

Medicaid Plan of Action

Medicaid Technical Amendment Bill:

Action	Result	Response/Considerations
Pass/Hudson Amendment	<ul style="list-style-type: none"> • McKesson DZ Management Dies • Health Alliance (mail order) Dies 	Rica will terminate McKesson contract. (Could Rica still implement program since there is a deficit)?
Technical Amendment Bills Die in Conference	<ul style="list-style-type: none"> • McKesson contract moves Forward, enrollment starts April 1, 2003 • Nothing changes 	Do Nothing. (Rica has stated that she prefers the bills die than to pass with the Hudson Amendment).
Bill Passes without Hudson Amendment	<ul style="list-style-type: none"> • McKesson contract moves forward • Other EP&P Report cost containments initiated. 	Rica continues to implement cost containment initiatives in EP&P Report and other measures already identified by DOM.

EP&P Reports:

The EP&P consultants recommended many cost containment measures, which are included in the Medicaid Technical Amendment Bills. However, with the flexibility Rica has, she can continue to initiate cost containment measures without enabling legislation. The EP&P consultants recommended mail order prescription drugs, an absolute moratorium on nursing home beds, and many other initiatives.

Governor's Healthcare Commission:

The Governor's Healthcare Commission made several recommendations to the Division of Medicaid and has donated time and resources to work with Rica to contain costs. The next meeting of the Commission will be Friday, March 28, 2003 in Room 145 of the

Woolfolk Building. During the meeting, the group will review results of a survey that they completed related to prioritizing services for the Poverty Aged and Disabled category of eligibles.

HB1200

The Legislature mandated that Medicaid implement a disease management program for asthma, diabetes, and hypertension in HB1200 last session.

Joint Legislative Hearing with Public Health and Welfare Committees (3/25/03)

Rica highlighted several key points during the hearing and responded to questions from legislators.

- While McKesson is an out of state company, many in-state partners will be involved. For instance, physicians with University Medical Center are involved in the development of evidenced-based guidelines.
- Disease Management will decrease duplication of services and the use of multiple providers.
- Financial goals of the program include reducing costs. Rica stressed that the last two years, DOM has had a shortfall and

Plan of Action Appropriation Bills

Division of Medicaid Appropriation Bill (\$317M)

Action	Result	Response/Consideration
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<p>Medicaid under funded \$78M for FY04</p>	<p>\$78M state funds or \$312M total cuts in services</p> <ul style="list-style-type: none"> • 13,000 optional income nursing home residents now paid by Medicaid would be discharged • Eligibility level of PLAD would be cut from 135% to 100% FPL resulting in 20,000 people losing prescription drug coverage. 	<p>Veto. The FY03 budget is also under funded. The Legislature promised this time last year that they would fund Medicaid if there were still a shortfall after cost containment measures. The FY03 shortfall is \$53M. The deficit appropriation was for \$40M with \$10M borrowing authority. EP&P Reports recommended cost containment measures.</p>
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DHS Appropriation Bill (\$73-\$74M)

<p>DHS under funded \$13M</p>	<ul style="list-style-type: none"> • Critical staffing shortages- DHS social workers, youth court staff, child support attorneys. • Inability to draw down federal dollars and potential loss of TNAF grant dollars. 	<p>Veto. Push for flexibility. \$5M in bill to go to AG- \$3M to Boys and Girls Clubs and \$2M to YMCA. Not only is the agency under funded, but her hands are also tied on how to spend the money. The legislature is micromanaging the agency.</p>
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Questions for Rica

How long will it be before cuts will have to be implemented?