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MEMORANDUM

TO: DISTRIBUTION
FR: JOHN HART
DT: JUNE 2, 1994
RE: NGA AND MEDICAID

I wanted to update everyone on collaboration with the NGA regarding Medicaid. Since states bear a large portion of the cost of financing Medicaid, the Governors and the NGA are intensely interested in how national reform will cover low income populations. Accordingly, the Governors feel that Medicaid is the one area of health care reform that they have a unique perspective on that should be incorporated in to any national policy. The NGA is looking to fashion a policy statement on Medicaid to be voted on at their annual conference in July which will articulate the Governors' position on how low income populations should be covered.

There is some division among the Governors about how low income populations should be integrated in to a restructured Medicaid system. The Administration is committed to the process of lending technical assistance to the NGA and relevant Congressional committees in the development of a policy but have made very clear that we will not take a position on internal NGA policy debates. We are however working with the Democratic Governors and their staff to provide our informal reaction to policy discussions.

We have spoken to Governors Dean and Bayh as well as other Democratic Governors' staff to enlist their support for the process. I have been meeting weekly with the Governors' Washington Representatives and the Democratic Governors' Washington Representatives to continue the dialogue on Medicaid. The NGA has designated its 4 member executive committee (Governors Dean, Romer, Campbell and Thompson) to negotiate with the Hill. NGA Staff have set up meetings with Congressmen Dingel and Waxman. I will continue to keep you informed of these developments.

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