Not sent

OK, let's not mention previous ltr because it's so dated

March 18, 1994

The Honorable Maxine Waters
U.S. House of Representatives
Washington, D.C. 20515

Dear Maxine:

Knowing of

~~Thank you for writing about~~ your concerns about the impact of the Health Security Act on low-income individuals, ~~While we have spoken about these issues since you wrote,~~ I wanted to share with you our most recent thoughts about the Medicaid wraparound program for children.

Since the comprehensive benefit package does not cover all of the services currently available under Medicaid, children who are eligible to receive Medicaid will receive supplemental services through a federally-funded wrap-around program. The Health Security Act specifies that this program must encompass all Medicaid-covered services, including the broad Early Periodic Screening, Diagnosis and Treatment (EPSDT) package, that are not provided in the comprehensive benefit package or in the Medicaid long-term care program. Services that are subject to day or visit limits in the comprehensive benefit package, such as mental health and rehabilitation services, as well as those services that are not covered by the comprehensive benefit package at all, such as hearing aids and non-emergency transportation, are included in the wrap-around program.

The Secretary of Health and Human Services is given broad authority in determining how to administer the wrap-around program. We are continuing to wrestle with difficult issues about eligibility and administration and to consider how this program fits with other programs and services under the Health Security Act. I look forward to working with you on these issues in the coming weeks.

Sincerely yours,

Hillary Rodham Clinton

MAXINE WATERS
MEMBER OF CONGRESS
35TH DISTRICT, CALIFORNIA

COMMITTEES:
BANKING, FINANCE AND URBAN AFFAIRS
VETERANS' AFFAIRS

Congress of the United States
House of Representatives
Washington, DC 20515-0535

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October 22, 1993

Mrs. Hillary Rodham Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mrs. ~~Clinton~~ Hillary:

I know you have devoted a tremendous amount of time and energy to come up with a workable health plan for all segments of society. My district has a large component of low income people and I am worried about what impact your health care plan will have on them. In this regard, I have two immediate major concerns regarding the Administration's September 7 draft of the American Health Security Act which I wish to share with you. The plan should not harm Medicaid beneficiaries by cutting their benefits. Further, the plan's cost-sharing requirement should not make health care unaffordable for low-income individuals.

1. I do not want to see the poor and the disabled have less access to health services than they do now. Medicaid now cares for over 30 million indigent elders, disabled people, and families with children. I am concerned because the September 7 draft would cut benefits many of these Medicaid beneficiaries currently receive. These cut benefits include many screening services for children; ongoing treatment for severe mental illness, e.g., beyond thirty sessions of outpatient therapy per year; rehabilitation care that prevents deterioration; fillings and other restorative dental care for children; dental care and eyeglasses low-income adults need for employment; and important supplemental benefits, services and transportation many elderly and adults with disabilities receive.

Individuals on Medicaid are in danger of losing these essential services. Under the Health Security Act, these and other benefits beyond the uniform benefits package may be delivered through a block grant administered at the state's total discretion. These services should continue to be mandatory for both cash-assisted categorically linked recipient and on-cash assisted poor Medicaid beneficiaries who are receiving "medical assistance only" in the states currently providing such assistance. The services each state is currently providing to Medicaid recipients should be the floor for the provision of services under the new plan. Further, in those states that provide Medicaid under a "medical assistance only" program, such services should similarly not be cut back.

2. The September 7 draft makes care less affordable by asking all

low-income individuals, including those currently eligible for Medicaid, to make co-payments. This draft asked low-income consumers to pay $10 before seeing a doctor; $5 per prescription; and $25 per mental health visit. By contrast, Medicaid scales down these co-payments to fit low-income budgets. Such co-payments rarely exceed $2, and typically are not requested at all. State Medicaid programs have learned that it makes no sense to charge low-income people more than nominal co-payments for primary care.

Health plans should not be allowed to charge low-income consumers the co-payments asked of those with much higher incomes. As the late Representative Claude pepper noted:

> For the elderly poor, a fifty cent co-payment which seems insignificant to most of us can mean the difference between a needed prescription and a quart of milk or a loaf of bread. What right do we have to ask them to make this choice?

While I understand the President's desire to promote personal responsibility for health care under the reform proposal, such co-payments force low-income people to defer care until health problems degenerate into emergencies. As a result, emergency room costs will needlessly increase. I fear these barriers will frustrate the health care reform plan's efforts to promote affordable care for everyone.

I hope you will give due consideration to my comments.

Sincerely,

Maxine Waters

MAXINE WATERS

MW:be

cc: Senator Barbara Boxer
Senator Diane Feinstein
Secretary Donna Shalala
Mr. Ira Magaziner
Senior Advisor to the President
for Policy Development
Congressional Black Caucus Members

MAXINE WATERS
MEMBER OF CONGRESS
35TH DISTRICT, CALIFORNIA

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The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

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Sincerely,

Maxine Waters

MAXINE WATERS

MW:be

cc: Senator Barbara Boxer
Senator Diane Feinstein
Secretary Donna Shalala
Mr. Ira Magaziner
Senior Advisor to the President
for Policy Development
Congressional Black Caucus Members

RICK

February 24, 1994

The Honorable Maxine Waters
U.S. House of Representatives
Washington, D.C. 20515

Dear Maxine:

Thank you for writing about your concerns for the impact of the Health Security Act on low-income people. While we have had an ongoing dialogue on these issues since you wrote, I wanted to share with you our most recent thoughts about the Medicaid wraparound program for children.

Since the comprehensive benefit package does not cover all of the services available under Medicaid, children who currently receive Medicaid will receive supplemental services through a federally-funded wraparound program. The Health Security Act specifies that this program must encompass all Medicaid-covered services, including the broad Early Periodic Screening, Diagnosis and Treatment (EPSDT) package. The wraparound program is [also -- or is this part of EPSDT?] intended to cover services with day or visit limits in the comprehensive benefit package. This means that [hearing aids, rehabilitation services, etc.] [What about services for adults currently covered under Medicaid?]

General statement on **Medicaid DSH/Vulnerable Populations:**

The Honorable Maxine Waters:

Under health care reform, the Medicaid Disproportionate Share Hospital (DSH) program will be phased-out and eliminated by 1998. Once a state establishes alliances, it will no longer make Medicaid DSH payments, although it will be required to make maintenance of effort (MOE) payments to the alliances for its share of DSH payments for non-cash recipients. The rationale for this policy is that once a state establishes universal coverage, the amount of uncompensated care currently provided in hospitals should decrease significantly. Since DSH payments are intended to pay for uncompensated care, states will no longer need to maintain DSH payments at existing levels.

During the transition to the alliance system, some hospitals may continue to have uncompensated costs. To offset these costs, a new, five year, Federal Vulnerable Population Adjustment (VPA) program will be established to make payments to qualified hospitals serving large numbers of low-income people. Payments will be based on the hospitals' low-income inpatient days and the states' needs to pay for inpatient services not covered by the alliances.

Once a state implements health care reform, it will stop the Medicaid DSH program and start the VPA program. Starting in FY 1996, up to $800 million a year will be appropriated to the new program, depending on the number of states that have implemented reform. The VPA program will be fully implemented by FY 1998 and cost a total of $4 billion over five years.

General statement on **copayments/cost-sharing:**

The Honorable Tom Harkin
Washington, D.C. 20510-1502

Dear Senator Harkin:

The comprehensive benefit package developed in the Health Security Act includes many critical children's services -- including immunizations, preventive care and routine screening visits. However, limits on the duration and scope of other services, particularly rehabilitation therapies, may not be appropriate for the special needs of children with disabilities or other children who currently receive Medicaid-financed services. In order to adequately serve these children, we have designed a Federal children's wraparound program.

Children who currently receive Medicaid will receive supplemental services through a Federally-funded wraparound program. The Health Security Act specifies that this program must encompass all Medicaid-covered services, including the broad-ranging Early Periodic Screening, Diagnosis and Treatment (EPSDT) package. While program design is not yet complete, the wraparound package is intended to cover services which are limited by day or visit limits in the comprehensive benefit package. EPSDT entitles Medicaid children to any medical service needed to treat a health condition identified during a screen, so the wraparound program will ensure that current Medicaid children will continue to receive the broadest possible range of health services.

The HSA also requires the Secretary to develop program regulations ensuring coordination with the Individuals with Disabilities Education Act (IDEA). Children with disabilities who are currently Medicaid-eligible -- including infants and toddlers -- will continue to receive the early intervention and health related services critical to their development through the children's wraparound program.

Sincerely,

Since the comprehensive benefit package does not cover all of the services available under Medicaid, children who currently are eligible to receive Medciaid will receive supplemental services through a federally-funded wraparound program. The Health Security Act specifies that this program must encompass all Medicaid-covered services that are not included in the comprehensive benefits package and not included in the long term care part of the Medicaid program. The wraparound program will cover services with day or visit limits in the comprehensive benefits package -- such as mental health and rehabilitation services -- as well as services such as hearing aids and non-emergency transportation that are currently covered by Medicaid but not covered by the comprehensive benefits package at all. As you may know, the Early Periodic Screening, Diagnosis and Treatment (EPSDT) program currently requires that any service that can be covered by Medicaid be paid for by a state Medicaid program if a physician determines that the service is medically necessary for a child (awkward). Under the Health Security Act the screening portion of EPSDT will largely be the responsibility of the health plans as part of the standard benefits package, and many of the treatments resulting from the screen will be covered as part of the SBP as well. However, treatments that are beyond the SBP but not part of long term care will be covered by the wraparound program. The wraparound program thus protects the benefits of low income children.

The Health Security Act gives the Secretary of HHS broad discretion in determining how to administer this program for supplemental benefits for children. We look forward to working with you and other members of Congress in further developing this important program to improve the health of our low income children.

(Adults receiving cash assistance remain eligible for supplemental services currently provided by Medicaid. For adults not receiving cash assistance, federal guarantee and support is for services in the SBP and, through Medicaid, for long term care.)

Do we want to mention any of the problems with the wraparound program:

a) lack of uniform federal eligibility
b) how to do all this in the context of capped dollars
c) how to administer the program