

MINUTES OF THE PRESIDENT'S TASK FORCE ON MEDICAID REFORM.

The meeting was called to order by Chairperson Senator Stan Clark at 9:30 a.m. on February 10, 2003 in Room 231-N of the Capitol.

All members were present except: Senator Paul Feleciano, excused  
Senator Jim Barnett, excused  
Senator Pete Brungardt, excused

Committee staff present: Norman Furse, Revisor of Statutes  
Emalene Correll, Legislative Research  
Ann McMorris, Secretary

Conferees appearing before the committee:  
Fred W. Schuster, Regional Director, U.S. Dept. Of Health & Human Services, KC, MO  
Thomas H. Lenz, Associate Regional Administrator, U.S. Dept. Of Health & Human Resources

Others attending: See attached list

Modernizing Medicaid

Mr. Schuster summarized the participation by states, state budget requirements, the two Medicaid programs to be offered over a ten-year period starting in 2004, federal allotments and increases proposed for each year. He noted any portion of the allotment not used in one year would be carried over to the following year. (Attachment 1)

Mr. Lenz reviewed the proposed federal program and noted legislation would be required to change the Federal Medical Percentage Rate (FMPR). Question from Sen. Huelskamp if there was a pilot state to look at for a model? Lenz answered that each state will be making their own program. He noted the program is designed to keep individuals who require care in their home. Senator Lee questioned how many waivers have been granted in Kansas and Mr. Lenz read a list of several different waivers and the number of persons each covered. When questioned whether these allotments were determined by dollars or service, he noted they are based on dollars. Question on what some acronyms were: FFP - Federal Financial Participation; UPL - Upper Payment Level. Suggested the committee would find it helpful to have a listing of the acronyms.

Website on DMS - [www.dms.hhs.gov](http://www.dms.hhs.gov).

Future possible agenda and meeting dates -

Monday, February 17 - long term care

Monday, February 24 - providers

Friday, February 21-

March 4 - an all day meeting starting at 9:00 a.m. with 101 Medicaid

Chairman Clark asked the various state agencies involved to provide testimony on how this program would apply to Kansas.

The next meeting of this Task Force will be on February 13, 2003 at 3:30 p.m.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

# President's Task Force on Medicaid Reform

9:30 AM DATE: FEBRUARY 10, 2003

Name	Representing
Jerry SAWATTEK	KAS
Bred Smoot	Pfizer & Abbott
Nancy Pierce	KACA
Shannon Jones	SICK
Bob Harder	UMC - KS
Craig Haber	KAAAA
LINDA Lukensky	KS Home Care Assoc.
BRIAN CASWELL	WOLKIN DRUG
DAVID SCHOECH	COLUMBUS PHARMACY
Barb Hinton	Post Audit
Sharon Joseph	KS Dept
Scott Kenefake	Federico Consulting
Kirk Lowry	TILRC
Jennifer Schwaner	ATK
Josie Torres	KACIL
Vickie Burgess	Burgess Assoc.
Nancy Salien	intern
Tom Bruno	EDS

# Modernizing Medicaid

January 31, 2003

- ❖ **The time to modernize Medicare is here. The states' budget crises are threatening the progress we've made in expanding health insurance. We need to bring the same clear-eyed spirit of innovation to Medicaid that we brought to welfare. We need to leave behind the old definitions and look at how we can better serve today's beneficiaries.**

## Today's Action

- ❖ Secretary Thompson announced that the President will propose a sweeping new plan to enable states to improve health insurance coverage for low-income Americans. The proposal, to be developed in full consultation with governors and Congress, would be optional for states.
- ❖ Why must we act now?
  - ◆ The time to modernize Medicare is here. The states' budget crises are threatening the progress we've made in expanding health insurance.
  - ◆ The same old Medicaid rules are restraining creative new approaches that could preserve coverage and expand it to more Americans in need.
  - ◆ We need to bring the same clear-eyed spirit of innovation to Medicaid that we brought to welfare. We need to leave behind the old definitions and look at how we can better serve today's beneficiaries.
- ❖ The President's proposal would:
  - ◆ **Invest more money right now to protect recipients from losing health coverage and create opportunities for expanding coverage.**
    - Increases federal share by an estimated \$3.25 billion in 2004 and \$12.7 billion over seven years to help states get through their budget crises. This is new money above current spending.
    - This investment will help prevent struggling states from reducing Medicaid coverage.
    - In the past year, 38 states have either trimmed benefits, cut payments to providers or reduced eligibility. A total of 78,504 individuals have lost eligibility. This investment will help stem and reverse that trend.
  - ◆ **Provide flexibility for states to develop innovative programs to expand coverage to more people.**
    - Reduce rules and regulations so states can target funds to areas of greatest need and provide quality benefit packages that help more people. They can do so without seeking federal waivers.
    - Allow states to create programs to cover the mentally ill, the chronically ill, and specific populations such as those with HIV/AIDS.
    - Give the states the ability to tailor long-term care benefits to meet the unique needs of each senior citizen, providing seniors and their families a greater array of choices in services.

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Attachment 1-1

- Empower people with disabilities to live and work independently without the fear of losing health benefits. Encourages increased use of home- and community-based services.

- ◆ **Emphasize covering entire families – children and parents**

- Promote family coverage and continuity of care so family members can see the same doctors and participate in same health plan. Often, low-income parents and children can be part of three or more health care plans, each with their own doctors and own rules.
- Build on studies that show the best way to increase health coverage for children is to make coverage available to parents as well. If parents can get coverage, they're more likely to sign up the entire family.
- Reduce the need for more costly emergency room use by low-income individuals and families.

- ❖ **Medicaid Facts**

- ◆ There are 44.3 million Medicaid beneficiaries.
- ◆ 22.7 million children are covered under Medicaid.
- ◆ Through waiver and state plan amendments granted to states for their SCHIP and Medicaid programs, Secretary Thompson has expanded access to health coverage by more than 2.2 million people.
- ◆ Additionally, Secretary Thompson has approved waivers and plan amendments to improve and expand benefits for more than 6.7 million other Americans.
- ◆ During FY 2002, a total of 5.3 million children were enrolled in SCHIP at some point, across all 50 states and the District of Columbia.

**Thought of the Day:** *"If you can keep your head about you when all about you are losing theirs, it's just possible you haven't grasped the situation."* – Jean Kerr.