsustainable in the current budget environment and further cuts in Medicaid will result in an increase in the number of the uninsured individuals in the United States;

WHEREAS, Longer term trends, including the aging of the population, increased longevity of life, the rise in the incidence of chronic diseases, increased obesity and overweight, and the retreat from managed care, all indicate continued rapid growth in health care spending over the next thirty years and show the need for fundamental restructuring of the Medicaid program to keep pace with health care in the 21st Century; and

WHEREAS, Members of Congress and the Administration have proposals pending that significantly change the Medicaid program by providing the states with additional funding and programmatic flexibility to manage Medicaid spending and administration;

BE IT NOW THEREFORE RESOLVED that The Council of State Governments supports efforts by the federal government to:

- Provide additional funding for state Medicaid programs to preserve gains in health care coverage,
- Allow states greater flexibility to set eligibility, benefits and services within their Medicaid programs, particularly for optional populations,
- Work collaboratively with state leaders and their associations to craft the specific features of restructuring proposals for the Medicaid program;

BE IT FURTHER RESOLVED that The Council of State Governments call on the federal government to enact structural reforms that:

- Provide comprehensive health care coverage to poor seniors and the disabled through Medicare, including prescription drug coverage,
- Allow greater coordination of care and information sharing between the Medicaid and Medicare programs concerning those individuals dually eligible and enrolled in both health care programs,
- Target improvements in the prevention and treatment for chronic illness, particularly efforts to improve coordination of care and disease management,
- Allow states flexibility to integrate and coordinate eligibility requirements, funding and administration of health and human services programs in order to create cost-effective, client-centered programs to assist low-income individuals.

Adopted this 18th Day of May, 2003 at the
CSG Spring Conference and Task Force Meeting
In St. Thomas, U.S. Virgin Islands



Governor Mike Huckabee
2003 CSG President



Representative Dan Bosley
2003 CSG Chair