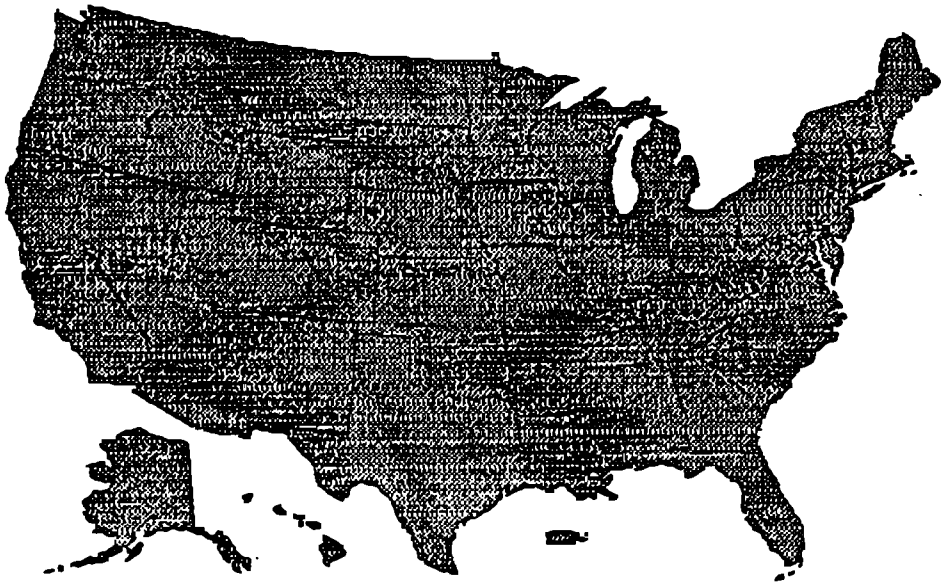
— DRAFT —

STATE TAXES TO RISE UNDER REPUBLICAN BUDGET CUTS

State-by-State Analysis of Cuts in Federal Grants to States



August 21, 1995

— DRAFT —

REPUBLICAN CUTS IN FEDERAL GRANTS TO STATES WILL FORCE BIG INCREASES IN STATE TAXES

Executive Summary

The Conference Agreement on the budget resolution makes dramatic cuts in grants to State governments. These cuts would force a 12 percent increase in State taxes if current levels of service are maintained. While the goals of reducing Federal spending and increasing State flexibility are important ones, this study demonstrates the potential pitfalls of simply cutting programs and unloading the responsibility on States.

This study estimates that over the seven-year period through FY 2002, Federal grants for Medicaid, job training, education, housing, and Aid to Families with Dependent Children and other welfare programs will be slashed by more than a quarter trillion dollars. While States may respond to these cuts in a number of ways, eventually they will have to choose between reducing valuable services or increasing State taxes. Thus, it is State taxpayers who, one way or the other, will eventually pay for the burdens unloaded by the Congressional budget proposal.

The balance of this report describes the methodology and shows the impact of the cuts on each State. Table 1 presents the impact of Republican cuts in FY 2002 and the additional tax burden on States created by the Conference Agreement. Table 2 summarizes the impact of the Conference Agreement on State governments from FY 1996 though FY 2002 and the increase in State tax burdens per household over the seven years. Since the terms of the Conference Agreement are far from fully spelled out, the estimates in this study should be taken only as an approximation of the additional burden States will face. Nevertheless, it is essential for States, legislators, and taxpayers to understand the full implications of these cuts.

CUTS IN GRANTS TO STATES

State-by-State Distribution

This study estimates State-by-State impacts of cuts in Federal grants to States in the Conference Agreement on the budget resolution. It estimates the size of the cuts for the individual States and the amount by which States would have to raise taxes to maintain current service levels in FY 2002.

This study covers grants to States for Medicaid, AFDC and other welfare programs, housing assistance, education, and job training. As the Conference Agreement contains little programmatic detail in some of these areas, this analysis relies on estimates from a variety of sources to assess the magnitude and impact of these cuts on States. As a result, the estimates should be considered as only rough orders of magnitude. The estimates in this study were obtained as follows:

- **Medicaid.** Seven-year totals and FY 2002 values for each state are from a study prepared for the Kaiser Commission on the Future of Medicaid.

- **AFDC and Other Welfare Reform.** This category includes AFDC and the Child Care, Child Nutrition, and Child Protection block grants. Because of the lack of specificity in the Conference Agreement, cuts in these areas were taken from a Department of Health and Human Services study of the House plan.

- **Housing.** This category includes Community Development Block Grants (CDBG), HOME, Public Housing Modernization, HOPWA, and the Homeless block grant programs. Cuts in CDBG were obtained by scaling up the Department of Housing and Urban Development's estimates for the House Budget Resolution to reflect the larger 28 percent cut in the Conference Agreement. Cuts in other programs were calculated by grossing up estimates of FY 1996 cuts provided by HUD for the House budget resolution.

- **Education.** The size and distribution of these cuts is based on a Department of Education analysis of the House Budget Resolution. The Conference Agreement implies cuts of a similar size.

- **Job Training.** This category includes adult training, summer youth, and dislocated workers programs. The Conference Agreement proposes a 20 percent reduction in job training programs, the same as in the House Resolution. Consequently, the estimates in this study for FY 1996-2002 are from a Department of Labor study of the House Budget Resolution, while estimates for FY 2002 were obtained by adjusting Labor's cumulative estimates.

- **Taxes.** Baseline State taxes in FY 2002 were estimated by grossing up average 1990-92 State taxes by projected State population growth and growth in U.S. per capita nominal GDP from 1991-2002. Numbers of households came from the July 1994 Current Population Survey.

REPUBLICAN SPENDING CUTS IN GRANTS TO STATES WILL FORCE STATES TO RAISE TAXES BY 12 PERCENT

Under the Republican budget plan, States will lose more than a quarter trillion dollars in Federal grants over the next seven years. Based on an analysis of the budget resolution, recipients of programs including Medicaid, job training, education, housing, and welfare programs such as Aid To Families With Dependent Children (AFDC) and child nutrition will see a dramatic decline in services unless States pick up the burden unloaded by Congressional Republicans. States will face a choice: either increase taxes or cut services.

Under the budget plan, Federal grants to States would be cut by approximately $265.6 billion over the next seven years.

- Medicaid payments would be cut by roughly $171.8 billion over the seven years.
- Federal grants for job training, education, and housing would be reduced by around $51.3 billion.
- Recipients of AFDC and other welfare programs would see spending cuts of approximately $42.6 billion.

To maintain current levels of service, States would have to raise taxes 12 percent by FY 2002.

- Over the next seven years, households in each State would see, on average, roughly a $2,700 tax increase.

REPUBLICAN SPENDING CUTS IN GRANTS TO STATES WILL FORCE ALASKA TO RAISE TAXES BY 6 PERCENT

Under the Republican budget plan, Alaska will lose approximately $820 million in Federal grants over the next seven years. Based on an analysis of the budget resolution, Alaska recipients of programs including Medicaid, job training, education, housing, and welfare programs such as Aid To Families With Dependent Children (AFDC) and child nutrition will see a dramatic decline in services unless States pick up the burden unloaded by Congressional Republicans. Alaska will face a choice: either increase taxes or cut services.

Under the budget plan, Federal grants to Alaska would be cut by approximately $820 million over the next seven years.

- Medicaid payments to Alaska residents would be cut by roughly $430 million over the seven years.
- Federal grants for job training, education, and housing in Alaska would be reduced by around $220 million.
- Alaska recipients of AFDC and other welfare programs would see spending cuts of approximately $170 million.

To maintain current levels of service, Alaska would have to raise taxes 6 percent by FY 2002.

- Over the next seven years, each household in the State would see, on average, roughly a $3,800 tax increase.

REPUBLICAN SPENDING CUTS IN GRANTS TO STATES WILL FORCE CALIFORNIA TO RAISE TAXES BY 10 PERCENT

Under the Republican budget plan, California will lose approximately $33.3 billion in Federal grants over the next seven years. Based on an analysis of the budget resolution, California recipients of programs including Medicaid, job training, education, housing, and welfare programs such as Aid To Families With Dependent Children (AFDC) and child nutrition will see a dramatic decline in services unless States pick up the burden unloaded by Congressional Republicans. California will face a choice: either increase taxes or cut services.

Under the budget plan, Federal grants to California would be cut by approximately $33.3 billion over the next seven years.

- Medicaid payments to California residents would be cut by roughly $18 billion over the seven years.
- Federal grants for job training, education, and housing in California would be reduced by around $5.6 billion.
- California recipients of AFDC and other welfare programs would see spending cuts of approximately $9.6 billion.

To maintain current levels of service, California would have to raise taxes 10 percent by FY 2002.

- Over the next seven years, each household in the State would see, on average, roughly a $3,100 tax increase.

Table 1

The Impact of Republican Budget Cuts on Grants to State Governments ($Millions) in FY 2002

	Cuts in Grants to States				
State	Medicaid	AFDC & Other Welfare Reform	Housing, Education, and Job Training	Total	State Tax Increase
State Total*	51,152	10,017	7,840	69,009	12%
Alabama	542	108	150	800	11%
Alaska	121	37	34	192	6%
Arizona	792	157	124	1,073	12%
Arkansas	696	70	69	835	19%
California	5,477	2,337	867	8,680	10%
Colorado	475	117	74	666	10%
Connecticut	486	109	89	685	8%
Delaware	98	22	23	144	7%
District of Columbia	259	24	19	302	9%
Florida	2,704	400	321	3,425	13%
Georgia	1,692	146	205	2,043	15%
Hawaii	161	57	38	256	5%
Idaho	160	17	25	202	8%
Illinois	1,847	420	442	2,709	12%
Indiana	1,290	148	135	1,572	15%
Iowa	384	85	57	526	9%
Kansas	228	81	54	363	6%
Kentucky	1,121	121	124	1,366	17%
Louisiana	1,511	175	178	1,865	26%
Maine	236	49	31	316	12%
Maryland	800	174	126	1,100	10%
Massachusetts	1,305	246	196	1,747	11%
Michigan	1,778	340	275	2,393	13%
Minnesota	687	187	113	987	8%
Mississippi	705	91	98	894	22%
Missouri	433	124	142	699	8%

Table 1

The Impact of Republican Budget Cuts on Grants to State Governments ($Millions) in FY 2002

State	Cuts in Grants to States: Medicaid	AFDC & Other Welfare Reform	Housing, Education, and Job Training	Total	State Tax Increase
Montana	211	28	36	275	20%
Nebraska	224	44	36	305	10%
Nevada	157	17	34	207	6%
New Hampshire	40	23	27	90	7%
New Jersey	1,188	189	234	1,611	8%
New Mexico	389	100	54	543	13%
New York	5,863	1,319	888	8,070	17%
North Carolina	1,830	193	161	2,183	14%
North Dakota	118	23	24	165	14%
Ohio	2,124	439	354	2,917	15%
Oklahoma	642	93	98	833	13%
Oregon	516	101	70	688	12%
Pennsylvania	1,906	305	440	2,651	11%
Rhode Island	264	38	41	343	17%
South Carolina	672	81	97	849	12%
South Dakota	123	17	30	171	18%
Tennessee	1,455	79	155	1,689	21%
Texas	3,316	522	533	4,371	15%
Utah	302	48	40	390	11%
Vermont	99	25	20	144	12%
Virginia	798	70	134	1,002	8%
Washington	1,053	181	131	1,364	9%
West Virginia	919	71	59	1,049	28%
Wisconsin	883	155	117	1,155	10%
Wyoming	72	14	18	104	9%

*State total excludes unallocated program funds or changes in grants for territories

M E M O R A N D U M

TO: Distribution September 20, 1995

FR: Chris Jennings

RE: Medicaid State-by-State and Policy Analysis

Attached is a state-by-state analysis which illustrates how many Federal Medicaid dollars each state will lose over the next seven years and in 2002 alone. Also provided is the projected number of Medicaid recipients by state who would receive coverage under current law. In addition, there is a breakdown of the distribution of the allowable growth rates by state. As you will note, there is wide variation here as well. Lastly, you will find a one-page summary of the House Republican Medicaid restructuring package and an accompanying more detailed analysis.

The wide distribution of financial impacts by state is well illustrated by these tables. For example, New York is cut by $24.6 billion over the next seven years which represents a 35% cut in the year 2002. California is cut by $18.7 billion over the seven year period, a 22% cut in 2002 alone. In fact, one half of the total $182 billion cut comes from eight states: California, Florida, Indiana, New Jersey, New York, Ohio, North Carolina, and Texas.

State-by-State Impact of House Republican Medicaid Cuts $182 billion

The House Republican Medicaid plan is designed to cut federal Medicaid spending by $182 billion below the Congressional Budget Office's projected Medicaid spending over the next seven years. The state-by-state allocation of federal spending -- and the cut below the baseline -- is based on an extraordinarily complex formula in the bill.

To assess the impact on states, it is necessary to compare two estimates: estimated federal Medicaid spending under the current law baseline, and estimated spending under the proposed plan. Pending further review and assessment of the just-released formula, this impact analysis is based on two publicly-released projections:

- Baseline spending estimate: the Urban Institute's projection of baseline Medicaid spending state-by-state was published in May and has been in public use since then.

- Spending under the plan: the General Accounting Office estimated the allocation of federal funds to states under the House Republican formula on September 19, 1995.

The difference between the two provides a preliminary estimate of state impact. It shows:

- The plan achieves the target of $182 billion in cuts in federal spending over 7 years -- 19 percent below the seven year baseline, and 30 percent below projected spending in 2002.

- The range of state impact is extraordinary:

  - By the year 2002, one state -- New Hampshire -- has no cut. All the rest of the states are cut below their baseline estimate.

  - Five other states, however, suffer cuts of more than 40 percent below their 2002 baseline: Alaska (-41 percent); Indiana (-44 percent); Rhode Island (-42 percent); Washington (-43 percent); West Virginia (-42 percent).

- Financially, the greatest dollar impact is in the largest states -- New York and California.

  - New York is cut by $24.6 billion below its seven-year baseline estimate -- and 35 percent below its baseline estimate for the year 2002.

  - California is cut by $18.7 billion below its seven-year baseline estimate -- and 27 percent below its baseline estimate for the year 2002.

  - One-half of the total cut of $182 billion comes from eight states: California, Florida, Indiana, New Jersey, New York, Ohio, North Carolina, and Texas.

Estimates of the Effects of the House Republican Medicaid Plan on States, 2002 and 1996 - 2002
(Dollars in Millions, Federal Spending, Fiscal Years)

States	2002				1996-2002			
	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction
Total	$176,931	$124,077	($52,855)	-30%	$954,338	$771,972	($182,366)	-19%
Alabama	$2,485	$2,112	($373)	-15%	$13,823	$12,668	($1,155)	-8%
Alaska	$373	$219	($154)	-41%	$2,001	$1,447	($554)	-28%
Arizona	$2,436	$1,921	($515)	-21%	$12,903	$11,575	($1,328)	-10%
Arkansas	$2,084	$1,353	($731)	-35%	$11,081	$8,117	($2,964)	-27%
California	$17,955	$13,050	($4,905)	-27%	$95,663	$76,971	($18,693)	-20%
Colorado	$1,521	$1,025	($497)	-33%	$8,163	$6,210	($1,953)	-24%
Connecticut	$2,345	$1,643	($702)	-30%	$12,990	$10,845	($2,145)	-17%
Delaware	$323	$199	($124)	-38%	$1,728	$1,313	($415)	-24%
District of Columbia	$846	$537	($308)	-36%	$4,511	$3,548	($963)	-21%
Florida	$7,691	$5,119	($2,573)	-33%	$40,720	$30,189	($10,531)	-26%
Georgia	$4,900	$3,267	($1,633)	-33%	$26,050	$20,274	($5,776)	-22%
Hawaii	$508	$369	($139)	-27%	$2,732	$2,288	($443)	-16%
Idaho	$545	$400	($145)	-27%	$2,933	$2,358	($575)	-20%
Illinois	$6,207	$4,423	($1,784)	-29%	$33,242	$27,108	($6,135)	-18%
Indiana	$4,317	$2,398	($1,919)	-44%	$23,100	$15,813	($7,287)	-32%
Iowa	$1,440	$1,107	($333)	-23%	$7,807	$6,871	($936)	-12%
Kansas	$1,079	$939	($140)	-13%	$5,962	$5,829	($133)	-2%
Kentucky	$3,455	$2,230	($1,225)	-35%	$18,353	$13,374	($4,979)	-27%
Louisiana	$6,147	$4,504	($1,642)	-27%	$33,991	$28,722	($5,269)	-16%
Maine	$1,092	$780	($312)	-29%	$5,999	$5,146	($853)	-14%
Maryland	$2,532	$1,717	($815)	-32%	$13,478	$10,962	($2,516)	-19%
Massachusetts	$4,717	$3,223	($1,493)	-32%	$25,516	$21,277	($4,239)	-17%
Michigan	$5,992	$4,496	($1,496)	-25%	$32,153	$27,900	($4,253)	-13%
Minnesota	$2,701	$1,914	($787)	-29%	$14,665	$12,592	($2,072)	-14%
Mississippi	$2,342	$1,814	($527)	-23%	$12,640	$10,702	($1,938)	-15%
Missouri	$2,625	$2,448	($177)	-7%	$14,871	$15,193	$321	2%
Montana	$636	$401	($235)	-37%	$3,409	$2,467	($943)	-28%
Nebraska	$822	$534	($287)	-35%	$4,448	$3,496	($952)	-21%
Nevada	$540	$376	($163)	-30%	$2,899	$2,219	($680)	-23%
New Hampshire	$631	$631	$0	0%	$3,728	$4,165	$437	12%
New Jersey	$5,100	$3,182	($1,918)	-38%	$28,038	$21,006	($7,032)	-25%
New Mexico	$1,147	$876	($271)	-24%	$6,066	$5,164	($902)	-15%
New York	$22,034	$14,382	($7,652)	-35%	$119,527	$94,939	($24,588)	-21%
North Carolina	$5,406	$3,290	($2,116)	-39%	$29,014	$20,418	($8,596)	-30%
North Dakota	$457	$319	($138)	-30%	$2,491	$1,979	($511)	-21%
Ohio	$7,508	$5,260	($2,248)	-30%	$40,586	$32,642	($7,944)	-20%
Oklahoma	$2,060	$1,329	($731)	-35%	$11,074	$7,839	($3,235)	-29%
Oregon	$1,649	$1,195	($454)	-28%	$8,884	$7,288	($1,596)	-18%
Pennsylvania	$7,102	$5,519	($1,583)	-22%	$38,448	$35,315	($3,133)	-8%
Rhode Island	$1,004	$580	($424)	-42%	$5,465	$3,827	($1,638)	-30%
South Carolina	$2,756	$2,290	($466)	-17%	$15,252	$13,736	($1,516)	-10%
South Dakota	$442	$323	($119)	-27%	$2,380	$2,003	($378)	-16%
Tennessee	$4,587	$3,027	($1,560)	-34%	$24,576	$18,153	($6,424)	-26%
Texas	$11,358	$9,089	($2,270)	-20%	$61,167	$54,166	($7,001)	-11%
Utah	$960	$669	($291)	-30%	$5,128	$4,012	($1,116)	-22%
Vermont	$366	$240	($127)	-35%	$1,982	$1,581	($401)	-20%
Virginia	$2,434	$1,604	($830)	-34%	$13,022	$9,723	($3,300)	-25%
Washington	$3,381	$1,934	($1,447)	-43%	$18,203	$12,769	($5,434)	-30%
West Virginia	$2,591	$1,493	($1,098)	-42%	$13,723	$9,264	($4,460)	-32%
Wisconsin	$3,066	$2,183	($883)	-29%	$16,484	$13,549	($2,935)	-18%
Wyoming	$236	$146	($90)	-38%	$1,269	$964	($305)	-24%

Notes: Based on the Commerce Committee's formula as of September 18,1995.

(1) From The Urban Institute's Medicaid Expenditure Growth Model

(2) From the General Accounting Office's estimates of the spending by state under the proposal.

Source; U.S. DHHS

20-Sep-95

Projected Number of Medicaid Beneficiaries, 2002

State	Baseline
United States	**45,663,533**
Alabama	737,918
Alaska	97,306
Arizona	568,256
Arkansas	514,584
California	6,525,073
Colorado	422,676
Connecticut	453,199
Delaware	98,028
District of Columbia	142,580
Florida	2,796,542
Georgia	1,519,989
Hawaii	161,525
Idaho	150,705
Illinois	1,737,408
Indiana	704,941
Iowa	380,793
Kansas	315,549
Kentucky	856,134
Louisiana	1,081,591
Maine	227,286
Maryland	591,654
Massachusetts	1,054,057
Michigan	1,432,950
Minnesota	531,194
Mississippi	706,300
Missouri	822,420
Montana	111,338
Nebraska	217,171
Nevada	132,513
New Hampshire	108,264
New Jersey	1,082,880
New Mexico	355,684
New York	3,576,932
North Carolina	1,575,219
North Dakota	88,124
Ohio	1,854,988
Oklahoma	549,455
Oregon	497,541
Pennsylvania	1,612,660
Rhode Island	261,101
South Carolina	752,963
South Dakota	96,529
Tennessee	1,265,375
Texas	3,545,644
Utah	226,308
Vermont	107,648
Virginia	929,016
Washington	886,075
West Virginia	548,958
Wisconsin	582,023
Wyoming	68,467

SOURCE: The Urban Institute Medicaid Expenditure Growth Model, 1995

Growth Rates of Medigrant: 2002

United States	4.00%
2% States	
Nebraska	2.00%
Maine	2.00%
Wyoming	2.00%
Rhode Island	2.00%
New Jersey	2.00%
Minnesota	2.00%
New York	2.00%
Connecticut	2.00%
Massachusetts	2.00%
Indiana	2.00%
Washington	2.00%
District of Columbia	2.00%
New Hampshire	2.00%
Delaware	2.00%
Vermont	2.00%
Alaska	2.00%
3% States	
Pennsylvania	3.00%
Maryland	3.00%
Louisiana	3.00%
4% States	
Ohio	4.00%
Hawaii	4.00%
North Dakota	4.00%
Iowa	4.00%
West Virginia	4.00%
Wisconsin	4.00%
Michigan	4.00%
North Carolina	4.00%
Georgia	4.00%
Missouri	4.00%
Kansas	4.00%
South Dakota	4.00%
4.92% States	
Colorado	4.92%
Virginia	4.92%
Illinois	4.92%
Texas	4.92%
Oregon	4.92%
Arizona	4.92%
Montana	4.92%
5.33% States	
Arkansas	5.33%
Utah	5.33%
Tennessee	5.33%
Kentucky	5.33%
South Carolina	5.33%
Alabama	5.33%
6% States	
Idaho	6.00%
New Mexico	6.00%
Mississippi	6.00%
Florida	6.00%
California	6.00%
Oklahoma	6.00%
Nevada	6.00%

Source: General Accounting Office
20-Sep-95

REPUBLICAN MEDICAID BUDGET CUTS

The bottom line: the Republican bill cuts funds to the states by $182 billion below the CBO baseline over 7 years

- Puts states in an untenable situation; every downturn in a state's economy would magnify this problem.
- States will be forced to either raise taxes, reduce Medicaid coverage or cut services.

More than 8 million pregnant women, children, disabled, and elderly Americans could be cut from Medicaid by 2002

- The Republican proposal completely eliminates all requirements for coverage for the aged, disabled, pregnant women, and children.
- It completely eliminates all requirements for services, such as preventive care like eye exams and hearing tests for children.

The Republican plan places the elderly and disabled at risk

- The elderly and disabled, no matter how low their income or serious their health needs, are no longer guaranteed coverage.
- Poor and near-poor elderly may no longer be able to afford basic health services. Medicaid cost sharing could be increased and coverage for Medicare premiums and cost sharing is no longer guaranteed -- at the same time that the Republican Medicare plan will increase those premiums.
- Protections for elderly spouses of nursing home residents could be eliminated. Medicaid currently protects the spouse of a person who is in a nursing home from being forced into poverty.
- Cash-strapped families could be forced to pay the nursing home costs of their elderly parents, which average $38,000 per year.

Quality of care could be compromised

- Bipartisan nursing home protections that seek to guarantee a safe and high quality environment for the disabled and frail elderly would be repealed.
- The Republican plan does not include quality standards for health plans, or a guarantee that beneficiaries would have a choice of plans.

Medicaid Block Grant
House Proposal -- Summary

The House Commerce Committee proposal repeals Title XIX and creates a new block grant program -- MediGrant -- under Title XXI.

Eligibility

Provisions:

Individual entitlement to medical assistance would be abolished for all populations.

States would specify eligibility. They must maintain some limited funding for current mandatory groups.

- States may use Federal funds to cover "eligible low-income individuals", as defined in the State's MediGrant plan. These individuals' family income may not exceed 300 percent of poverty. Spend-down would be allowed.

- States would be required to set aside specified percentages of their maintenance-of-effort (MOE) amounts (see below) for three groups: low income families (<185%FPL); low-income elderly, and low income disabled.

Issues:

- ◆ Individual entitlement eliminated.

- ◆ Adverse impacts on current beneficiaries and their family members:

  - Federal requirements regarding protection of income and assets for the at-home spouse eliminated.

  - States allowed to require other family members -- most likely adult children of persons in institutions -- to pay a share of a Medicaid beneficiaries nursing home stay or other Medicaid costs.

Services

Provisions:

Mandatory requirements related to covered services, except childhood immunization (VFC is eliminated), are removed as is statewideness and comparability requirements.

States have the option to define: duration and scope of services; delivery system design; cost sharing requirements; provider qualifications and reimbursement schedule (if FFS).

Issues:

- Mandatory eligibility is eliminated.
- Mandatory services are eliminated.
  - -- Immunization services remain as the only required service in this bill, but States are not given the tools they need -- through the VFC program funds and discounts -- to fulfill this requirement.
- Comparability of services across states is eliminated.
- EPSDT requirement is eliminated.
- Family planning services requirement is eliminated.

Service Limitations

Provisions:

The use of Federal funds for abortion services would be limited to services necessary to save the life of the mother. (Bill language is different from summary and includes rape and incest.)

Current restrictions on Medicaid spending (i.e., IMD exclusion) would be abolished.

States spending on medically-related services -- that is, services that are not medical assistance services but that promote the State's performance goals -- could not exceed 5 percent of total spending under the State plan.

Administrative spending would be limited to $20 million plus eight percent of total

spending (ten percent in bill language). This limit on administrative costs does not apply to quality assurance, utilization review, or spending required to comply with reporting requirements for the first two years.

Federal matching for outpatient drug expenditures would only be available if the drug's manufacturer has entered into a master rebate agreement with the Secretary. However, the State has the option not to participate in the drug rebate program.

Issues:

- Although State spending on administration currently totals approximately four percent of total spending, this proposal's limit on administrative spending is more than double the current trend.

- Limitation on use of abortion services

Payments to States - Allocation Formula

Provisions:

1. Beginning in FY 1996, Federal matching payments in each state would be limited to a fixed allotment.

   - Each state's allotment in FY 1996 would equal their spending in FY 1994 increased by 14.32 percent; and

   - States' allotments for FY 1997 and beyond would be based on an allocation formula from a fixed Federal pool.

2. The fixed pool of Federal funds would increase from $102 billion in FY 1997 to $124 billion in FY 2002. The Federal pool would increase at the lower of 4 percent or the consumer price index for urban consumers (CPI-U) for each year beyond FY 2002. If the CPI-U becomes less than 4 percent after 2002, additional savings would be achieved.

1997	1998	1999	2000	2001	2002
$102.1	$106.2	$110.5	$114.9	$119.5	$124.3

3. Each state's allotment from the Federal pool would be the greater of a "needs-based amount," a minimum growth of 2 percent over the previous year allotment, or a higher growth floor -- 3 or 4 percent -- for certain states. **Each state would receive at least 2 percent annual growth rate in their allotment.**

- The "needs-based amount" for each state is the product of an aggregate need amount, the state's FMAP using the current formula, and a factor to ensure budget neutrality.

- High growth states between FY 1996 and FY 1997 would establish higher floors as their minimum growth rates for FY 1998 and beyond.

- However, no state would receive a growth rate greater than 6 percent in any year.

4. Although the basic structure of the Medicaid matching system is retained, the formula for computing the Federal match rate (FMAP) would be changed. States would be given the option of choosing the FMAP from the current formula or from a new formula which replaces per capita income with measures of a state's taxable resources and poverty rates.

   - This formula favors New York, Florida, California and Texas and would encourage States to reduce their own spending on medical services. States with low growth rates could increase their Federal match by decreasing their own investment in these services. This formula creates a dis-incentive for States to spend State funds on medical services.

Issues:

- ♦ No formula can lessen the pain to the States.

  - No formula can ameliorate the severity of the $182 billion hit.

  - A fixed block grant would force states to raise taxes or cut coverage and services.

  - State spending incentives depend on the relationship between the state's allotment, the two potential FMAP amounts and the state's MOE requirement. Given the constraints of the spending cut, most states would have no incentive to spend beyond their required MOE.

- ♦ This formula is complex, but the complexity doesn't save it from its many weaknesses.

  - The new formula would be undermined by State efforts to minimize State spending through tax and donations schemes, intergovernmental transfers or other gimmicks to create phony State funds. All restrictions on these

types of programs would be eliminated.

- Hard to assess the formula's impact on States.

- This complicated formula with "needs" based standards is constrained by upper and lower limits on annual growth in the out years.

- Data to calculate base year MOE amounts for states may be inadequate.

- State-based data to establish the spending base may be unreliable. Most State data comes from provider locations, which is particularly problematic for metropolitan areas that span state borders.

- Some states would be limited to 2% growth -- less than enrollment growth or inflation.

- Expenditure growth in demonstration States would be restricted under the same formula as all other States -- thus limiting their ability to expand coverage.

- VFC program expenditures are not included in the 1994 base.

◆ States would be particularly hurt during recessions.

- A state's aggregate need would be partially determined by a 3-year historical average of residents below poverty. Historical averages make this funding formula insensitive to changes in the proportion of poor residents, such as a sudden, sharp recession or increase in unemployment.

Maintenance of Effort (MOE)

Provisions:

States are not explicitly subject to an MOE requirement.

However, States would be required to devote a minimum proportion of their total program spending on low-income families, low-income elderly, and low-income disabled individuals.

This minimum percentage would be based on 85 percent of the average proportion of State spending on mandatory eligibles within these groups for mandatory services from 1992 to 1994. Spending for all elderly in nursing homes would be included in the set-aside requirement for the elderly. For the Medicare cost sharing the set-aside is based on 85 percent of the premium payment.

Issues:

- The MOE requirement is complicated, group-specific, and too limited in scope.

- The MOE does not provide any guarantee of coverage for current enrollees, nor any guarantee that currently-required services would be provided.

- The set-aside provision for services provided for dual eligibles is based on 85 percent of Medicare premiums, rather than all Medicare cost-sharing. Because Medicare premiums will be increasing under the Republican's Medicare proposals, this base would be too small -- even before the reduction -- to cover all services. In addition, the MOE requirement applies only to dually-eligible elderly, not disabled individuals.

- These set-asides may not encompassed within the compliance requirements.

PROVIDER PAYMENTS

Rates

Provision:

The bill removes all Federal provider payment requirements.

-- States would be required to set capitation rates in accordance with actuarial principles.

-- States would need to describe their rate methodology for fee-for-service reimbursement in their State plan.

The bill does not explicitly retain a category referred to as DSH payments. However, State would have flexibility to establish provider payment methodologies for services

provided to program eligibles.

Issues:

- Provider payment requirements, such as the Boren Amendment and requirements for payments to Federally-qualified health centers and rural health centers, are eliminated.

- Provider tax restrictions are eliminated.

Cost-Sharing

Provision:

States may require beneficiaries to pay premiums, deductibles and copayments. These cost-sharing requirements could vary for eligibility groups, family size, poverty status, or be linked to other social policy goals (i.e., participation in employment training or substance abuse treatment).

-- States could not impose premiums, and would be permitted only nominal cost-sharing requirements, on families below 100 percent of poverty that include either a pregnant women or a child.

Issues:

- States' ability to require beneficiary cost-sharing would be unlimited, except as noted. Elderly and disabled enrollees could be required to pay premiums, deductibles and copayments.

- Cost-sharing reduces necessary, as well as unnecessary, utilization of services among low-income populations. These requirements would restrict beneficiaries' ability to access needed health services.

DELIVERY SYSTEMS

Provisions:

Access standards for health plans and other providers would be eliminated.

Freedom of choice requirements would be eliminated.

States' ability to contract with managed care plans for services, case management, or coordination would be unfettered.

Issues:

- Beneficiaries would not be guaranteed a choice of plan or delivery system.
- The bill does not include quality standards, or general quality guidelines, for capitated managed care plans.
- The Federal government could not enforce current access standards, such as physician to patient ratios and time and distance requirements.
- The elimination of current beneficiary protections could result in the re-emergence of "Medicaid mills".

MEDICARE COST-SHARING

Provisions:

States would no longer be required to cover Medicare premiums and Medicare cost-sharing for dual eligibles, QMBs and SLMBs.

-- However, Medicare premium assistance would be included in the State set-aside, or MOE, requirement.

Issues:

- Set-aside does not guarantee continued levels of Medicare cost-sharing and premium assistance. Some current low-income Medicare beneficiaries may no longer receive State-financed assistance with Medicare costs. Alternatively, States may reduce the scope of assistance -- i.e., cover only a proportion of the Medicare premium.

- 1994 spending on premiums alone would establish too low a base, particularly since Medicare premiums are expected to increase under the Republican's Medicare proposal.

DEMONSTRATION PROGRAMS

Provisions:

No provision. Section 1115 demonstration States would be treated on par with other States. While 1994 total spending would be included in their base, growth rates would be the same as all other States. Demonstration States would therefore not receive the Federal matching payments they are counting on to finance their coverage expansions. All of the new waiver eligibles could still be covered, since the eligibility standards are set up to 300 percent of poverty.

Issues:

- States' ability to continue to cover new eligibles is undetermined.
- 1994 base spending includes demonstration spending only for Tennessee, Hawaii, Rhode Island and Oregon -- and none were implemented for the full fiscal year.

SPECIAL POPULATIONS

Provisions:

States would no longer be required to cover emergency services for undocumented persons. If the States do cover these services, the matching rate would be 100 percent.

The State plan must specify how services would be provided to eligible Native Americans, in consultation with tribes and tribal organizations, and how the State would make payments to IHS facilities.

Issues:

- Lose requirement to pay for services in IHS facilities
- Lose requirement to pay for emergency medical services for undocumented persons

- No provisions for other special needs populations, such as children with special health care needs.

- One hundred percent Federal matching for these services would not increase the State's base, so therefore effectively reduces available Federal funds. This would particularly hurt Florida, Texas and California.

PROGRAM INTEGRITY

Provisions:

Annual expenditure audits would be required.

Contractors and providers would be required to supply information on ownership, controlling interests, conviction of certain offenses. Contractors and providers barred from contracting with the Federal government could be excluded from State MediGrant programs.

States would be required to operate fraud control units, with prosecutorial authority to investigate and prosecute violations of State fraud laws and abuse and neglect of beneficiaries, unless the State demonstrates that a fraud control unit would not be cost-effective.

States would be required to seek reimbursement from liable third parties.

Individuals applying for medical assistance would be required to assign rights to medical support or third party payment to the State.

Issues:

- Would require States to operate fraud control units, but does not provide funding to do so.

- Would require States to develop a system for prosecuting fraud, but does not require them to develop a system for detecting it. Would not require States to monitor activities that would serve as the basis for investigations and prosecutions.

- Does not include any requirement for States to share information on current cases with the Federal government. Fraud and abuse usually occurs simultaneously in different Federal and State programs, so coordination is essential.

- Does not include data requirements that would allow for enforcement of program integrity rules.

QUALITY

Provisions:

OBRA 87 nursing home requirements would be repealed and replaced with new requirements on procedures, quality assurance, resident assessments, staff qualifications and other elements. These requirements would be developed and enforced at the State level.

Facility survey compliance results would be required to be available to the public.

Issues:

- Current standards, which were approved with bi-partisan support during the Reagan Administration, would be lost.
- States have been unable to develop/enforce nursing home standards in the past.
- Quality requirements would vary by State.
- Quality of care for nursing home residents may be threatened. Elderly beneficiaries may be restrained, overly-medicated or otherwise abused.
- No quality requirements or guidelines outside of nursing home enforcement.
- States would be required to develop and enforce new requirements with limited funding.

TERRITORIES

Provision:

The Secretary would have new authority to waive statutory requirements for Puerto Rico, the Virgin Islands, and Guam.

Territories would be on par with States in formula, although base would be built off

Provision:

States would be required to submit annual reports to the Secretary and to Congress on expenditures, utilization, fraud and abuse activities, quality control activities, and plan administration.

Issues:

- Quarterly expenditure reports and verification procedures for a matching structure no longer exist.
- States would not be accountable for how they spend Federal taxpayer dollars.

FEDERAL OVERSIGHT

Provision:

HCFA would be responsible for approving State plans and monitoring compliance with the plan.

Secretary may administer program only through rule-making process.

Pending disallowances will be nullified.

Issues:

- Federal responsibility/oversight too minimal.
- Non-compliance penalties are not enforceable.
- Current Federal disallowance authority will be compromised.

September 28, 1995

TO: Distribution

FROM: Chris Jennings
Jennifer Klein

Attached are two HHS state by state tables cleared by OMB which provides a preliminary analysis of the impact of the House and Senate Medicaid formulas. As you will note in any distribution of federal dollar reductions, there will be losers and big losers.

This information should be widely distributed and circulated to help flame the inevitable upcoming Medicaid formula fight over how to allocate over $180 billion in Medicaid cuts called for by the Republican Reconciliation bills.

Comparison of the House & Senate Republican Medicaid Block Grant: 1996-2002
(Dollars in Millions, Federal Spending, Fiscal Years)

States	Baseline (1)	House Republican Medicaid Block Grant		Senate Republican Reduction in Medicaid		Difference
		Reduction (2)	Percent Reduction	Reduction	Percent Reduction	+: Smaller Loss Under Senate -: Larger Loss Under Senate
United States	**954,338**	**$182,366**	**19%**	**$186,733**	**20%**	
Alabama	13,823	1,155	8%	2,607	19%	(1,452)
Alaska	2,001	554	28%	394	20%	160
Arizona	12,903	1,328	10%	2,517	20%	(1,188)
Arkansas	11,081	2,964	27%	2,860	26%	104
California	95,663	18,693	20%	13,801	14%	4,892
Colorado	8,163	1,953	24%	1,297	16%	656
Connecticut	12,990	2,145	17%	3,544	27%	(1,400)
Delaware	1,728	415	24%	115	7%	300
District of Columbia	4,511	963	21%	734	16%	229
Florida	40,720	10,531	26%	8,944	22%	1,587
Georgia	26,050	5,776	22%	5,904	23%	(128)
Hawaii	2,732	443	16%	267	10%	176
Idaho	2,933	575	20%	581	20%	(6)
Illinois	33,242	6,135	18%	2,902	9%	3,233
Indiana	23,100	7,287	32%	8,624	37%	(1,337)
Iowa	7,807	936	12%	1,082	14%	(146)
Kansas	5,962	133	2%	704	12%	(571)
Kentucky	18,353	4,979	27%	4,928	27%	51
Louisiana	33,991	5,269	16%	15,352	45%	(10,082)
Maine	5,999	853	14%	946	16%	(93)
Maryland	13,478	2,516	19%	1,536	11%	980
Massachusetts	25,516	4,239	17%	5,652	22%	(1,413)
Michigan	32,153	4,253	13%	4,692	15%	(439)
Minnesota	14,665	2,072	14%	1,019	7%	1,053
Mississippi	12,640	1,938	15%	1,251	10%	688
Missouri	14,871	(321)	-2%	2,043	14%	(2,364)
Montana	3,409	943	28%	948	28%	(6)
Nebraska	4,448	932	21%	692	16%	239
Nevada	2,899	680	23%	850	29%	(170)
New Hampshire	3,728	(437)	-12%	1,164	31%	(1,601)
New Jersey	28,038	7,032	25%	7,172	26%	(141)
New Mexico	6,066	902	15%	615	10%	287
New York	119,527	24,588	21%	21,450	18%	3,138
North Carolina	29,014	8,596	30%	8,319	29%	277
North Dakota	2,491	511	21%	540	22%	(29)
Ohio	40,586	7,944	20%	6,683	16%	1,261
Oklahoma	11,074	3,235	29%	3,423	31%	(188)
Oregon	8,884	1,596	18%	35	0%	1,562
Pennsylvania	38,448	3,153	8%	2,422	6%	730
Rhode Island	5,465	1,638	30%	1,141	21%	497
South Carolina	15,252	1,516	10%	2,954	19%	(1,438)
South Dakota	2,380	378	16%	240	10%	137
Tennessee	24,576	6,424	26%	4,165	17%	2,259
Texas	61,167	7,001	11%	12,187	20%	(5,185)
Utah	5,128	1,116	22%	1,052	21%	64
Vermont	1,982	401	20%	205	10%	196
Virginia	13,022	3,300	25%	3,079	24%	220
Washington	18,203	5,434	30%	5,579	31%	(146)
West Virginia	13,723	4,460	32%	4,615	34%	(156)
Wisconsin	16,484	2,935	18%	2,639	16%	296
Wyoming	1,269	305	24%	264	21%	40

Based on the Commerce Committee's formula as of September 18,1995; Senate Finance Committee formula as of September 27, 1995.

(1) From The Urban Institute's Medicaid Expenditure Growth Model

(2) From the General Accounting Office's & Senate Finance Committee's estimates of the spending by state under the proposal

Source: U.S. DHHS

27-Sep-95

DRAFT

Estimates of the Effects of the Senate Republican Medicaid Plan on States, 2002 and 1996 - 2002
(Dollars in Millions, Federal Spending, Fiscal Years)

States	2002				1996-2002			
	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction
Total	$176,931	$124,738	($52,193)	-29%	$954,338	$767,606	($186,733)	-20%
Alabama	$2,485	$1,878	($607)	-24%	$13,823	$11,216	($2,607)	-19%
Alaska	$373	$262	($112)	-30%	$2,001	$1,607	($394)	-20%
Arizona	$2,436	$1,739	($697)	-29%	$12,903	$10,386	($2,517)	-20%
Arkansas	$2,084	$1,377	($708)	-34%	$11,081	$8,221	($2,860)	-26%
California	$17,955	$13,709	($4,246)	-24%	$95,663	$81,862	($13,801)	-14%
Colorado	$1,521	$1,128	($393)	-26%	$8,163	$6,866	($1,297)	-16%
Connecticut	$2,345	$1,431	($914)	-39%	$12,990	$9,445	($3,544)	-27%
Delaware	$323	$262	($61)	-19%	$1,728	$1,612	($115)	-7%
District of Columbia	$846	$572	($274)	-32%	$4,511	$3,777	($734)	-16%
Florida	$7,691	$5,321	($2,370)	-31%	$40,720	$31,776	($8,944)	-22%
Georgia	$4,900	$3,374	($1,526)	-31%	$26,050	$20,146	($5,904)	-23%
Hawaii	$508	$373	($135)	-27%	$2,732	$2,465	($267)	-10%
Idaho	$545	$394	($151)	-28%	$2,933	$2,352	($581)	-20%
Illinois	$6,207	$4,979	($1,228)	-20%	$33,242	$30,340	($2,902)	-9%
Indiana	$4,317	$2,415	($1,902)	-44%	$23,100	$14,476	($8,624)	-37%
Iowa	$1,440	$1,097	($343)	-24%	$7,807	$6,725	($1,082)	-14%
Kansas	$1,079	$880	($199)	-18%	$5,962	$5,258	($704)	-12%
Kentucky	$3,455	$2,248	($1,207)	-35%	$18,353	$13,425	($4,928)	-27%
Louisiana	$6,147	$2,896	($3,251)	-53%	$33,991	$18,639	($15,352)	-45%
Maine	$1,092	$818	($274)	-25%	$5,999	$5,053	($946)	-16%
Maryland	$2,532	$1,933	($599)	-24%	$13,478	$11,942	($1,536)	-11%
Massachusetts	$4,717	$3,009	($1,708)	-36%	$25,516	$19,864	($5,652)	-22%
Michigan	$5,992	$4,512	($1,480)	-25%	$32,153	$27,462	($4,692)	-15%
Minnesota	$2,701	$2,209	($492)	-18%	$14,665	$13,645	($1,019)	-7%
Mississippi	$2,342	$1,907	($434)	-19%	$12,640	$11,389	($1,251)	-10%
Missouri	$2,625	$2,148	($477)	-18%	$14,871	$12,829	($2,043)	-14%
Montana	$636	$412	($224)	-35%	$3,409	$2,461	($948)	-28%
Nebraska	$822	$608	($214)	-26%	$4,448	$3,755	($692)	-16%
Nevada	$540	$343	($196)	-36%	$2,899	$2,049	($850)	-29%
New Hampshire	$631	$382	($249)	-39%	$3,728	$2,564	($1,164)	-31%
New Jersey	$5,100	$3,375	($1,725)	-34%	$28,038	$20,865	($7,172)	-26%
New Mexico	$1,147	$913	($234)	-20%	$6,066	$5,451	($615)	-10%
New York	$22,034	$14,857	($7,177)	-33%	$119,527	$98,077	($21,450)	-18%
North Carolina	$5,406	$3,466	($1,941)	-36%	$29,014	$20,695	($8,319)	-29%
North Dakota	$457	$320	($136)	-30%	$2,491	$1,951	($540)	-22%
Ohio	$7,508	$5,492	($2,016)	-27%	$40,586	$33,903	($6,683)	-16%
Oklahoma	$2,060	$1,281	($779)	-38%	$11,074	$7,651	($3,423)	-31%
Oregon	$1,649	$1,440	($209)	-13%	$8,884	$8,849	($35)	-0%
Pennsylvania	$7,102	$5,832	($1,270)	-18%	$38,448	$36,025	($2,422)	-6%
Rhode Island	$1,004	$655	($349)	-35%	$5,465	$4,324	($1,141)	-21%
South Carolina	$2,756	$2,059	($697)	-25%	$15,252	$12,298	($2,954)	-19%
South Dakota	$442	$358	($83)	-19%	$2,380	$2,140	($240)	-10%
Tennessee	$4,587	$3,405	($1,182)	-26%	$24,576	$20,412	($4,165)	-17%
Texas	$11,358	$8,203	($3,156)	-28%	$61,167	$48,980	($12,187)	-20%
Utah	$960	$682	($278)	-29%	$5,128	$4,076	($1,052)	-21%
Vermont	$366	$269	($97)	-27%	$1,982	$1,777	($205)	-10%
Virginia	$2,434	$1,665	($769)	-32%	$13,022	$9,943	($3,079)	-24%
Washington	$3,381	$1,912	($1,469)	-43%	$18,203	$12,623	($5,579)	-31%
West Virginia	$2,591	$1,493	($1,097)	-42%	$13,723	$9,108	($4,615)	-34%
Wisconsin	$3,066	$2,275	($792)	-26%	$16,484	$13,845	($2,639)	-16%
Wyoming	$236	$168	($68)	-29%	$1,269	$1,005	($264)	-21%

(1) From The Urban Institute's Medicaid Expenditure Growth Model

(2) From the Senate Finance staff estimates as of September 27, 1995

Source: U.S. DHHS

27-Sep-95

November 9, 1995

TO: Chris Jennings
Jennifer Klein

FROM: Jack Ebeler

SUBJECT: Coverage Loss Estimates

I have attached a table that presents estimates of the numbers of people who might lose coverage under the House and Senate Medicaid bills. I have also attached a description of the methodology used in calculating the estimates. The methodology was cleared by OMB.

CC: Nancy Ann Min

Draft Estimates of the Number of People Losing Coverage Under the House Republican Block
By Group
November 3, 1995 (Includes immigrant and TN & OR adjustments)

	TOTAL	BY GROUP			ADDITIONAL SUBSET
		Aged	Disabled	Families	Children
Total	(7,994,230)	(873,158)	(1,345,919)	(5,775,152)	(3,976,036)
Alabama	(52,143)	(6,291)	(12,982)	(32,870)	(23,328)
Alaska	(29,289)	(1,518)	(2,530)	(25,241)	(16,661)
Arizona	(41,171)	(13,792)	(14,451)	(12,928)	(8,920)
Arkansas	(130,748)	(17,298)	(31,197)	(82,252)	(58,848)
California	(640,514)	(52,517)	(80,603)	(507,394)	(315,981)
Colorado	(99,992)	(10,983)	(17,226)	(71,784)	(49,186)
Connecticut	(106,422)	(10,732)	(17,728)	(77,962)	(53,268)
Delaware	(27,455)	(1,853)	(4,084)	(21,518)	(16,456)
District of Columbia	(25,869)	(1,917)	(5,607)	(18,345)	(12,845)
Florida	(550,398)	(61,516)	(74,006)	(414,876)	(329,760)
Georgia	(353,217)	(37,984)	(58,980)	(256,254)	(174,246)
Hawaii	(29,557)	(2,761)	(4,510)	(22,288)	(15,161)
Idaho	(24,519)	(2,199)	(3,982)	(18,338)	(12,799)
Illinois	(233,147)	(18,736)	(47,524)	(166,887)	(117,345)
Indiana	(206,591)	(21,660)	(32,050)	(152,881)	(104,402)
Iowa	(56,057)	(7,008)	(9,410)	(39,641)	(26,484)
Kansas	(14,171)	(1,587)	(2,185)	(10,399)	(7,033)
Kentucky	(197,427)	(20,392)	(49,726)	(127,310)	(84,489)
Louisiana	(177,358)	(19,071)	(30,780)	(127,506)	(90,717)
Maine	(45,527)	(5,664)	(9,493)	(30,371)	(20,352)
Maryland	(118,485)	(10,811)	(22,713)	(84,961)	(60,206)
Massachusetts	(229,130)	(26,289)	(47,618)	(155,223)	(103,293)
Michigan	(147,292)	(10,460)	(29,102)	(107,731)	(89,096)
Minnesota	(101,926)	(13,159)	(14,098)	(74,670)	(50,989)
Mississippi	(61,072)	(7,873)	(12,968)	(40,231)	(29,153)
Missouri	(2,683)	(967)	(911)	(786)	(518)
Montana	(30,152)	(3,346)	(6,269)	(20,537)	(11,368)
Nebraska	(55,850)	(6,323)	(7,452)	(42,074)	(31,286)
Nevada	(23,171)	(2,564)	(3,672)	(16,934)	(11,564)
New Hampshire	0	0	0	0	0
New Jersey	(296,918)	(27,401)	(51,964)	(217,553)	(142,397)
New Mexico	(30,816)	(3,067)	(6,548)	(21,201)	(14,377)
New York	(854,635)	(87,870)	(132,999)	(633,666)	(455,372)
North Carolina	(538,889)	(93,769)	(75,685)	(369,455)	(242,100)
North Dakota	(21,387)	(3,239)	(2,814)	(15,334)	(10,702)
Ohio	(322,877)	(35,617)	(55,348)	(231,912)	(158,189)
Oklahoma	(131,435)	(14,804)	(17,282)	(99,349)	(69,330)
Oregon	(95,093)	(7,150)	(12,348)	(75,596)	(50,362)
Pennsylvania	(234,503)	(24,017)	(51,206)	(159,281)	(114,725)
Rhode Island	(88,303)	(13,559)	(19,281)	(55,463)	(37,244)
South Carolina	(92,446)	(13,237)	(15,382)	(63,827)	(45,586)
South Dakota	(17,500)	(2,089)	(3,091)	(12,320)	(8,854)
Tennessee	(274,911)	(31,076)	(68,195)	(175,640)	(125,293)
Texas	(307,399)	(29,882)	(30,647)	(246,870)	(176,400)
Utah	(50,598)	(3,055)	(5,942)	(41,601)	(27,596)
Vermont	(26,237)	(3,139)	(4,572)	(18,527)	(11,713)
Virginia	(238,684)	(32,757)	(36,830)	(169,076)	(118,380)
Washington	(269,806)	(19,085)	(43,478)	(207,243)	(134,548)
West Virginia	(177,802)	(16,830)	(33,224)	(127,548)	(76,562)
Wisconsin	(93,765)	(12,818)	(23,031)	(57,916)	(42,598)
Wyoming	(19,134)	(1,310)	(2,215)	(15,608)	(10,961)

Total coverage loss was distributed proportionally across groups using the distribution of coverage loss across groups in the July report. The number of kids was estimated by multiplying the 1994 percentage of kids in families with children by the state's number of people in families losing coverage.
03-Nov-95

Methodology for Coverage Loss under the House and Senate Block Grant Proposals

The estimates of the number of Medicaid beneficiaries who could lose coverage under the Congressional block grant proposals are based on the July 1995 report by the Urban Institute entitled, "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures." In this report, the analysts assumed that states that could not offset the reduction in Federal Medicaid spending through provider payment and service cuts would have to reduce coverage. They estimated the amount of savings that a state could achieved through provider payment and service cuts by assuming that this amount is equal to the savings achieved through slowing the rate of Medicaid cost growth per beneficiary. If a state could offset the reduction in Federal Medicaid spending by constraining the increase in Medicaid costs per beneficiary to inflation or inflation plus 1.9%, then that state would not need to reduce coverage. However, if the savings through cost growth restraints is less than the block grant reduction, then the state would need to reduce coverage.

Since each state has a different mix of Medicaid spending per recipient, growth in Medicaid spending per beneficiary and block grant reduction, the estimates of coverage loss by state vary considerably. Similarly, any change in one of these parameters will have an effect on the coverage loss by state. Since both the House and Senate proposals have formulae that are different than that used in the July report, the coverage loss estimated by the Urban Institute is no longer valid. To estimate the coverage loss under the House and Senate proposals, the relationship between the size of the cut and the coverage loss was used. Specifically:

$$\%Cov2 = \%Cut2 - \%Cut1 + \%Cov1$$

Where:

%Cov:	Percent reduction in coverage
%Cut:	Percent reduction in Federal Medicaid spending
1:	Original Urban Institute analysis
2:	Current, modified analysis

Once the percent reduction in coverage was derived, it was assumed that coverage loss would be distributed proportionately across groups.

Derivation of the coverage loss formula

The estimates for the number of people losing coverage are based on the following formulae:

$$Cov1 = (Cut1 - Eff)/ (PC)$$

$$Cov2 = (Cut2 - Eff) / (PC)$$

Where:

- Cov: Coverage loss in 2002
- Cut: Federal spending reduction (UI baseline minus GAO block grant estimates) in 2002
- Eff: Amount of savings achieved by restraining per capita cost increases to inflation plus 1.9% in 2002
- PC: Medicaid spending per beneficiary
- 1: Original Urban Institute analysis
- 2: Current, modified analysis

Since both the amount of savings achieved through provider payment and service cuts (Eff) and the Medicaid spending per beneficiary (PC) are constants across the equations, the two equations can be solved simultaneously:

$$Eff / PC = (Cut1) / (PC) - Cov1$$
$$Eff / PC = (Cut2) / (PC) - Cov2$$
$$(Cut1) / (PC) - Cov1 = (Cut2) / (PC) - Cov2$$
$$Cut1 - (PC)\ Cov1 = Cut2 - (PC)\ Cov2$$
$$(PC)\ Cov2 - (PC)\ Cov1 = Cut2 - Cut1$$

Medicaid spending per beneficiary is the sum of Medicaid spending on benefits divided by the sum of the beneficiaries.

$$PC = \sum Exp / \sum Bene$$

Where:

- $\sum Exp$: The sum of Medicaid spending on benefits
- $\sum Bene$: The sum of the number of beneficiaries covered.

This term can be substituted into the equation. This allows for the coverage loss to be expressed as a percent reduction from baseline:

$$(\sum Exp / \sum Bene)\ (Cov2) - (\sum Exp / \sum Bene)\ (Cov1) = Cut2 - Cut1$$
$$\%Cov2\ (\sum Exp) - \%Cov1\ (\sum Exp) = Cut2 - Cut1$$
$$\%Cov2 = \%Cut2 - \%Cut1 + \%Cov1$$

Comparison of the Senate Republican Medicaid Block Grant: 1996-2002
September 27 versus October 27, 1995 Formula
(Dollars in Millions, Federal Spending, Fiscal Years)

States	Baseline (1)	Older Formula Medicaid Block Grant		Newer Formula Reduction in Medicaid		Difference
		Reduction (2)	Percent Reduction	Reduction (2)	Percent Reduction	+: Smaller Loss Under Senate -: Larger Loss Under Senate
United States	**954,338**	**$186,733**	**20%**	**$176,498**	**18%**	
Alabama	13,823	2,607	19%	959	7%	1,649
Alaska	2,001	394	20%	341	17%	53
Arizona	12,903	2,517	20%	1,391	11%	1,125
Arkansas	11,081	2,860	26%	2,507	23%	353
California	95,663	13,801	14%	17,970	19%	(4,169)
Colorado	8,163	1,297	16%	1,820	22%	(523)
Connecticut	12,990	3,544	27%	2,340	18%	1,205
Delaware	1,728	115	7%	8	0%	107
District of Columbia	4,511	734	16%	709	16%	25
Florida	40,720	8,944	22%	9,458	23%	(514)
Georgia	26,050	5,904	23%	5,810	22%	94
Hawaii	2,732	267	10%	281	10%	(14)
Idaho	2,933	581	20%	488	17%	93
Illinois	33,242	2,902	9%	4,392	13%	(1,490)
Indiana	23,100	8,624	37%	7,259	31%	1,365
Iowa	7,807	1,082	14%	933	12%	149
Kansas	5,962	704	12%	88	1%	616
Kentucky	18,353	4,928	27%	5,055	28%	(127)
Louisiana	33,991	15,352	45%	15,173	45%	179
Maine	5,999	946	16%	844	14%	102
Maryland	13,478	1,536	11%	2,285	17%	(749)
Massachusetts	25,516	5,652	22%	5,681	22%	(29)
Michigan	32,153	4,692	15%	3,635	11%	1,057
Minnesota	14,665	1,019	7%	1,544	11%	(524)
Mississippi	12,640	1,251	10%	1,820	14%	(570)
Missouri	14,871	2,043	14%	(467)	-3%	2,509
Montana	3,409	948	28%	820	24%	128
Nebraska	4,448	692	16%	785	18%	(93)
Nevada	2,899	850	29%	877	30%	(27)
New Hampshire	3,728	1,164	31%	1,186	32%	(22)
New Jersey	28,038	7,172	26%	6,392	23%	781
New Mexico	6,066	615	10%	489	8%	126
New York	119,527	21,450	18%	21,696	18%	(246)
North Carolina	29,014	8,319	29%	7,716	27%	603
North Dakota	2,491	540	22%	506	20%	34
Ohio	40,586	6,683	16%	7,638	19%	(955)
Oklahoma	11,074	3,423	31%	3,179	29%	245
Oregon	8,884	35	0%	(76)	-1%	111
Pennsylvania	38,448	2,422	6%	2,537	7%	(115)
Rhode Island	5,465	1,141	21%	1,327	24%	(186)
South Carolina	15,252	2,954	19%	1,697	11%	1,257
South Dakota	2,380	240	10%	217	9%	23
Tennessee	24,576	4,165	17%	3,838	16%	327
Texas	61,167	12,187	20%	7,010	11%	5,176
Utah	5,128	1,052	21%	1,031	20%	21
Vermont	1,982	205	10%	115	6%	90
Virginia	13,022	3,079	24%	3,293	25%	(213)
Washington	18,203	5,579	31%	5,081	28%	499
West Virginia	13,723	4,615	34%	4,203	31%	412
Wisconsin	16,484	2,639	16%	2,415	15%	224
Wyoming	1,269	264	21%	202	16%	62

Note: The savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines.

(1) From The Urban Institute's Medicaid Expenditure Growth Model as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995.

(2) From the Senate Finance Committee's estimates of the spending by state under the proposal released on September 27 & October 27.

Note: These estimates do not include supplemental amounts and may not be consistent with the bill language.

Source: U S. DHHS

01-Nov-95

Comparison of the Original House Republican Medicaid Block Grant to
The Revised Formula as of October 30, 1995
1996 - 2002

States	Baseline (1)	Old House Republican Medicaid Block Grant		New House Republican Reduction in Medicaid		Difference + = More in New - = Less in New
		Reduction (2)	Percent Reduction	Reduction	Percent Reduction	
United States	**954,338**	**182,366**	**19%**	**173,688**	**19%**	
Alabama	13,823	1,155	8%	1,155	8%	0
Alaska	2,001	554	28%	521	26%	33
Arizona	12,903	1,328	10%	1,313	10%	15
Arkansas	11,081	2,964	27%	2,964	27%	0
California	95,663	18,693	20%	16,957	18%	1736
Colorado	8,163	1,953	24%	1,927	24%	26
Connecticut	12,990	2,145	17%	1,896	15%	249
Delaware	1,728	415	24%	385	22%	30
District of Columbia	4,511	963	21%	882	20%	81
Florida	40,720	10,531	26%	9,850	24%	681
Georgia	26,050	5,776	22%	5,736	22%	41
Hawaii	2,732	443	16%	443	16%	0
Idaho	2,933	575	20%	522	18%	53
Illinois	33,242	6,135	18%	5,969	18%	166
Indiana	23,100	7,287	32%	7,032	30%	256
Iowa	7,807	936	12%	936	12%	-0
Kansas	5,962	133	2%	133	2%	0
Kentucky	18,353	4,979	27%	4,979	27%	0
Louisiana	33,991	5,269	16%	5,262	15%	7
Maine	5,999	853	14%	735	12%	118
Maryland	13,478	2,516	19%	2,514	19%	3
Massachusetts	25,516	4,239	17%	3,751	15%	488
Michigan	32,153	4,253	13%	4,253	13%	-0
Minnesota	14,665	2,072	14%	1,942	13%	130
Mississippi	12,640	1,938	15%	1,697	13%	241
Missouri	14,871	(321)	-2%	(321)	-2%	0
Montana	3,409	943	28%	930	27%	13
Nebraska	4,448	932	21%	895	20%	36
Nevada	2,899	680	23%	630	22%	50
New Hampshire	3,728	(437)	-12%	(532)	-14%	95
New Jersey	28,038	7,032	25%	6,550	23%	482
New Mexico	6,066	902	15%	785	13%	116
New York	119,527	24,588	21%	22,412	19%	2177
North Carolina	29,014	8,596	30%	8,596	30%	0
North Dakota	2,491	511	21%	511	21%	0
Ohio	40,586	7,944	20%	7,944	20%	0
Oklahoma	11,074	3,235	29%	3,058	28%	177
Oregon	8,884	1,596	18%	1,553	17%	43
Pennsylvania	38,448	3,153	8%	3,144	8%	8
Rhode Island	5,465	1,638	30%	1,550	28%	88
South Carolina	15,252	1,516	10%	1,516	10%	-0
South Dakota	2,380	378	16%	375	16%	3
Tennessee	24,576	6,424	26%	6,424	26%	0
Texas	61,167	7,001	11%	6,385	10%	616
Utah	5,128	1,116	22%	1,116	22%	0
Vermont	1,982	401	20%	365	18%	36
Virginia	13,022	3,300	25%	3,227	25%	73
Washington	18,203	5,434	30%	5,141	28%	293
West Virginia	13,723	4,460	32%	4,460	32%	0
Wisconsin	16,484	2,935	18%	2,935	18%	0
Wyoming	1,269	305	24%	285	18%	19

Note: The savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines.

(1) From The Urban Institute's Medicaid Expenditure Growth Model as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995.

(2) From the House Commerce Committee's estimates of the spending by state under the proposal released on September 19 & October 30.

NOTE: The estimates from the House Commerce Committee do not include the supplemental allotments for aliens, TN & OR, and have growth rate ceilings that are not consistent with the bill language

Source: U.S. DHHS

01-Nov-95

Estimates of the Effects of the Senate Republican Medicaid Plan on States, 2002 and 1996 - 2002
Formula as of October 27, 1995
(Dollars in Millions, Federal Spending, Fiscal Years)

States	2002				1996-2002			
	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction
Total	$176,931	$124,838	($52,093)	-29%	$954,338	$777,840	($176,498)	-18%
Alabama	$2,485	$2,169	($316)	-13%	$13,823	$12,864	($959)	-7%
Alaska	$373	$280	($94)	-25%	$2,001	$1,660	($341)	-17%
Arizona	$2,436	$1,849	($587)	-24%	$12,903	$11,511	($1,391)	-11%
Arkansas	$2,084	$1,446	($638)	-31%	$11,081	$8,574	($2,507)	-23%
California	$17,955	$13,102	($4,853)	-27%	$95,663	$77,693	($17,970)	-19%
Colorado	$1,521	$1,039	($482)	-32%	$8,163	$6,343	($1,820)	-22%
Connecticut	$2,345	$1,613	($732)	-31%	$12,990	$10,650	($2,340)	-18%
Delaware	$323	$290	($33)	-10%	$1,728	$1,720	($8)	-0%
District of Columbia	$846	$576	($270)	-32%	$4,511	$3,802	($709)	-16%
Florida	$7,691	$5,272	($2,419)	-31%	$40,720	$31,262	($9,458)	-23%
Georgia	$4,900	$3,320	($1,580)	-32%	$26,050	$20,240	($5,810)	-22%
Hawaii	$508	$373	($135)	-27%	$2,732	$2,450	($281)	-10%
Idaho	$545	$412	($132)	-24%	$2,933	$2,445	($488)	-17%
Illinois	$6,207	$4,637	($1,570)	-25%	$33,242	$28,851	($4,392)	-13%
Indiana	$4,317	$2,545	($1,772)	-41%	$23,100	$15,841	($7,259)	-31%
Iowa	$1,440	$1,104	($336)	-23%	$7,807	$6,874	($933)	-12%
Kansas	$1,079	$943	($136)	-13%	$5,962	$5,874	($88)	-1%
Kentucky	$3,455	$2,243	($1,213)	-35%	$18,353	$13,298	($5,055)	-28%
Louisiana	$6,147	$2,935	($3,212)	-52%	$33,991	$18,818	($15,173)	-45%
Maine	$1,092	$782	($310)	-28%	$5,999	$5,155	($844)	-14%
Maryland	$2,532	$1,706	($826)	-33%	$13,478	$11,193	($2,285)	-17%
Massachusetts	$4,717	$3,005	($1,712)	-36%	$25,516	$19,835	($5,681)	-22%
Michigan	$5,992	$4,581	($1,411)	-24%	$32,153	$28,518	($3,635)	-11%
Minnesota	$2,701	$2,000	($701)	-26%	$14,665	$13,121	($1,544)	-11%
Mississippi	$2,342	$1,825	($517)	-22%	$12,640	$10,820	($1,820)	-14%
Missouri	$2,625	$2,512	($113)	-4%	$14,871	$15,338	$467	3%
Montana	$636	$434	($202)	-32%	$3,409	$2,590	($820)	-24%
Nebraska	$822	$558	($264)	-32%	$4,448	$3,662	($785)	-18%
Nevada	$540	$341	($199)	-37%	$2,899	$2,022	($877)	-30%
New Hampshire	$631	$375	($256)	-41%	$3,728	$2,542	($1,186)	-32%
New Jersey	$5,100	$3,279	($1,821)	-36%	$28,038	$21,646	($6,392)	-23%
New Mexico	$1,147	$940	($207)	-18%	$6,066	$5,577	($489)	-8%
New York	$22,034	$14,820	($7,214)	-33%	$119,527	$97,831	($21,696)	-18%
North Carolina	$5,406	$3,421	($1,985)	-37%	$29,014	$21,298	($7,716)	-27%
North Dakota	$457	$319	($138)	-30%	$2,491	$1,985	($506)	-20%
Ohio	$7,508	$5,275	($2,233)	-30%	$40,586	$32,948	($7,638)	-19%
Oklahoma	$2,060	$1,332	($729)	-35%	$11,074	$7,896	($3,179)	-29%
Oregon	$1,649	$1,439	($209)	-13%	$8,884	$8,960	$76	1%
Pennsylvania	$7,102	$5,474	($1,628)	-23%	$38,448	$35,910	($2,537)	-7%
Rhode Island	$1,004	$627	($377)	-38%	$5,465	$4,138	($1,327)	-24%
South Carolina	$2,756	$2,286	($471)	-17%	$15,252	$13,555	($1,697)	-11%
South Dakota	$442	$347	($94)	-21%	$2,380	$2,163	($217)	-9%
Tennessee	$4,587	$3,331	($1,256)	-27%	$24,576	$20,739	($3,838)	-16%
Texas	$11,358	$9,130	($2,228)	-20%	$61,167	$54,157	($7,010)	-11%
Utah	$960	$659	($302)	-31%	$5,128	$4,096	($1,031)	-20%
Vermont	$366	$300	($67)	-18%	$1,982	$1,868	($115)	-6%
Virginia	$2,434	$1,635	($798)	-33%	$13,022	$9,730	($3,293)	-25%
Washington	$3,381	$1,988	($1,393)	-41%	$18,203	$13,122	($5,081)	-28%
West Virginia	$2,591	$1,529	($1,061)	-41%	$13,723	$9,521	($4,203)	-31%
Wisconsin	$3,066	$2,260	($806)	-26%	$16,484	$14,069	($2,415)	-15%
Wyoming	$236	$180	($56)	-24%	$1,269	$1,067	($202)	-16%

Note: The savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines.

(1) From The Urban Institute's Medicaid Expenditure Growth Model as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995.

(2) From the Senate Finance majority staff estimates as of October 27, 1995

Note: These estimates do not include supplemental amounts and may not be consistent with the bill language

Source: U S DHHS

01-Nov-95

Estimates of the Effects of the House Republican Medicaid Plan on States, 2002 and 1996 - 2002
Revised Formula as of October 30, 1995
(Dollars in Millions, Federal Spending, Fiscal Years)

States	2002				1996-2002			
	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction	Baseline Spending (1)	Proposed Spending (2)	Federal Savings	Percent Reduction
Total	$176,931	$126,360	($50,571)	-29%	$954,338	$780,650	($173,688)	-18%
Alabama	$2,485	$2,112	($373)	-15%	$13,823	$12,668	($1,155)	-8%
Alaska	$373	$226	($148)	-40%	$2,001	$1,480	($521)	-26%
Arizona	$2,436	$1,932	($504)	-21%	$12,903	$11,590	($1,313)	-10%
Arkansas	$2,084	$1,353	($731)	-35%	$11,081	$8,117	($2,964)	-27%
California	$17,955	$13,678	($4,278)	-24%	$95,663	$78,706	($16,957)	-18%
Colorado	$1,521	$1,037	($484)	-32%	$8,163	$6,236	($1,927)	-24%
Connecticut	$2,345	$1,692	($654)	-28%	$12,990	$11,094	($1,896)	-15%
Delaware	$323	$205	($118)	-37%	$1,728	$1,342	($385)	-22%
District of Columbia	$846	$553	($292)	-35%	$4,511	$3,629	($882)	-20%
Florida	$7,691	$5,365	($2,327)	-30%	$40,720	$30,869	($9,850)	-24%
Georgia	$4,900	$3,299	($1,601)	-33%	$26,050	$20,314	($5,736)	-22%
Hawaii	$508	$369	($139)	-27%	$2,732	$2,288	($443)	-16%
Idaho	$545	$419	($126)	-23%	$2,933	$2,411	($522)	-18%
Illinois	$6,207	$4,478	($1,729)	-28%	$33,242	$27,274	($5,969)	-18%
Indiana	$4,317	$2,450	($1,866)	-43%	$23,100	$16,069	($7,032)	-30%
Iowa	$1,440	$1,107	($333)	-23%	$7,807	$6,871	($936)	-12%
Kansas	$1,079	$939	($140)	-13%	$5,962	$5,829	($133)	-2%
Kentucky	$3,455	$2,230	($1,225)	-35%	$18,353	$13,374	($4,979)	-27%
Louisiana	$6,147	$4,505	($1,641)	-27%	$33,991	$28,729	($5,262)	-15%
Maine	$1,092	$803	($289)	-26%	$5,999	$5,264	($735)	-12%
Maryland	$2,532	$1,717	($815)	-32%	$13,478	$10,964	($2,514)	-19%
Massachusetts	$4,717	$3,319	($1,398)	-30%	$25,516	$21,765	($3,751)	-15%
Michigan	$5,992	$4,496	($1,496)	-25%	$32,153	$27,900	($4,253)	-13%
Minnesota	$2,701	$1,942	($758)	-28%	$14,665	$12,722	($1,942)	-13%
Mississippi	$2,342	$1,902	($440)	-19%	$12,640	$10,943	($1,697)	-13%
Missouri	$2,625	$2,448	($177)	-7%	$14,871	$15,193	$321	2%
Montana	$636	$406	($230)	-36%	$3,409	$2,480	($930)	-27%
Nebraska	$822	$542	($279)	-34%	$4,448	$3,552	($895)	-20%
Nevada	$540	$394	($145)	-27%	$2,899	$2,269	($630)	-22%
New Hampshire	$631	$650	$19	3%	$3,728	$4,260	$532	14%
New Jersey	$5,100	$3,276	($1,824)	-36%	$28,038	$21,488	($6,550)	-23%
New Mexico	$1,147	$918	($229)	-20%	$6,066	$5,281	($785)	-13%
New York	$22,034	$14,808	($7,226)	-33%	$119,527	$97,116	($22,412)	-19%
North Carolina	$5,406	$3,290	($2,116)	-39%	$29,014	$20,418	($8,596)	-30%
North Dakota	$457	$319	($138)	-30%	$2,491	$1,979	($511)	-21%
Ohio	$7,508	$5,260	($2,248)	-30%	$40,586	$32,642	($7,944)	-20%
Oklahoma	$2,060	$1,393	($667)	-32%	$11,074	$8,016	($3,058)	-28%
Oregon	$1,649	$1,210	($439)	-27%	$8,884	$7,331	($1,553)	-17%
Pennsylvania	$7,102	$5,521	($1,581)	-22%	$38,448	$35,303	($3,144)	-8%
Rhode Island	$1,004	$597	($407)	-41%	$5,465	$3,915	($1,550)	-28%
South Carolina	$2,756	$2,290	($466)	-17%	$15,252	$13,736	($1,516)	-10%
South Dakota	$442	$325	($116)	-26%	$2,380	$2,006	($375)	-16%
Tennessee	$4,587	$3,027	($1,560)	-34%	$24,576	$18,153	($6,424)	-26%
Texas	$11,358	$9,201	($2,157)	-19%	$61,167	$54,782	($6,385)	-10%
Utah	$960	$669	($291)	-30%	$5,128	$4,012	($1,116)	-22%
Vermont	$366	$247	($120)	-33%	$1,982	$1,617	($365)	-18%
Virginia	$2,434	$1,623	($810)	-33%	$13,022	$9,796	($3,227)	-25%
Washington	$3,381	$1,992	($1,389)	-41%	$18,203	$13,062	($5,141)	-28%
West Virginia	$2,591	$1,493	($1,098)	-42%	$13,723	$9,264	($4,460)	-32%
Wisconsin	$3,066	$2,183	($883)	-29%	$16,484	$13,549	($2,935)	-18%
Wyoming	$236	$150	($86)	-36%	$1,269	$984	($285)	-22%

Note: The savings do not total the savings from the CBO baseline because of the differences in the Urban Institute & CBO baselines.

(1) From The Urban Institute's Medicaid Expenditure Growth Model as reported in "The Impact of the Budget Resolution Conference Agreement on Medicaid Expenditures", July 1995.

(2) From the House Commerce Committee's estimates of the spending by state under the proposal released on October 30.

NOTE: The estimates from the House Commerce Committee do not include the supplemental allotments for aliens, TN & OR, and have growth rate ceilings that are not consistent with the bill language

Source. U S. DHHS

01-Nov-95

Medicare Savings from Reg Proposals

Proposal	Savings (in billions) FY 97	FY 97-02	
Part A			
PPS Capital (15.7%)	$1.2	$9.3	Now
Salary Equivalency	$0.12	$0.90	Aug '96
SNF Consolidated Billing	-$0.07	-$0.54	Dec. '96
SNF Ancillary Cost Limits	$0.11	$0.76	Dec. '96
			Extends by 2-3 mos
Part B			
Salary Equivalency	$0.05	$0.37	
SNF Consolidated Billing	$0.06	$0.46	
Oxygen (10%)	$0.05	$0.44	
Ambulance (ALS to BLS)	$0.03	$0.37	
Physician--Drugs	$0.10	$1.13	
Profile Lab Test	$0.10	$1.13	

Notes:

(1) Savings figures are latest available from OACT pricing. Savings estimates could change if policy or effective dates change.

(2) Part B savings figures are before premium offset. Net savings would be about 75 percent of figures in table.

(3) SNF consolidated billing results in savings to Part B but costs to Part A because certain services now paid under Part B would be paid under Part A.

MEDICAID SERVICES STATE BY STATE

October 1, 1994

Basic Required Medicaid Services

Medicaid recipients receiving federally-supported financial assistance must receive at least these services:

- Inpatient hospital services
- Outpatient hospital services
- Rural health clinic (including federally-qualified health center) services
- Other laboratory and x-ray services
- Nurse Practitioners' services
- Nursing facility (NF) services and home health services for individuals age 21 and older
- Early and periodic screening, diagnosis,and treatment (EPSDT) for individuals under age 21
- Family planning services and supplies
- Physicians' services and medical and surgical services of a dentist
- Nurse-Midwife services

Federal financial participation (FFP) is also available to States electing to expand their Medicaid programs to cover additional services, and individuals eligible for medical but not for financial assistance.

Although States must assure the availability of necessary transportation, they may seek FFP as an optional service and/or administrative cost.

Definitions and limitations on eligibility and services vary from State to State.

Details are available from local welfare offices and State Medicaid agencies.

Services provided only under the Medicare buy-in agreement, EPSDT program, or home and community-based services waivers are not reflected on this chart.

Optional Services in State Medicaid Programs

• CN[1]
+ Both CN and MN[2]
◆ Demonstration[3]

Key to Medicaid Determination column: (See reverse side for explanation.)
1634 State
SSI-criteria State
209 (b) State
Not applicable

FMAP[4]	Basic Required Medicaid Services See Above	Key		Podiatrists' Services	Optometrists' Services	Chiropractors' Services	Psychologists' Services	Medical Social Workers' Services	Nurse Anesthetists' Services	Private Duty Nursing	Clinic Services	Dental Services	Physical Therapy	Occupational Therapy	Speech, Hearing and Language Disorders	Prescribed Drugs	Dentures	Prosthetic Devices	Eyeglasses	Diagnostic Services	Screening Services	Preventive Services	Rehabilitative Services	Age 65 or Older in IMDs[4]: A. Inpatient Hospital Services	Age 65 or Older in IMDs[4]: B. NF Services	ICF/MR[9] Services	Inpatient Psychiatric Services for Under Age 21	Christian Science Nurses	Christian Science Sanitoriums	NF Services for Under Age 21	Emergency Hospital Services	Personal Care Services	Transportation Services	Case Management Services	Hospice Care Services	Respiratory Care Services	TB-Related Services	Total Additional Services	
70.45	•		Alabama	•	•	•				•	•	•	•	•	•	•		•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•		27	AL
50.00	•		Alaska		•	•	•				•	•	•	•	•	•		•	•	•	•	•	•				•			•	•	•	•	•		21	AK
50.00	+		American Samoa[5]			+				+	+	+	+	+	+	+	+	+	+	+	+	+	+								+					16	AS
66.40	◆		Arizona[3]	◆	◆		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆		◆		◆		◆		29	AZ
73.75	+		Arkansas	+	+	+	+		+	+	+	+	+	+	+	+	+	+	+				+			•	+			+	+	•	+	+				23	AR
50.00	+		California	+	+	+	+		+		+	+	+	+	+	+	+	+	+			+	+	+	+	+	+	+	+	+	•	+	+	+		+	29	CA
53.10	•		Colorado	•	•		•		•	•	•				•	•		•	•				•	•	•	•			•	•		•	•	•			20	CO
50.00	+		Connecticut	+	+	+	+				+	+	+		+	+	+	+	+	+	+	+	+	+			+	+			•	•	•	•				24	CT
50.00	•		Delaware	•	•					•	•					•		•		•			•	•		•				•	•	•	•		•		15	DE
50.00	+		D.C.	+	+					+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+			+	+	+	+	+	+			26	DC
56.28	+		Florida	+	+	+				+	+	+	+	+	+	+	+	+					+	•		•			•	+	+	+		+	+		22	FL
62.23	+		Georgia	+	+						+	+	+	+	+	+	+	+		+	+	+				+			+			+	+	+		+	20	GA
50.00	•		Guam	•	•						•	•	•	•	•	•	•	•	•										•	•		•					14	GU
50.00	◆		Hawaii[3]	◆	◆		◆				◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆			◆	◆			◆	◆		◆	◆	◆	◆		24	HI
70.14	•		Idaho	•	•	•					•	•	•		•	•	•	•	•				•		•	•	•			•	•	•	•	•			21	ID
50.00	+		Illinois	+	+	+				+	+	+	+	+	+	+	+	+	+	+	+	+	+		+	+	+	+	+	+	+	+	+	+	+		30	IL
63.03	•		Indiana	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•		•		30	IN
62.62	+		Iowa	+	+	+	+	+	+		+	+	+	+	+	+	+	+	+				•		•	•			•			+	+	+			23	IA
58.90	+		Kansas	+	+	+	•				+	+	+	+	+	+	+	+	+						+	+	+			+	+	+	+	+	+			23	KS
69.58	+		Kentucky	+	+						+	+	+	+	+	+		+		+	+	+	+		+	+			+	+		+	+	+			22	KY
72.65	+		Louisiana	+	+	+			+		+					+	+	+					+	•		•	•			+			+	+				15	LA
63.30	+		Maine	+	+	+	+	+		+	+	+	+	+	+	+	+	+	+	+	+	+	+		+	+	+	+	+		+	+	+				28	ME
50.00	+		Maryland	+	+					+	+	+	+		+	+	+	+	+		+		+	+	+	+			+	+	+		+	+			22	MD
50.00	+		Massachusetts	+	+		+			+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+			+	+	+	+	+	+		27	MA
56.84	+		Michigan	+	+	+			+		+	+	+	+	+	+	+	+	+	+			+	+	+	+	+		+	+	+	+	+	+	+	+	27	MI
54.27	+		Minnesota	+	+	+	+		+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+		+	+	+	+	+	+	+			30	MN
78.58	•		Mississippi	•							•	•	•	•	•	•		•	•	•	•	•	•		•	•		•	•	•		•	•	•			21	MS
59.85	•		Missouri	•	•						•	•				•	•	•	•				•	•		•	•			•		•	•	•	•			17	MO
70.81	+		Montana	+	+		+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+			+	+	+	+	+	+			29	MT
60.40	+		Nebraska	+	+	+	+		+	+	+	+	+	+	+	+	+	+	+		+			+	+	+	+			+	+	+	+	+				25	NE
50.00	•		Nevada		•					•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•				•	•	•	•		•	•	26	NV
50.00	+		New Hampshire	+	+	+	+			+	+	+	+	+	+	+		+	+	+	+	+	+	+	+	+				+	+	+	+	+				26	NH
50.00	+		New Jersey[6]	+	+	+	+				+	+	+	+	+	+	+	+	+	+	+	+	+	•	•	•	•		•	•	•	+	+	+	•			28	NJ
73.31	•		New Mexico	•	•		•		•		•	•	•	•	•	•	•	•	•				•		•	•			•	•		•	•	•			21	NM
50.00	+		New York		+		+			+	+	+	+	+	+	+	+	+	+	+	+	+	+	+		+	+			+	+	+	+	+	+		+	26	NY
64.71	+		North Carolina	+	+	+				+	+	+				+	+			+	+	+	+	+		•	+			+		+	+	+	+			21	NC
68.73	+		North Dakota	+	+	+	+			+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+		+	+			+	+		+	+	+			26	ND
50.00	+		N. Mariana Islands[5]								+	+	+			+	+	+	+	+	+	+	+										+					12	NMI
60.69	•		Ohio	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•			•		•	•			•	•	•	•	•	•			25	OH
70.05	+		Oklahoma	+	+				+		+	+				+		+	+		•		+	•		•	+			•		•	+	+			+	18	OK
62.36▾	◆		Oregon[7]	◆	◆	◆	◆	◆		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆		◆	◆			◆			◆	◆	◆	◆	◆				25	OR
54.27	+		Pennsylvania	+	+	+					+	•				•	•	•	•	•	•	•	•	+	+	+	+			+	+		+					21	PA
50.00	+		Puerto Rico[7]								+					+				+	+	+	+								+		+					8	PR
55.49	◆		Rhode Island[3]	◆	◆							◆				◆	◆	◆	◆				◆	◆	◆	◆	◆			◆		◆	◆	◆	◆				17	RI
70.71	•		South Carolina	•	•						•	•	•	•		•		•	•				•	•	•	•	•			•	•		•	•				18	SC
68.06	•		South Dakota	•	•	•			•		•	•	•		•	•		•	•				•		•	•	•			•	•	•	•	•				20	SD
66.52	◆		Tennessee[3]	◆	◆						◆	◆				◆		◆					◆	◆	◆	◆	◆			◆	◆	◆		◆	◆				17	TN
63.31	+		Texas[6]	+	+	+	+		+		+		+			+		+	+	+			+			+				+	+	+	+	+	+	+	+	22	TX
73.48	+		Utah	+	+	+	+			+	+	+	+		+	+	+	+	+	+	+	+	+	+	+	+				+	+	+	+	+			+	28	UT

50.00	•		Alaska		•	•	•				•	•	•	•	•	•		•	•	•	•		•				•	•	•	•	•	•			21	AK
50.00	+		American Samoa[5]			+				+	+	+	+	+	+	+	+	+	+	+	+	+	+									+				16	AS
66.40	◆		Arizona[3]	◆	◆		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆		◆		◆		◆		29	AZ
73.75	+		Arkansas	+	+	+	+		+	+	+	+	+	+	+	+	+	+	+	+				+			•	+			+	+	•	+	+			23	AR
50.00	+		California	+	+	+	+		+		+	+	+	+	+	+	+	+	+			+	+	+	+	+	+	+	+	+	•	+	+	+		+	29	CA
53.10	•		Colorado	•	•		•		•	•	•				•	•		•	•			•	•	•	•	•		•	•		•	•	•				20	CO
50.00	+		Connecticut	+	+	+	+				+	+	+			+	+	+	+	+	+	+	+	+	+	+	+		+	+			+	+				24	CT
50.00	•		Delaware	•	•					•	•					•		•			•					•				•	•	•	•		•			15	DE
50.00	+		D.C.	+	+					+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+			+	+	+	+	+	+			26	DC
56.28	+		Florida	+	+	+				+	+	+	+	+	+	+	+	+	+				+	•		•				•	+	+	+		+	+		22	FL
62.23	+		Georgia	+	+						+	+	+	+	+	+	+	+	+	+	+	+				+				+			+	+	+		+	20	GA
50.00	•		Guam	•	•						•	•	•	•	•	•	•	•	•	•										•	•		•					14	GU
50.00	◆		Hawaii[3]	◆	◆		◆				◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆			◆	◆					◆	◆	◆	◆			24	HI
70.14	•		Idaho	•	•	•					•	•	•		•	•	•	•	•				•		•	•	•				•	•	•	•	•	•			21	ID
50.00	+		Illinois	+	+	+				+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+		30	IL
63.03	•		Indiana	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•		•	•		•			30	IN
62.62	+		Iowa	+	+	+	+	+	+		+	+	+	+	+	+	+	+						•	•	•		•			•	+	+	+				23	IA
58.90	+		Kansas	+	+	+	•				+	+	+	+	+	+	+	+	+					+	+	+	+				+	+	+	+	+	+			23	KS
69.58	+		Kentucky	+	+						+	+	+	+	+	+		+		+	+	+	+	+	+	+	+				+	+		+	+	+			22	KY
72.65	+		Louisiana	+	+	+			+		+					+	+	+					+	•		•	•				+			+	+				15	LA
63.30	+		Maine	+	+	+	+	+		+	+	+	+	+	+	+	+	+	+	+	+	+	+	+		+	+	+	+		+		+	+				28	ME
50.00	+		Maryland	+	+					+	+	+	+		+	+	+	+	+			+		+	+	+				+	+	+		+	+			22	MD
50.00	+		Massachusetts	+	+		+			+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+				+	+	+	+	+	+			27	MA
56.84	+		Michigan	+	+	+			+		+	+	+	+	+	+	+	+	+	+				+	+	+	+	+		+	+	+	+	+	+	+		27	MI
54.27	+		Minnesota	+	+	+	+		+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+		+	+	+	+	+	+			30	MN
78.58	•		Mississippi	•							•	•	•	•	•	•		•	•	•	•	•	•			•	•			•	•	•	•	•				21	MS
59.85	•		Missouri	•	•						•	•				•	•	•	•				•	•	•		•			•	•	•	•	•				17	MO
70.81	+		Montana	+	+		+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+			+	+	+	+	+	+			29	MT
60.40	+		Nebraska	+	+	+	+		+	+	+	+	+	+	+	+	+	+	+		+			+	+	+	+				+	+	+	+	+				25	NE
50.00	•		Nevada		•				•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•				•	•	•	•	•		•	•	26	NV
50.00	+		New Hampshire	+	+	+	+		+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+					+	+	+	+	+				26	NH
50.00	+		New Jersey[6]	+	+	+	+			+	+	+	+	+	+	+	+	+	+	+	+	•	•	•	•		•	•	•	+	+	+	•				28	NJ
73.31	•		New Mexico	•	•		•		•	•	•	•	•	•	•	•	•	•				•		•	•				•	•		•	•	•				21	NM
50.00	+		New York		+		+			+	+	+	+	+	+	+	+	+	+	+	+	+	+	+		+	+			+	+	+	+	+	+		+	26	NY
64.71	+		North Carolina	+	+	+			+	+	+				+	+		+	+	+	+	+	+		•	+				+		+	+	+	+			21	NC
68.73	+		North Dakota	+	+	+	+		+	+	+	+	+	+	+	+	+	+	+	+	+	+	+		+	+				+	+		+	+	+				26	ND
50.00	+		N. Mariana Islands[9]							+	+	+				+	+	+	+	+	+	+	+										+					12	NMI
60.69	•		Ohio	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•			•		•	•			•	•	•		•	•	•			25	OH
70.05	+		Oklahoma	+	+				+		+	+				+		+	+		•		+	•		•	+			•		•	+	+			+	18	OK
62.36	◆		Oregon[2]	◆	◆	◆	◆	◆		◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆		◆	◆	◆			◆				◆	◆	◆	◆	◆				25	OR
54.27	+		Pennsylvania	+	+	+					+	•				•	•	•	•	•	•	•	+	+	+	+				+	+		+		+				21	PA
50.00	+		Puerto Rico[7]								+					+				+	+	+	+								+			+					8	PR
55.49	◆		Rhode Island[3]	◆	◆							◆				◆	◆	◆	◆					◆	◆	◆	◆	◆				◆		◆	◆	◆	◆			17	RI
70.71	•		South Carolina	•	•						•	•	•	•		•		•	•					•	•	•	•	•				•	•		•	•				18	SC
68.06	•		South Dakota	•	•	•			•		•	•	•		•	•	•	•						•		•		•				•	•	•	•	•				20	SD
66.52	◆		Tennessee[3]	◆	◆						◆	◆				◆		◆					◆		◆	◆	◆			◆	◆	◆		◆		◆	◆			17	TN
63.31	+		Texas[6]	+	+	+	+		+		+		+			+		+	+	+			+			+			+	+	+	+	+	+	+	+	+	22	TX
73.48	+		Utah	+	+	+	+			+	+	+	+		+	+	+	+	+	+	+	+	+	+	+	+	+				+	+	+	+	+	+		+	28	UT
60.82	+		Vermont	+	+	+	+				+	+	+	+	+	+		+	+	+	+	+	+	+	+	+	+				+	+	+	+	+	+	+		27	VT
50.00	+		Virgin Islands[7]								+	+	+	+	+	+	+	+	+	+	+	+									+					+		16	VI
50.00	+		Virginia	+	+		+				+	+	+	+	+	+		+	+				+	•	•	•			+	+	+		+	+	+				21	VA
51.97	+		Washington	+	+					+	+	+	+	+	+	+	+	+	•		+	+	+	+	+	+				+	+	•	+	+	+	+		26	WA
74.60	+		West Virginia	+	+	+	+		+	+	+	+	+	+	+	+	+	+	+							+	+				+	+	+	+	+	+	+		24	WV
59.81	+		Wisconsin	+	+	+	+		+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+			+	+	+	+	+	+	+	+		31	WI
62.87	•		Wyoming		•				•		•	•	•		•	•		•	•				•	•	•					•	•		•		•		•	17	WY
	15		•	12	14	6	5	1	5	6	11	14	12	9	11	16	9	16	15	9	7	5	15	13	11	21	12	2	5	19	14	11	15	12	11	3	2		
	36		+	31	32	23	19	3	12	19	36	32	31	26	29	35	28	33	32	23	23	23	30	22	18	24	25	3	9	28	26	20	35	30	24	9	6		
	5		◆	5	5	1	3	2	1	2	4	5	3	3	3	5	4	5	4	3	2	3	5	4	3	4	5	1	2	5	4	2	5	3	3	3			
	56		Total	48	51	30	27	6	18	27	51	51	46	38	43	56	41	54	51	35	32	31	50	39	32	49	42	6	16	52	44	33	55	45	38	15	8		

[1] Categorically Needy (CN): Individuals receiving federally-supported financial assistance.
[2] Medically Needy (MN): Individuals who are eligible for medical but not for financial assistance
[3] Program operates as a Section1115 demonstration project. See "Notes" on reverse side.
[4] Federal Medical Assistance Percentage (FMAP): Rate of Federal financial participation in a State's Medical Assistance Program under Title XIX of the Social Security Act. Effective October 1, 1994 through September 30, 1995 (Fiscal Year 1995).
[5] American Samoa and the Northern Mariana Islands operate special Medicaid waiver programs
[6] Services indicated as available to the Medically Needy are not available to all Medically Needy groups.
[7] All services are provided through public health facilities
[8] IMDs - Institutions for Mental Diseases
[9] ICF/MR - Intermediate Care Facilities for the Mentally Retarded

The data shown were supplied by individual Regional Offices and compiled by the Division of Intergovernmental Affairs, OLIGA

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U.S. Department of Health and Human Services
Health Care Financing Administration
Division of Intergovernmental Affairs, OLIGA

STATE MEDICAID PROGRAM CHANGES

ALABAMA (Covers CN Only)
Added: Podiatrists' Services
Chiropractors' Services
Private Duty Nursing Services

ALASKA (Covers CN Only)
Added: Hospice Care Services
Deleted: Inpatient Hospital Services for Age 65 or Older in IMDs
ICF/MR Services

ARKANSAS
Added: Chiropractors' Services for CN and MN
Psychologists' Services for CN and MN
Dental Services for CN and MN
Physical Therapy for CN and MN
Occupational Therapy for CN and MN
Speech, Hearing and Language Disorders for CN and MN
Dentures for CN and MN
NF Services for Under Age 21 for CN and MN
Personal Care Services for CN only
Deleted: NF Services for Age 65 or Older in IMDs

CALIFORNIA
Added: TB-Related Services for CN and MN

COLORADO (Covers CN Only)
Added: Speech, Hearing and Language Disorders

DISTRICT OF COLUMBIA
Added: Case Management Services for CN and MN

FLORIDA
Deleted: Case Management Services

GEORGIA
Added: Physical Therapy for CN and MN
Occupational Therapy for CN and MN
Speech, Hearing and Language Disorders for CN and MN
TB-Related Services for CN and MN
Deleted: Psychologists' Services
Rehabilitative Services

HAWAII (Operates Program as a Statewide Section 1115 Demonstration)

IDAHO (Covers CN Only)
Added: Inpatient Psychiatric Services for Under Age 21

ILLINOIS
Added: Preventive Services for CN and MN
Christian Science Nurses for CN and MN
Christian Science Sanitoriums for CN and MN
Personal Care Services for CN and MN
Respiratory Care Services for CN and MN

IOWA
Deleted: Rehabilitative Services

KANSAS
ADDED: Inpatient Hospital Services for Age 65 or Older in IMDs for CN and MN
Psychologists' Services for CN only
DELETED: Nurse Anesthetists' Services
Rehabilitative Services

KENTUCKY
DELETED: Nurse Anesthetists' Services

LOUISIANA
ADDED: Podiatrists' Services for CN and MN
Chiropractors' Services for CN and MN
NF Services for Under Age 21 for CN and MN

MAINE
ADDED: Medical Social Workers' Services for CN and MN

MARYLAND
ADDED: Screening Services for CN and MN
Rehabilitative Services for CN and MN
DELETED: Psychologists' Services
Medical Social Workers' Services
Nurse Anesthetists' Services
Respiratory Care Services

MICHIGAN
ADDED: Case Management Services for CN and MN

MINNESOTA
ADDED: Case Management Services for CN and MN
DELETED: Medical Social Workers' Services

MISSISSIPPI (Covers CN Only)
ADDED: Podiatrists' Services
Christian Science Sanitoriums
DELETED: Nurse Anesthetists' Services

NEVADA (Covers CN Only)
ADDED: Diagnostic Services
TB-Related Services
DELETED: Nurse Anesthetists' Services

NEW HAMPSHIRE
ADDED: Clinic Services for CN and MN

NEW JERSEY
ADDED: Emergency Hospital Services for CN only
DELETED Respiratory Care Services

NEW MEXICO (Covers CN Only)
ADDED: Rehabilitative Services

NEW YORK
ADDED: TB-Related Services for CN and MN
DELETED: Podiatrists' Services

NORTH CAROLINA
ADDED: ICF/MR Services for CN only
DELETED: NF Services for Age 65 or Older in IMDs
Emergency Hospital Services

OHIO (Covers CN Only)
ADDED: Diagnostic Services
Emergency Hospital Services

OKLAHOMA
ADDED: TB-Related Services for CN and MN
ICF/MR Services for CN only
DELETED: Psychologists' Services for MN only
Personal Care Services for MN only

OREGON (Operates Program as a Statewide Section 1115 Demonstration)
ADDED: Psychologists' Services
Medical Social Workers' Services
Prescribed Drugs
Rehabilitative Services
Transportation Services
Case Management Services
DELETED: ICF/MR Services
Christian Science Sanitoriums

PENNSYLVANIA
ADDED: Eyeglasses for CN only
Rehabilitative Services for CN only
DELETED: Case Management Services

RHODE ISLAND (Operates Program as a Statewide Section 1115 Demonstration)

SOUTH CAROLINA (Covers CN Only)
DELETED: Psychologists' Services
Nurse Anesthetists' Services
Speech, Hearing and Language Disorders

TENNESSEE (Operates Program as a Statewide Section 1115 Demonstration)
ADDED: Rehabilitative Services
DELETED: Case Management Services

TEXAS
ADDED: TB-Related Services for CN and MN

UTAH
ADDED: Chiropractors' Services for CN and MN
TB-Related Services for CN and MN

VERMONT
DELETED: Private Duty Nursing
Dentures

WASHINGTON
ADDED: Speech, Hearing and Language Disorders for CN and MN
Hospice Care Services for CN and MN
DELETED: Psychologists' Services

WEST VIRGINIA
ADDED: Hospice Care Services for CN and MN
DELETED: Rehabilitative Services

WISCONSIN
ADDED: Nurse Anesthetists' Services for CN and MN
DELETED: Medical Social Workers' Services

WYOMING (Covers CN Only)
ADDED: Eyeglasses
Hospice Care Services
TB-Related Services

NOTES

1. States may choose either to determine the categorical Medicaid eligibility of their aged, blind, and disabled residents, or have the Social Security Administration (SSA) make these determinations for them. The "Medicaid Determination" column reflects the selected option.

Dental Services for CN and MN
Physical Therapy for CN and MN
Occupational Therapy for CN and MN
Speech, Hearing and Language Disorders for CN and MN
Dentures for CN and MN
NF Services for Under Age 21 for CN and MN
Personal Care Services for CN only

Deleted: NF Services for Age 65 or Older in IMDs

CALIFORNIA
Added: TB-Related Services for CN and MN

COLORADO (Covers CN Only)
Added: Speech, Hearing and Language Disorders

DISTRICT OF COLUMBIA
Added: Case Management Services for CN and MN

FLORIDA
Deleted: Case Management Services

GEORGIA
Added: Physical Therapy for CN and MN
Occupational Therapy for CN and MN
Speech, Hearing and Language Disorders for CN and MN
TB-Related Services for CN and MN

Deleted: Psychologists' Services
Rehabilitative Services

HAWAII (Operates Program as a Statewide Section 1115 Demonstration)

IDAHO (Covers CN Only)
Added: Inpatient Psychiatric Services for Under Age 21

ILLINOIS
Added: Preventive Services for CN and MN
Christian Science Nurses for CN and MN
Christian Science Sanitoriums for CN and MN
Personal Care Services for CN and MN
Respiratory Care Services for CN and MN

IOWA
Deleted: Rehabilitative Services

KANSAS
ADDED: Inpatient Hospital Services for Age 65 or Older in IMDs for CN and MN
Psychologists' Services for CN only

DELETED: Nurse Anesthetists' Services
Rehabilitative Services

Rehabilitative Services for CN and MN

DELETED: Psychologists' Services
Medical Social Workers' Services
Nurse Anesthetists' Services
Respiratory Care Services

MICHIGAN
ADDED: Case Management Services for CN and MN

MINNESOTA
ADDED: Case Management Services for CN and MN
DELETED: Medical Social Workers' Services

MISSISSIPPI (Covers CN Only)
ADDED: Podiatrists' Services
Christian Science Sanitoriums

DELETED: Nurse Anesthetists' Services

NEVADA (Covers CN Only)
ADDED: Diagnostic Services
TB-Related Services

DELETED: Nurse Anesthetists' Services

NEW HAMPSHIRE
ADDED: Clinic Services for CN and MN

NEW JERSEY
ADDED: Emergency Hospital Services for CN only
DELETED Respiratory Care Services

NEW MEXICO (Covers CN Only)
ADDED: Rehabilitative Services

NEW YORK
ADDED: TB-Related Services for CN and MN
DELETED: Podiatrists' Services

NORTH CAROLINA
ADDED: ICF/MR Services for CN only
DELETED: NF Services for Age 65 or Older in IMDs
Emergency Hospital Services

OHIO (Covers CN Only)
ADDED: Diagnostic Services
Emergency Hospital Services

OKLAHOMA
ADDED: TB-Related Services for CN and MN
ICF/MR Services for CN only

DELETED: Psychologists' Services for MN only
Personal Care Services for MN only

Rehabilitative Services for CN only

DELETED: Case Management Services

RHODE ISLAND (Operates Program as a Statewide Section 1115 Demonstration)

SOUTH CAROLINA (Covers CN Only)
DELETED: Psychologists' Services
Nurse Anesthetists' Services
Speech, Hearing and Language Disorders

TENNESSEE (Operates Program as a Statewide Section 1115 Demonstration)
ADDED: Rehabilitative Services
DELETED: Case Management Services

TEXAS
ADDED: TB-Related Services for CN and MN

UTAH
ADDED: Chiropractors' Services for CN and MN
TB-Related Services for CN and MN

VERMONT
DELETED: Private Duty Nursing
Dentures

WASHINGTON
ADDED: Speech, Hearing and Language Disorders for CN and MN
Hospice Care Services for CN and MN

DELETED: Psychologists' Services

WEST VIRGINIA
ADDED: Hospice Care Services for CN and MN
DELETED: Rehabilitative Services

WISCONSIN
ADDED: Nurse Anesthetists' Services for CN and MN
DELETED: Medical Social Workers' Services

WYOMING (Covers CN Only)
ADDED: Eyeglasses
Hospice Care Services
TB-Related Services

NOTES

1. States may choose either to determine the categorical Medicaid eligibility of their aged, blind, and disabled residents, or have the Social Security Administration (SSA) make these determinations for them. The "Medicaid Determination" column reflects the selected option.

    The State has an agreement with SSA under section 1634 of the Social Security Act. SSA makes Medicaid eligibility determination for Supplemental Security Income (SSI) recipients. (31 States and the District of Columbia)

    The State makes its own Medicaid eligibility determination for SSI recipients using the SSI eligibility criteria. (7 States and the Northern Mariana Islands)

    The State uses more restrictive criteria than those of the SSI program to determine Medicaid eligibility for SSI recipients. A State that selects this option is commonly referred to as a "209(b) State." Section 209(b) of Public Law 92-603 later became Section 1902(f) of the Social Security Act. (12 States)

    The Medicaid determination option is not applicable.

2. The Omnibus Budget Reconciliation Act of 1990 (OBRA '90) authorized the selection of up to eight States to provide community-supported living arrangements (CSLA) services as an optional State plan service. The States selected to provide CSLA services are: California, Colorado, Florida, Illinois, Maryland,Michigan, Rhode Island, and Wisconsin.

3. Also as a Medicaid option, OBRA '90 allows for the provision of home and community care to functionally disabled, elderly individuals who are either medically needy or eligible for Medicaid due to receipt of SSI benefits. Texas and Rhode Island have implemented this option.

4. Under the waiver authority of Section 1115 of the Social Security Act, the State has expanded access to its Medicaid program to include the uninsured. Health care benefits are delivered through capitated managed care plans. More definitive information may be obtained from the State.