

THE COUNCIL OF STATE GOVERNMENTS

CSG EXECUTIVE COMMITTEE

**RESOLUTION ON
A WORKING GROUP ON MEDICAID REFORM**

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, Medicaid enrollment grew by 8.5 percent in 2002 due to rising and sustained unemployment;

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

WHEREAS, State revenues are down significantly and the economy is expected to exhibit only sluggish growth in the next year, placing further strains on already overburdened state budgets;

WHEREAS, States must comply with complex federal Medicaid requirements or apply for a waiver from federal requirements, which in turn limits state policymakers options for managing eligibility and enrollment, redesigning benefits, altering services and otherwise containing costs;

WHEREAS, States have been forced to cut payment rates to providers and cut eligibility to control enrollment, thereby endangering gains in access and coverage for low-income individuals and families over the past 5 years;

WHEREAS, Congress and the Administration have proposals pending that could provide the States with additional funding and flexibility to manage Medicaid cost growth more effectively;

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 and further strain the nation's safety net providers;

WHEREAS, Longer term trends such as the aging of the population, increased longevity of life, the rise in the incidence of chronic disease, 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, To prepare state leaders for current and future challenges, States need a forum to work together and share solutions to the current Medicaid crisis and to voice their common concerns and petitions to the Administration and to Congress regarding the future of the Medicaid program;

BE IT NOW THEREFORE RESOLVED that The Council of State Governments will establish a Working Group on Medicaid Reform, the members of which shall be appointed from the Health Task Force by the task force co-chairs, the CSG President, and the CSG Chair and shall be asked to perform the following:

- Meet via conference call at least twice during the Summer and Fall of 2003,
- Develop a draft of nonpartisan, consensus recommendations for reforming the Medicaid program to prepare it for the future,
- Present the recommendations to the Health Task Force and CSG's leadership during the Annual Meeting and State Leadership Forum on October 23-26th, 2003, in Pittsburgh, Pennsylvania, and
- Disseminate broadly the recommendations to the states, members of Congress and the Administration, and the media.

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