

Jennifer Klein / Office of the First Lady

1996 Budget

- Medicare
- Medicaid
- Outreach

Enclosures filed in
Oversize Attachments #

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E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

23-Jul-1995 06:43pm

TO: Carol H. Rasco
TO: Diana M. Fortuna

FROM: Christopher C. Jennings
Domestic Policy Council

SUBJECT: disability change

Carol and Diana: I got a call with an update of two numbers I gave you yesterday. Please note and change in the memo I sent you.

The Medicaid 1995 numbers are \$28.6 billion (rather than \$26.2 billion) of Federal dollars spent on disability and \$21.6 billion (rather than \$19 billion) spent by the states. (The \$88 billion is correct, however.) Sorry, last time I was given (and gave you) 1994 numbers, not 1995 numbers (with the exception of the \$88 billion figure.)

CJ

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

22-Jul-1995 03:30pm

TO: Carol H. Rasco
TO: Diana M. Fortuna

FROM: Christopher C. Jennings
Domestic Policy Council

SUBJECT: Disability stats

Diana, in response to your request, I have tracked down (through Jeanne Lambrew of HHS) what I think are some very good Medicare/Medicaid disability stats for possible use for the POTUS ADA event. The Medicaid stats, I think, are particularly impressive. Here goes:

1. Medicare: In 1995, \$18.5 billion (10 percent) out of the total \$175 billion in Medicare expenditures will be spent on 4 million disabled Americans. Although it is impossible to project exactly how the \$270 billion cuts in the program over seven years will impact on these beneficiaries, a 20 percent cut in 2002 (which is what the Republicans are doing) would significantly and negatively affect these individuals, particularly through increased premiums and copayments.

We now project that all beneficiaries would pay, on average, at least \$625 more in 2002 and at least \$2,825 more over the seven year period to stay in fee for service. (As you know, the disabled are particularly mistrusting of managed care and the Republicans voucher proposals are aimed at incentivizing everyone into managed care.) In contrast, the President has no NEW Medicare beneficiary cuts, which would provide such coercive incentives.

2. Medicaid: In 1995, \$26.2 billion (a notable 30%) out of the approximately \$88 billion in Federal Medicaid expenditures will be spent on 6 million disabled Americans. (The States will spend approximately \$19 billion of their own money on these populations in matching dollars. By the way, the 30 percent number is amazing, but I am not certain it is advisable to get out, since I am not certain what kind of public support/sympathy it would elicit -- your call of course).

Here's the good stuff: The Urban Institute's recent analysis of

the impact of the proposed Republican \$182 Medicaid cut concludes that states will be force to drop over 1.2 million disabled Medicaid recipients in 2002. (It is important to note that calculation is made even after Urban makes assumptions that states will reduce services, provider payments and coverage for millions of children and elderly.)

Hope this helps for the ADA speech. Call with any questions.

CJ