

M E M O R A N D U M

TO: Distribution

September 14, 1995

FR: Chris Jennings

RE: Addition to Medicaid State-By-State Analysis

Attached is the Medicaid analysis of Kentucky which was unfortunately not included with the Medicaid state-by-state analysis which was distributed yesterday. Please add it to your copy.

Sorry for any inconvenience. Please call me with any questions at 456-5560.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

KENTUCKY

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Kentucky would lose \$4 billion over the seven years, a 32% reduction in 2002 alone. Even if Kentucky could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 171,000 people in 2002, according to the Urban Institute, including:

- 17,700 older Americans;
- 43,200 people with disabilities; and
- 110,600 children and their families.

The Republican proposal would force Kentucky to eliminate coverage for about 22,400 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 76% of the 19,400 nursing home residents in Kentucky. Medicaid also serves about 52,000 older Americans and people with disabilities using home care in Kentucky. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Kentucky to eliminate coverage for 73,400 children in 2002.* Currently, 26% of the children in Kentucky rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 273,000 children in Kentucky.

Kentucky could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 77% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

M E M O R A N D U M

TO: Distribution

September 13, 1995

FR: Chris Jennings

RE: Medicaid State-By-State Analysis

Attached is the Medicaid state-by-state analysis that we plan to release tomorrow morning. Please use and distribute it as you see fit.

To get a sense of the impact of Medicaid cuts nationally, we have included a cover page that provides a nationwide summary. You may wish to use that page for your comments about Medicaid cuts to national reporters, groups, the Hill, etc.

Please also note the page immediately behind the national cover page. It provides the back-up explanation of the methodology behind the numbers. The most important point is that this analysis was done by HHS, but is based on Urban Institute assumptions and analyses. We frequently get asked about the source and rationale behind our numbers and this page should assist you in responding to inquiries.

Lastly, also attached you will find copies of the *Wall Street Journal* and *Washington Post* articles from today on Medicaid. They are very helpful to us and we thought you would like to keep on them on hand.

If you have any questions, please call me at 456-5560.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

THE UNITED STATES
The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage

Republican's Proposal: Reduce Medicaid Payments to States by 30 Percent in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20 percent over seven years and 30 percent in 2002. Even if states absorb half of the cuts by reducing services and provider payments, they would still have to eliminate coverage for 8.8 million people in 2002, according to the Urban Institute. Over 40 percent of all people losing coverage would be concentrated in five states: California, Florida, New York, Texas and North Carolina. The 8.8 million who lose coverage includes:

- 920,000 older Americans;
- 1.4 million people with disabilities; and
- 6.3 million children and their families.

The Republican proposal would force states to eliminate coverage for about 350,000 nursing home residents and another 330,000 people needing home care in 2002.*

Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 68 percent of the nation's 1.3 million nursing home residents. Medicaid also serves about 1.4 million older Americans and people with disabilities using home care. Without Medicaid, families could not afford nursing home care that costs an average of \$38,000 per year.

The Republican proposal would force states to eliminate coverage for 4.4 million children in 2002.* Currently, over 20 percent of the nation's children rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 18 million children.

States could avoid these difficult choices only by increasing their Medicaid spending by 40 percent in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

Back-up
Explanation

Methodology for the Medicaid State Estimates

The following describes the sources for the estimates in the September 14, 1995 White House Medicaid document.

Most of the estimates come from the July 1995 report by the Urban Institute entitled: "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures" (July 1995). This report and supplemental analyses by the Urban Institute are the source for:

- Dollar and percent reduction in Federal Medicaid payments by state;
- Number of total people losing coverage, number of people in families, elderly, and disabled losing coverage under the proposal.

The estimates for the number of children and nursing home residents and home health users losing coverage were calculated by the Department of Health and Human Services based on the Urban Institute data. Both sets of estimates were derived by: (a) calculating the number of children and nursing home residents and home health users in 1993 as a percent of people in families and the aged and disabled, respectively; and (b) applying those percentages to the number of people in families and aged and disabled losing coverage in 2002. For example, in California, 62.3 percent of people in families were children in FY 1993. It was assumed that within families there is no disproportionate reductions in coverage of adults or children -- people are cut in proportion to their representation the group. This percent of children was multiplied by the Urban Institute estimate of the number of people in families losing coverage -- 918,095 -- to estimate that about 571,700 children in California could lose coverage in 2002.

The estimated increase in state spending to offset the loss of Federal funds was also calculated by the Department of Health and Human Services based on the Urban Institute data. This percentage increase was based on the Urban Institute's estimates of Federal baseline spending in 2002 and the reduction resulting from the proposal. Using the 1996 FMAPs, the state share in 2002 was estimated. Then, the reduction resulting from the proposal was added to the estimated state share to calculate the percent increase in state share if the state increased its spending to offset the loss of Federal funds.

Other facts in the document come from secondary sources. The percent of children covered by Medicaid by state comes from the March 1994 Current Population Survey. The number of children and home care users covered by Medicaid by state comes from the 1994 Health Care Financing Administration tabulation of 2082 data, submitted by states. The data on nursing home residents come from Harrington, Thollaug and Summers' report: "State Data Book on Nursing Facilities, Staffing, Residents, and Facility Deficiencies, 1991 - 1991" (January 1995).

**The Republican Budget Resolution Conference Agreement:
Estimated Number of People Losing Health Coverage, 2002**

STATE	TOTAL	Aged	Disabled	Families: Adults & Kids	Long-Term Care Users	Children
U.S.	8.8 million	920,000	1.4 million	6.3 million	680,000	4.4 million
Alabama	102,000	12,300	25,500	64,500	11,000	45,800
Alaska	22,000	1,200	1,900	19,200	na	12,700
Arizona	110,000	na	na	na	na	na
Arkansas	122,000	16,200	29,200	76,900	13,300	53,100
California	1.2 million	95,000	145,800	918,100	34,400	571,700
Colorado	97,000	10,700	16,800	70,000	9,200	48,000
Connecticut	74,000	7,500	12,300	54,200	11,800	37,100
Delaware	21,000	1,400	3,200	16,800	1,900	12,100
District of Columbia	20,000	1,500	4,400	14,400	1,500	10,100
Florida	706,000	78,900	94,900	532,100	49,100	423,000
Georgia	383,000	41,200	63,900	277,800	24,600	188,900
Hawaii	36,000	3,400	5,600	27,500	1,500	18,700
Idaho	34,000	3,100	5,500	25,500	2,400	17,800
Illinois	274,000	22,000	55,900	196,100	25,800	137,900
Indiana	112,000	11,800	17,400	83,200	11,000	56,800
Iowa	69,000	8,700	11,700	49,100	8,500	32,800
Kansas	40,000	4,500	6,100	29,200	4,500	19,700
Kentucky	171,000	17,700	43,200	110,600	22,400	73,400
Louisiana	154,000	16,600	26,800	111,000	3,900	79,000
Maine	34,000	4,300	7,200	23,000	3,500	15,400
Maryland	116,000	10,600	22,200	83,200	7,400	58,900
Massachusetts	210,000	24,100	43,600	142,200	22,900	94,700
Michigan	215,000	15,200	42,400	157,000	22,900	100,700
Minnesota	88,000	11,300	12,100	64,300	47,000	43,900
Mississippi	141,000	18,200	29,900	92,900	5,700	67,300
Missouri	83,000	10,200	13,000	59,600	7,900	39,300
Montana	27,000	3,000	5,600	18,300	2,100	10,100
Nebraska	41,000	4,700	5,500	31,000	4,200	23,100
Nevada	26,000	2,900	4,100	19,000	1,800	12,900
New Hampshire	1,100	na	na	na	na	na
New Jersey	166,000	15,300	29,000	121,600	16,700	79,600
New Mexico	80,000	8,000	17,100	55,300	4,200	37,500
New York	645,000	66,400	100,400	478,200	71,300	343,700
North Carolina	455,000	79,300	64,000	312,300	40,900	204,600
North Dakota	18,000	2,700	2,300	12,600	2,300	8,800
Ohio	292,000	32,200	50,100	209,800	28,000	143,100
Oklahoma	125,000	14,000	16,400	94,200	3,700	65,800
Oregon	118,000	8,900	15,400	94,100	8,600	62,700
Pennsylvania	308,000	31,600	67,300	209,400	22,200	150,800
Rhode Island	51,000	7,800	11,200	32,100	12,000	21,600

Continued...

**The Republican Budget Resolution Conference Agreement:
Estimated Number of People Losing Health Coverage, 2002
*Continued***

STATE	TOTAL	Aged	Disabled	Families: Adults & Kids	Long-Term Care Users	Children
U.S.	8.8 million	920,000	1.4 million	6.3 million	680,000	4.4 million
South Carolina	149,000	21,300	24,700	102,600	7,800	73,300
South Dakota	19,000	2,300	3,300	13,300	2,100	9,600
Tennessee	246,000	27,800	61,000	157,000	5,800	112,000
Texas	687,000	66,800	68,500	551,600	43,100	394,100
Utah	53,000	3,200	6,200	43,800	3,100	29,000
Vermont	20,000	2,400	3,500	14,200	1,900	9,000
Virginia	236,000	32,400	36,400	167,100	17,800	117,000
Washington	183,000	12,900	29,500	140,500	8,200	91,200
West Virginia	140,000	13,200	26,100	100,300	5,400	60,200
Wisconsin	94,000	12,800	23,000	58,000	11,300	42,600
Wyoming	15,000	1,000	1,700	12,200	1,600	8,500

NOTES:

Numbers are rounded to the nearest hundred or thousand; as a result numbers may not sum to totals due to rounding. "Long-term care users" include residents of skilled nursing facilities and users of home care. The "aged", "disabled" and "families: adults & kids" columns sum to the total recipients. The number of long-term care recipients and children losing coverage are subsets of the "aged", "disabled" and "families: adults & kids" estimates and thus cannot be added to these estimates. The first four columns are from the Urban Institute's Medicaid Expenditure Growth Model. The last two columns are U.S. Department of Health and Human Services' estimates based on the Urban Institute's estimates. All are based on the assumption that states could achieve approximately half of the savings target through reducing their growth rate per recipient to inflation plus 1.9 percent. Data for Arizona, Alaska and New Hampshire were insufficient for these analyses.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

ALABAMA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Alabama would lose \$2 billion over the seven years, a 22% reduction in 2002 alone.** Even if Alabama could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 102,000 people in 2002, according to the Urban Institute, including:

- 12,300 older Americans;
- 25,500 people with disabilities; and
- 64,500 children and their families.

The Republican proposal would force Alabama to eliminate coverage for about 11,000 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 72% of the 19,500 nursing home residents in Alabama. Medicaid also serves about 37,400 older Americans and people with disabilities using home care in Alabama. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Alabama to eliminate coverage for 45,800 children in 2002.* Currently, 16% of the children in Alabama rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 244,000 children in Alabama.

Alabama could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 51% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

ALASKA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Alaska would lose \$429 million over the seven years, a 32% reduction in 2002 alone.** Even if Alaska could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 22,000 people in 2002, according to the Urban Institute, including:

- 1,200 older Americans;
- 1,900 people with disabilities; and
- 19,200 children and their families.

The Republican proposal would force Alaska to eliminate coverage for a significant number of people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 86% of the 500 nursing home residents in Alaska. Medicaid also serves about 1,000 older Americans and people with disabilities using home care in Alaska. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Alaska to eliminate coverage for 12,700 children in 2002.* Currently, 20% of the children in Alaska rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 39,000 children in Alaska.

Alaska could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 32% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

ARIZONA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Arizona would lose \$3 billion over the seven years, a 33% reduction in 2002 alone.** Even if Arizona could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 110,000 people in 2002, according to the Urban Institute.

The Republican proposal would force Arizona to eliminate coverage for a significant number of people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 59% of the 10,500 nursing home residents in Arizona. Medicaid also serves about 11,700 older Americans and people with disabilities using home care in Arizona. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Arizona to eliminate coverage for a significant number of children in 2002.* Currently, 15% of the children in Arizona rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 310,000 children in Arizona.

Arizona could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 63% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

Note: Due to data limitations, specific estimates for Arizona are not available.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

ALABAMA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Alabama would lose \$2 billion over the seven years, a 22% reduction in 2002 alone.** Even if Alabama could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 102,000 people in 2002, according to the Urban Institute, including:

- 12,300 older Americans;
- 25,500 people with disabilities; and
- 64,500 children and their families.

The Republican proposal would force Alabama to eliminate coverage for about 11,000 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 72% of the 19,500 nursing home residents in Alabama. Medicaid also serves about 37,400 older Americans and people with disabilities using home care in Alabama. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Alabama to eliminate coverage for 45,800 children in 2002.* Currently, 16% of the children in Alabama rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 244,000 children in Alabama.

Alabama could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 51% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

CALIFORNIA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **California would lose \$18 billion over the seven years, a 31% reduction in 2002 alone.** Even if California could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 1.2 million people in 2002, according to the Urban Institute, including:

- 95,000 older Americans;
- 145,800 people with disabilities; and
- 918,100 children and their families.

The Republican proposal would force California to eliminate coverage for about 34,400 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 66% of the 90,400 nursing home residents in California. Medicaid also serves about 56,400 older Americans and people with disabilities using home care in California. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force California to eliminate coverage for 571,700 children in 2002.* Currently, 26% of the children in California rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 2,260,000 children in California.

California could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 31% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

COLORADO

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Colorado would lose \$2 billion over the seven years, a 31% reduction in 2002 alone.** Even if Colorado could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 97,000 people in 2002, according to the Urban Institute, including:

- 10,700 older Americans;
- 16,800 people with disabilities; and
- 70,000 children and their families.

The Republican proposal would force Colorado to eliminate coverage for about 9,200 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 62% of the 16,100 nursing home residents in Colorado. Medicaid also serves about 12,000 older Americans and people with disabilities using home care in Colorado. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Colorado to eliminate coverage for 48,000 children in 2002.* Currently, 14% of the children in Colorado rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 142,000 children in Colorado.

Colorado could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 34% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

CONNECTICUT

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Connecticut would lose \$1 billion over the seven years, a 21% reduction in 2002 alone.** Even if Connecticut could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 74,000 people in 2002, according to the Urban Institute, including:

- 7,500 older Americans;
- 12,300 people with disabilities; and
- 54,200 children and their families.

The Republican proposal would force Connecticut to eliminate coverage for about 11,800 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 68% of the 25,800 nursing home residents in Connecticut. Medicaid also serves about 22,100 older Americans and people with disabilities using home care in Connecticut. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Connecticut to eliminate coverage for 37,100 children in 2002.* Currently, 14% of the children in Connecticut rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 166,000 children in Connecticut.

Connecticut could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 21% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

DELAWARE

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Delaware would lose \$331 million over the seven years, a 30% reduction in 2002 alone.** Even if Delaware could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 21,000 people in 2002, according to the Urban Institute, including:

- 1,400 older Americans;
- 3,200 people with disabilities; and
- 16,800 children and their families.

The Republican proposal would force Delaware to eliminate coverage for about 1,900 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 55% of the 3,000 nursing home residents in Delaware. Medicaid also serves about 4,400 older Americans and people with disabilities using home care in Delaware. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Delaware to eliminate coverage for 12,100 children in 2002.* Currently, 16% of the children in Delaware rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 40,000 children in Delaware.

Delaware could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 31% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

DISTRICT OF COLUMBIA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **District of Columbia would lose \$863 million over the seven years, a 31% reduction in 2002 alone.** Even if District of Columbia could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 20,000 people in 2002, according to the Urban Institute, including:

- 1,500 older Americans;
- 4,400 people with disabilities; and
- 14,400 children and their families.

The Republican proposal would force District of Columbia to eliminate coverage for about 1,500 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 91% of the 2,700 nursing home residents in District of Columbia. Medicaid also serves about 2,900 older Americans and people with disabilities using home care in District of Columbia. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force District of Columbia to eliminate coverage for 10,100 children in 2002.* Currently, 45% of the children in District of Columbia rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 67,000 children in District of Columbia.

District of Columbia could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 31% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

FLORIDA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Florida would lose \$10 billion over the seven years, a 35% reduction in 2002 alone.** Even if Florida could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 706,000 people in 2002, according to the Urban Institute, including:

- 78,900 older Americans;
- 94,900 people with disabilities; and
- 532,100 children and their families.

The Republican proposal would force Florida to eliminate coverage for about 49,100 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 62% of the 59,000 nursing home residents in Florida. Medicaid also serves about 70,500 older Americans and people with disabilities using home care in Florida. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Florida to eliminate coverage for 423,000 children in 2002.* Currently, 23% of the children in Florida rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 991,000 children in Florida.

Florida could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 44% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

GEORGIA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Georgia would lose \$6 billion over the seven years, a 35% reduction in 2002 alone. Even if Georgia could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 383,000 people in 2002, according to the Urban Institute, including:

- 41,200 older Americans;
- 63,900 people with disabilities; and
- 277,800 children and their families.

The Republican proposal would force Georgia to eliminate coverage for about 24,600 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 82% of the 34,700 nursing home residents in Georgia. Medicaid also serves about 21,700 older Americans and people with disabilities using home care in Georgia. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Georgia to eliminate coverage for 188,900 children in 2002.* Currently, 17% of the children in Georgia rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 543,000 children in Georgia.

Georgia could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 56% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

HAWAII

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Hawaii would lose \$572 million over the seven years, a 32% reduction in 2002 alone.** Even if Hawaii could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 36,000 people in 2002, according to the Urban Institute, including:

- 3,400 older Americans;
- 5,600 people with disabilities; and
- 27,500 children and their families.

The Republican proposal would force Hawaii to eliminate coverage for about 1,500 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 72% of the 1,500 nursing home residents in Hawaii. Medicaid also serves about 900 older Americans and people with disabilities using home care in Hawaii. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Hawaii to eliminate coverage for 18,700 children in 2002.* Currently, 15% of the children in Hawaii rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 60,000 children in Hawaii.

Hawaii could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 32% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

IDAHO

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Idaho would lose \$542 million over the seven years, a 29% reduction in 2002 alone.** Even if Idaho could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 34,000 people in 2002, according to the Urban Institute, including:

- 3,100 older Americans;
- 5,500 people with disabilities; and
- 25,500 children and their families.

The Republican proposal would force Idaho to eliminate coverage for about 2,400 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 61% of the 4,200 nursing home residents in Idaho. Medicaid also serves about 4,000 older Americans and people with disabilities using home care in Idaho. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Idaho to eliminate coverage for 17,800 children in 2002.* Currently, 15% of the children in Idaho rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 59,000 children in Idaho.

Idaho could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 65% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

ILLINOIS

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Illinois would lose \$6 billion over the seven years, a 30% reduction in 2002 alone.** Even if Illinois could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 274,000 people in 2002, according to the Urban Institute, including:

- 22,000 older Americans;
- 55,900 people with disabilities; and
- 196,100 children and their families.

The Republican proposal would force Illinois to eliminate coverage for about 25,800 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 64% of the 77,800 nursing home residents in Illinois. Medicaid also serves about 40,500 older Americans and people with disabilities using home care in Illinois. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Illinois to eliminate coverage for 137,900 children in 2002.* Currently, 21% of the children in Illinois rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 719,000 children in Illinois.

Illinois could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 30% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

INDIANA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Indiana would lose \$4 billion over the seven years, a 30% reduction in 2002 alone.** Even if Indiana could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 112,000 people in 2002, according to the Urban Institute, including:

- 11,800 older Americans;
- 17,400 people with disabilities; and
- 83,200 children and their families.

The Republican proposal would force Indiana to eliminate coverage for about 11,000 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 66% of the 28,500 nursing home residents in Indiana. Medicaid also serves about 7,600 older Americans and people with disabilities using home care in Indiana. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Indiana to eliminate coverage for 56,800 children in 2002.* Currently, 18% of the children in Indiana rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 319,000 children in Indiana.

Indiana could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 50% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

IOWA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Iowa would lose \$1 billion over the seven years, a 27% reduction in 2002 alone.** Even if Iowa could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 69,000 people in 2002, according to the Urban Institute, including:

- 8,700 older Americans;
- 11,700 people with disabilities; and
- 49,100 children and their families.

The Republican proposal would force Iowa to eliminate coverage for about 8,500 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 49% of the 29,300 nursing home residents in Iowa. Medicaid also serves about 15,100 older Americans and people with disabilities using home care in Iowa. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Iowa to eliminate coverage for 32,800 children in 2002.* Currently, 8% of the children in Iowa rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 136,000 children in Iowa.

Iowa could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 48% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

LOUISIANA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Louisiana would lose \$5 billion over the seven years, a 25% reduction in 2002 alone. Even if Louisiana could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 154,000 people in 2002, according to the Urban Institute, including:

- 16,600 older Americans;
- 26,800 people with disabilities; and
- 111,000 children and their families.

The Republican proposal would force Louisiana to eliminate coverage for about 3,900 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 82% of the 28,900 nursing home residents in Louisiana. Medicaid also serves about 15,200 older Americans and people with disabilities using home care in Louisiana. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Louisiana to eliminate coverage for 79,000 children in 2002.* Currently, 30% of the children in Louisiana rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 376,000 children in Louisiana.

Louisiana could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 63% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

MAINE

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Maine would lose \$675 million over the seven years, a 22% reduction in 2002 alone.** Even if Maine could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 34,000 people in 2002, according to the Urban Institute, including:

- 4,300 older Americans;
- 7,200 people with disabilities; and
- 23,000 children and their families.

The Republican proposal would force Maine to eliminate coverage for about 3,500 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 78% of the 8,000 nursing home residents in Maine. Medicaid also serves about 8,000 older Americans and people with disabilities using home care in Maine. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Maine to eliminate coverage for 15,400 children in 2002.* Currently, 19% of the children in Maine rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 77,000 children in Maine.

Maine could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 37% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

MARYLAND

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Maryland would lose \$3 billion over the seven years, a 32% reduction in 2002 alone.** Even if Maryland could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 116,000 people in 2002, according to the Urban Institute, including:

- 10,600 older Americans;
- 22,200 people with disabilities; and
- 83,200 children and their families.

The Republican proposal would force Maryland to eliminate coverage for about 7,400 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 67% of the 21,900 nursing home residents in Maryland. Medicaid also serves about 14,200 older Americans and people with disabilities using home care in Maryland. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Maryland to eliminate coverage for 58,900 children in 2002.* Currently, 14% of the children in Maryland rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 198,000 children in Maryland.

Maryland could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 32% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

MASSACHUSETTS

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Massachusetts would lose \$4 billion over the seven years, a 28% reduction in 2002 alone.** Even if Massachusetts could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 210,000 people in 2002, according to the Urban Institute, including:

- 24,100 older Americans;
- 43,600 people with disabilities; and
- 142,200 children and their families.

The Republican proposal would force Massachusetts to eliminate coverage for about 22,900 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 73% of the 44,400 nursing home residents in Massachusetts. Medicaid also serves about 38,900 older Americans and people with disabilities using home care in Massachusetts. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Massachusetts to eliminate coverage for 94,700 children in 2002.* Currently, 19% of the children in Massachusetts rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 304,000 children in Massachusetts.

Massachusetts could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 28% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

MICHIGAN

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Michigan would lose \$6 billion over the seven years, a 30% reduction in 2002 alone.** Even if Michigan could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 215,000 people in 2002, according to the Urban Institute, including:

- 15,200 older Americans;
- 42,400 people with disabilities; and
- 157,000 children and their families.

The Republican proposal would force Michigan to eliminate coverage for about 22,900 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 67% of the 38,700 nursing home residents in Michigan. Medicaid also serves about 76,000 older Americans and people with disabilities using home care in Michigan. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Michigan to eliminate coverage for 100,700 children in 2002.* Currently, 23% of the children in Michigan rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 571,000 children in Michigan.

Michigan could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 39% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

MINNESOTA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Minnesota would lose \$2 billion over the seven years, a 25% reduction in 2002 alone.** Even if Minnesota could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 88,000 people in 2002, according to the Urban Institute, including:

- 11,300 older Americans;
- 12,100 people with disabilities; and
- 64,300 children and their families.

The Republican proposal would force Minnesota to eliminate coverage for about 47,000 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 64% of the 41,500 nursing home residents in Minnesota. Medicaid also serves about 187,800 older Americans and people with disabilities using home care in Minnesota. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Minnesota to eliminate coverage for 43,900 children in 2002.* Currently, 16% of the children in Minnesota rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 193,000 children in Minnesota.

Minnesota could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 30% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

MISSISSIPPI

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Mississippi would lose \$2 billion over the seven years, a 30% reduction in 2002 alone.** Even if Mississippi could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 141,000 people in 2002, according to the Urban Institute, including:

- 18,200 older Americans;
- 29,900 people with disabilities; and
- 92,900 children and their families.

The Republican proposal would force Mississippi to eliminate coverage for about 5,700 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 82% of the 14,600 nursing home residents in Mississippi. Medicaid also serves about 5,300 older Americans and people with disabilities using home care in Mississippi. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Mississippi to eliminate coverage for 67,300 children in 2002.* Currently, 28% of the children in Mississippi rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 258,000 children in Mississippi.

Mississippi could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 107% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

MISSOURI

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Missouri would lose \$1 billion over the seven years, a 17% reduction in 2002 alone.** Even if Missouri could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 83,000 people in 2002, according to the Urban Institute, including:

- 10,200 older Americans;
- 13,000 people with disabilities; and
- 59,600 children and their families.

The Republican proposal would force Missouri to eliminate coverage for about 7,900 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 65% of the 33,500 nursing home residents in Missouri. Medicaid also serves about 26,700 older Americans and people with disabilities using home care in Missouri. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Missouri to eliminate coverage for 39,300 children in 2002.* Currently, 22% of the children in Missouri rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 328,000 children in Missouri.

Missouri could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 25% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

MONTANA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Montana would lose \$766 million over the seven years, a 33% reduction in 2002 alone. Even if Montana could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 27,000 people in 2002, according to the Urban Institute, including:

- 3,000 older Americans;
- 5,600 people with disabilities; and
- 18,300 children and their families.

The Republican proposal would force Montana to eliminate coverage for about 2,100 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 62% of the 6,000 nursing home residents in Montana. Medicaid also serves about 0 older Americans and people with disabilities using home care in Montana. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Montana to eliminate coverage for 10,100 children in 2002.* Currently, 15% of the children in Montana rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 34,000 children in Montana.

Montana could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 75% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

NEBRASKA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Nebraska would lose \$728 million over the seven years, a 27% reduction in 2002 alone.** Even if Nebraska could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 41,000 people in 2002, according to the Urban Institute, including:

- 4,700 older Americans;
- 5,500 people with disabilities; and
- 31,000 children and their families.

The Republican proposal would force Nebraska to eliminate coverage for about 4,200 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 53% of the 15,200 nursing home residents in Nebraska. Medicaid also serves about 4,900 older Americans and people with disabilities using home care in Nebraska. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Nebraska to eliminate coverage for 23,100 children in 2002.* Currently, 14% of the children in Nebraska rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 74,000 children in Nebraska.

Nebraska could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 40% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

NEVADA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Nevada would lose \$516 million over the seven years, a 29% reduction in 2002 alone. Even if Nevada could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 26,000 people in 2002, according to the Urban Institute, including:

- 2,900 older Americans;
- 4,100 people with disabilities; and
- 19,000 children and their families.

The Republican proposal would force Nevada to eliminate coverage for about 1,800 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 65% of the 2,700 nursing home residents in Nevada. Medicaid also serves about 2,600 older Americans and people with disabilities using home care in Nevada. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Nevada to eliminate coverage for 12,900 children in 2002.* Currently, 9% of the children in Nevada rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 46,000 children in Nevada.

Nevada could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 29% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

NEW HAMPSHIRE

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **New Hampshire would lose \$51 million over the seven years, a 6% reduction in 2002 alone.** Even if New Hampshire could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 1,100 people in 2002, according to the Urban Institute.

The Republican proposal would force New Hampshire to eliminate coverage for people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 72% of the 5,700 nursing home residents in New Hampshire. Medicaid also serves about 4,800 older Americans and people with disabilities using home care in New Hampshire. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force New Hampshire to eliminate coverage for children in 2002.* Currently, 13% of the children in New Hampshire rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 41,000 children in New Hampshire.

New Hampshire could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 6% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

Note: Due to data limitations, specific estimates for New Hampshire are not available.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

NEW JERSEY

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. New Jersey would lose \$4 billion over the seven years, a 23% reduction in 2002 alone. Even if New Jersey could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 166,000 people in 2002, according to the Urban Institute, including:

- 15,300 older Americans;
- 29,000 people with disabilities; and
- 121,600 children and their families.

The Republican proposal would force New Jersey to eliminate coverage for about 16,700 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 69% of the 36,300 nursing home residents in New Jersey. Medicaid also serves about 39,200 older Americans and people with disabilities using home care in New Jersey. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force New Jersey to eliminate coverage for 79,600 children in 2002.* Currently, 17% of the children in New Jersey rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 364,000 children in New Jersey.

New Jersey could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 23% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

NEW MEXICO

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **New Mexico would lose \$1 billion over the seven years, a 34% reduction in 2002 alone.** Even if New Mexico could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 80,000 people in 2002, according to the Urban Institute, including:

- 8,000 older Americans;
- 17,100 people with disabilities; and
- 55,300 children and their families.

The Republican proposal would force New Mexico to eliminate coverage for about 4,200 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 72% of the 5,700 nursing home residents in New Mexico. Medicaid also serves about 5,100 older Americans and people with disabilities using home care in New Mexico. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force New Mexico to eliminate coverage for 37,500 children in 2002.* Currently, 17% of the children in New Mexico rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 152,000 children in New Mexico.

New Mexico could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 91% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

NEW YORK

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. New York would lose \$19 billion over the seven years, a 27% reduction in 2002 alone. Even if New York could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 645,000 people in 2002, according to the Urban Institute, including:

- 66,400 older Americans;
- 100,400 people with disabilities; and
- 478,200 children and their families.

The Republican proposal would force New York to eliminate coverage for about 71,300 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 79% of the 84,500 nursing home residents in New York. Medicaid also serves about 241,800 older Americans and people with disabilities using home care in New York. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force New York to eliminate coverage for 343,700 children in 2002.* Currently, 25% of the children in New York rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 1,300,000 children in New York.

New York could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 27% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

NORTH CAROLINA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **North Carolina would lose \$7 billion over the seven years, a 34% reduction in 2002 alone.** Even if North Carolina could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 455,000 people in 2002, according to the Urban Institute, including:

- 79,300 older Americans;
- 64,000 people with disabilities; and
- 312,300 children and their families.

The Republican proposal would force North Carolina to eliminate coverage for about 40,900 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 76% of the 31,600 nursing home residents in North Carolina. Medicaid also serves about 31,300 older Americans and people with disabilities using home care in North Carolina. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force North Carolina to eliminate coverage for 204,600 children in 2002.* Currently, 19% of the children in North Carolina rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 491,000 children in North Carolina.

North Carolina could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 62% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

NORTH DAKOTA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **North Dakota would lose \$382 million over the seven years, a 26% reduction in 2002 alone.** Even if North Dakota could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 18,000 people in 2002, according to the Urban Institute, including:

- 2,700 older Americans;
- 2,300 people with disabilities; and
- 12,600 children and their families.

The Republican proposal would force North Dakota to eliminate coverage for about 2,300 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 57% of the 6,700 nursing home residents in North Dakota. Medicaid also serves about 3,600 older Americans and people with disabilities using home care in North Dakota. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force North Dakota to eliminate coverage for 8,800 children in 2002.* Currently, 12% of the children in North Dakota rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 27,000 children in North Dakota.

North Dakota could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 58% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

OHIO

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Ohio would lose \$7 billion over the seven years, a 28% reduction in 2002 alone.** Even if Ohio could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 292,000 people in 2002, according to the Urban Institute, including:

- 32,200 older Americans;
- 50,100 people with disabilities; and
- 209,800 children and their families.

The Republican proposal would force Ohio to eliminate coverage for about 28,000 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 69% of the 70,600 nursing home residents in Ohio. Medicaid also serves about 51,500 older Americans and people with disabilities using home care in Ohio. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Ohio to eliminate coverage for 143,100 children in 2002.* Currently, 20% of the children in Ohio rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 785,000 children in Ohio.

Ohio could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 43% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

OKLAHOMA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Oklahoma would lose \$2 billion over the seven years, a 31% reduction in 2002 alone.** Even if Oklahoma could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 125,000 people in 2002, according to the Urban Institute, including:

- 14,000 older Americans;
- 16,400 people with disabilities; and
- 94,200 children and their families.

The Republican proposal would force Oklahoma to eliminate coverage for about 3,700 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 66% of the 21,900 nursing home residents in Oklahoma. Medicaid also serves about 12,300 older Americans and people with disabilities using home care in Oklahoma. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Oklahoma to eliminate coverage for 65,800 children in 2002.* Currently, 15% of the children in Oklahoma rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 198,000 children in Oklahoma.

Oklahoma could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 72% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

OREGON

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Oregon would lose \$2 billion over the seven years, a 31% reduction in 2002 alone.** Even if Oregon could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 118,000 people in 2002, according to the Urban Institute, including:

- 8,900 older Americans;
- 15,400 people with disabilities; and
- 94,100 children and their families.

The Republican proposal would force Oregon to eliminate coverage for about 8,600 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 61% of the 11,300 nursing home residents in Oregon. Medicaid also serves about 25,200 older Americans and people with disabilities using home care in Oregon. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Oregon to eliminate coverage for 62,700 children in 2002.* Currently, 13% of the children in Oregon rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 172,000 children in Oregon.

Oregon could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 49% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

PENNSYLVANIA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Pennsylvania would lose \$6 billion over the seven years, a 27% reduction in 2002 alone.** Even if Pennsylvania could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 308,000 people in 2002, according to the Urban Institute, including:

- 31,600 older Americans;
- 67,300 people with disabilities; and
- 209,400 children and their families.

The Republican proposal would force Pennsylvania to eliminate coverage for about 22,200 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 64% of the 75,700 nursing home residents in Pennsylvania. Medicaid also serves about 22,300 older Americans and people with disabilities using home care in Pennsylvania. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Pennsylvania to eliminate coverage for 150,800 children in 2002.* Currently, 18% of the children in Pennsylvania rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 581,000 children in Pennsylvania.

Pennsylvania could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 30% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

RHODE ISLAND

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Rhode Island would lose \$861 million over the seven years, a 26% reduction in 2002 alone.** Even if Rhode Island could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 51,000 people in 2002, according to the Urban Institute, including:

- 7,800 older Americans;
- 11,200 people with disabilities; and
- 32,100 children and their families.

The Republican proposal would force Rhode Island to eliminate coverage for about 12,000 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 75% of the 7,200 nursing home residents in Rhode Island. Medicaid also serves about 12,000 older Americans and people with disabilities using home care in Rhode Island. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Rhode Island to eliminate coverage for 21,600 children in 2002.* Currently, 23% of the children in Rhode Island rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 44,000 children in Rhode Island.

Rhode Island could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 31% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

SOUTH CAROLINA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **South Carolina would lose \$2 billion over the seven years, a 24% reduction in 2002 alone.** Even if South Carolina could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 149,000 people in 2002, according to the Urban Institute, including:

- 21,300 older Americans;
- 24,700 people with disabilities; and
- 102,600 children and their families.

The Republican proposal would force South Carolina to eliminate coverage for about 7,800 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 74% of the 12,400 nursing home residents in South Carolina. Medicaid also serves about 13,100 older Americans and people with disabilities using home care in South Carolina. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force South Carolina to eliminate coverage for 73,300 children in 2002.* Currently, 24% of the children in South Carolina rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 232,000 children in South Carolina.

South Carolina could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 59% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

SOUTH DAKOTA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **South Dakota would lose \$396 million over the seven years, a 28% reduction in 2002 alone.** Even if South Dakota could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 19,000 people in 2002, according to the Urban Institute, including:

- 2,300 older Americans;
- 3,300 people with disabilities; and
- 13,300 children and their families.

The Republican proposal would force South Dakota to eliminate coverage for about 2,100 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 56% of the 7,600 nursing home residents in South Dakota. Medicaid also serves about 2,200 older Americans and people with disabilities using home care in South Dakota. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force South Dakota to eliminate coverage for 9,600 children in 2002.* Currently, 15% of the children in South Dakota rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 37,000 children in South Dakota.

South Dakota could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 56% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

TENNESSEE

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Tennessee would lose \$5 billion over the seven years, a 32% reduction in 2002 alone.** Even if Tennessee could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 246,000 people in 2002, according to the Urban Institute, including:

- 27,800 older Americans;
- 61,000 people with disabilities; and
- 157,000 children and their families.

The Republican proposal would force Tennessee to eliminate coverage for about 5,800 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 77% of the 31,800 nursing home residents in Tennessee. Medicaid also serves about 9,300 older Americans and people with disabilities using home care in Tennessee. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Tennessee to eliminate coverage for 112,000 children in 2002.* Currently, 27% of the children in Tennessee rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 452,000 children in Tennessee.

Tennessee could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 61% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

TEXAS

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Texas would lose \$11 billion over the seven years, a 29% reduction in 2002 alone.** Even if Texas could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 687,000 people in 2002, according to the Urban Institute, including:

- 66,800 older Americans;
- 68,500 people with disabilities; and
- 551,600 children and their families.

The Republican proposal would force Texas to eliminate coverage for about 43,100 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 76% of the 63,700 nursing home residents in Texas. Medicaid also serves about 85,900 older Americans and people with disabilities using home care in Texas. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Texas to eliminate coverage for 394,100 children in 2002.* Currently, 20% of the children in Texas rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 1,407,000 children in Texas.

Texas could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 48% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

UTAH

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Utah would lose \$1 billion over the seven years, a 31% reduction in 2002 alone.** Even if Utah could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 53,000 people in 2002, according to the Urban Institute, including:

- 3,200 older Americans;
- 6,200 people with disabilities; and
- 43,800 children and their families.

The Republican proposal would force Utah to eliminate coverage for about 3,100 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 65% of the 5,500 nursing home residents in Utah. Medicaid also serves about 3,200 older Americans and people with disabilities using home care in Utah. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Utah to eliminate coverage for 29,000 children in 2002.* Currently, 8% of the children in Utah rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 86,000 children in Utah.

Utah could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 86% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

VERMONT

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Vermont would lose \$318 million over the seven years, a 27% reduction in 2002 alone. Even if Vermont could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 20,000 people in 2002, according to the Urban Institute, including:

- 2,400 older Americans;
- 3,500 people with disabilities; and
- 14,200 children and their families.

The Republican proposal would force Vermont to eliminate coverage for about 1,900 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 68% of the 3,300 nursing home residents in Vermont. Medicaid also serves about 4,600 older Americans and people with disabilities using home care in Vermont. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Vermont to eliminate coverage for 9,000 children in 2002.* Currently, 18% of the children in Vermont rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 47,000 children in Vermont.

Vermont could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 42% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargetting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

VIRGINIA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Virginia would lose \$3 billion over the seven years, a 33% reduction in 2002 alone.** Even if Virginia could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 236,000 people in 2002, according to the Urban Institute, including:

- 32,400 older Americans;
- 36,400 people with disabilities; and
- 167,100 children and their families.

The Republican proposal would force Virginia to eliminate coverage for about 17,800 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 70% of the 25,400 nursing home residents in Virginia. Medicaid also serves about 17,600 older Americans and people with disabilities using home care in Virginia. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Virginia to eliminate coverage for 117,000 children in 2002.* Currently, 14% of the children in Virginia rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 334,000 children in Virginia.

Virginia could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 35% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

WASHINGTON

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Washington would lose \$4 billion over the seven years, a 31% reduction in 2002 alone. Even if Washington could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 183,000 people in 2002, according to the Urban Institute, including:

- 12,900 older Americans;
- 29,500 people with disabilities; and
- 140,500 children and their families.

The Republican proposal would force Washington to eliminate coverage for about 8,200 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 67% of the 23,600 nursing home residents in Washington. Medicaid also serves about 4,300 older Americans and people with disabilities using home care in Washington. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Washington to eliminate coverage for 91,200 children in 2002.* Currently, 12% of the children in Washington rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 328,000 children in Washington.

Washington could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 31% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

WEST VIRGINIA

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **West Virginia would lose \$3 billion over the seven years, a 35% reduction in 2002 alone.** Even if West Virginia could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 140,000 people in 2002, according to the Urban Institute, including:

- 13,200 older Americans;
- 26,100 people with disabilities; and
- 100,300 children and their families.

The Republican proposal would force West Virginia to eliminate coverage for about 5,400 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 75% of the 6,300 nursing home residents in West Virginia. Medicaid also serves about 3,300 older Americans and people with disabilities using home care in West Virginia. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force West Virginia to eliminate coverage for 60,200 children in 2002.* Currently, 24% of the children in West Virginia rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 161,000 children in West Virginia.

West Virginia could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 97% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

WISCONSIN

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. Wisconsin would lose \$3 billion over the seven years, a 29% reduction in 2002 alone. Even if Wisconsin could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 94,000 people in 2002, according to the Urban Institute, including:

- 12,800 older Americans;
- 23,000 people with disabilities; and
- 58,000 children and their families.

The Republican proposal would force Wisconsin to eliminate coverage for about 11,300 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 68% of the 43,100 nursing home residents in Wisconsin. Medicaid also serves about 13,200 older Americans and people with disabilities using home care in Wisconsin. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Wisconsin to eliminate coverage for 42,600 children in 2002.* Currently, 15% of the children in Wisconsin rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 141,000 children in Wisconsin.

Wisconsin could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 43% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

THE WHITE HOUSE
Office of Media Affairs

September 14, 1995

Contact: 202/456-7150

WYOMING

**The Republican Budget Resolution Conference Agreement:
Medicaid Cuts Will Force States to Reduce Health Coverage**

Republican's Proposal: Reduces Medicaid Payments to States by 30% in 2002

Republicans are proposing to cut more than \$182 billion from Federal Medicaid spending between 1996 and 2002: a cut of 20% over seven years and 30% in 2002. **Wyoming would lose \$245 million over the seven years, a 30% reduction in 2002 alone.** Even if Wyoming could absorb half of the cuts by reducing services and provider payments, it would still have to eliminate coverage for 15,000 people in 2002, according to the Urban Institute, including:

- 1,000 older Americans;
- 1,700 people with disabilities; and
- 12,200 children and their families.

The Republican proposal would force Wyoming to eliminate coverage for about 1,600 people needing long-term care in 2002.* Medicaid is the largest insurer of long-term care for all Americans, including the middle class. Currently, Medicaid covers 66% of the 1,700 nursing home residents in Wyoming. Medicaid also serves about 3,300 older Americans and people with disabilities using home care in Wyoming. Without Medicaid, families of the elderly and disabled could not afford nursing home care that costs an average of \$38,000 per year nationally.

The Republican proposal would force Wyoming to eliminate coverage for 8,500 children in 2002.* Currently, 13% of the children in Wyoming rely on Medicaid for their basic health needs. Medicaid pays for immunizations, regular check-ups, and intensive care in case of emergencies for about 26,000 children in Wyoming.

Wyoming could avoid these difficult choices forced by the Republican proposal only by increasing its Medicaid spending by 45% in 2002 -- by raising property or sales taxes, or cutting other critical state spending.

The President's Balanced Budget Proposal

The President's proposal saves \$54 billion over seven years from Medicaid, less than one-third the Republican cut and still a significant contribution toward deficit reduction. The President's Medicaid policy produces savings by reducing and retargeting disproportionate share payments, increasing state flexibility, and limiting the growth in Federal Medicaid spending per recipient. This policy constrains Federal spending but allows states to respond to unexpected changes in the number of people covered. It does not put states at risk and dismantle a program that has served as a critical safety net -- as would happen under the Republican proposal.

* U.S. Department of Health & Human Services estimates based on the Urban Institute data; numbers may not sum to totals due to rounding.

MEDICARE PROPSALS & GROWTH RATES

(Dollars in billions, fiscal years)

	1996	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	96-00	96-02
CBO MEDICARE BASELINE													
Gross Spending (Including Premiums)	178.1	199.0	219.4	240.1	263.4	288.1	315.2	345.3	378.9	416.4	458.3		
Aggregate Growth		11.7%	10.3%	9.4%	9.7%	9.4%	9.4%	9.5%	9.7%	9.9%	10.1%	9.7%	9.6%
Per Capita Growth												8.2%	8.2%
Net Spending (Excluding Premiums)	158.0	178.7	197.5	215.9	237.4	260.8	286.5	315.2	347.3	383.2	423.9		
Aggregate Growth		13.1%	10.5%	9.3%	10.0%	9.9%	9.9%	10.0%	10.2%	10.3%	10.6%	9.9%	9.9%
Per Capita Growth												8.4%	8.5%
Administration Medicare Proposal (CBO Baseline: Administration savings estimates)													
Gross Spending (Including Premiums)	178.1	195.7	213.9	230.9	247.9	265.6	285.3	307.0	334.1	362.5	392.4		
Aggregate Growth		9.9%	9.3%	8.0%	7.3%	7.1%	7.4%	7.6%	8.8%	8.5%	8.2%	7.9%	7.8%
Per Capita Growth												6.5%	6.4%
Net Spending (Excluding Premiums)	158.0	175.4	192.0	206.7	221.9	238.3	256.6	276.9	302.5	329.3	358.0		
Aggregate Growth		11.0%	9.4%	7.7%	7.3%	7.4%	7.7%	7.9%	9.2%	8.9%	8.7%	8.0%	7.9%
Per Capita Growth												6.5%	6.5%
Savings		-3	-6	-9	-16	-23	-30	-38	-45	-54	-66	-56	-124
Budget Resolution Medicare Proposal (CBO Baseline)													
Gross Spending (Including Premiums)	178.1	191	202	214	226	239	255	274	291	309	328		
Aggregate Growth		7.2%	5.8%	5.9%	5.6%	5.8%	6.7%	7.5%	6.2%	6.2%	6.2%	5.8%	6.2%
Per Capita Growth												4.4%	4.9%
Net Spending (Excluding Premiums)	158.0	170.7	179.8	189.3	200.2	211.6	226.5	243.8	259.4	275.8	293.8		
Aggregate Growth		8.0%	5.3%	5.3%	5.8%	5.7%	7.0%	7.6%	6.2%	6.2%	6.2%	5.5%	6.1%
Per Capita Growth												4.1%	4.8%
Savings		-8	-17.7	-26.6	-37.2	-49.2	-60	-71.4	-88	-107	-130	-139	-270
CBO PRIVATE GROWTH RATES													
Aggregate Growth		8.6%	7.5%	7.8%	7.5%	7.5%	7.3%	7.1%	6.9%	6.6%	6.4%	7.6%	7.4%
Per Capita Growth		6.2%	7.1%	7.4%	7.2%	7.2%	7.1%	6.8%	6.6%	6.5%	6.2%	7.2%	7.1%

The Administration savings were converted to the CBO baseline by subtracting the savings based on the Admin. baseline spending from the CBO baseline spending.

Medicare spending excludes discretionary spending. Administration estimates of unduplicated beneficiaries were used for the per capita growth rates.

These estimates DO NOT include any adjustment for the Republicans' proposed adjustment to the CPI. As a result, net spending is slightly lower than it would be after the adjustment.

07-Aug-95