CHILDREN'S PROVISIONS IN RECONCILIATION

ISSUE	POSITION
Tobacco tax	**Support.** Use about $8 billion over five for children's health, remaining for other children's needs (eg, child care deductions). Oppose sunset in 2003. **Fallbacks: 1.** No compromise on 20-cent tax; Presidential priority **2.** Lower tax with even [?] split between health and child care?
Benefits	**Support meaningful benefits plan**. FEHBP Blue Cross Blue Shield plus vision, hearing, and mental health **Fallbacks: 1.** Add state employee, Secretarial approved package similar to FEHB or state employee plan, both with vision, hearing and mental health to choices. **2.** Add most popular HMO in the state, as approved by the Secretary, with vision, hearing and mental health to choices. **3.** ONLY IF NECESSARY. Actuarial value for one plan (FEHB BCBS) on top of list of service categories with vision, hearing and mental health to choices.[no choices needed since actuarial value gives flexibility]
Cost Sharing	**Support cost sharing protections** for children below 150% of poverty. **Fallbacks: 1.** Link to Conference Medicaid language (nominal copayments for < 150% of poverty; up to 3% of income for kids 150-200%; up to 5% of income for kids 200% of poverty and above **2.** State proposed with Secretarial approved that assures that it is not excessive and assures access.
Accountability	**Oppose direct services**. Funds should be spent on health insurance. **Fallbacks: 1.** No compromise **2.** If compromise: reduce to 5% ($16 billion) 3% ($24 billion); place heavy reporting requirements on uses. **Support maintenance of effort.** States cannot change their current Medicaid eligibility, must continue state-program spending. **Support Medicaid rules for state contribution.** **Support strong reporting requirements** for payments and performance. **Fallback:** No spending maintenance of effort (hard to enforce); otherwise, no compromise.
Funding structure	**Support equal matching rates** for Medicaid & grant spending. **Support state option to combine Medicaid and a grant program**. **Support higher matching rate based on performance**: Give extra matching for any new Medicaid child, including OBRA and outreach children. Give higher matching rate for using school-based enrollment. **Fallbacks:** Allow extra Medicaid match only for expansion children (House)
Eligibility	**Oppose income ceilings** on eligibility. **Oppose covering private family coverage**. **Support covering lower income children first**. **Oppose capping Medicaid** enrollment in Medicaid option. **Fallbacks:** Income ceiling with grandfather for states that have expanded

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OBRA Phase In	**Support** accelerated phase in of poor 14 to 18 year olds in Medicaid. **Fallbacks:** 1. Higher matching rate for acclerated children. 2. Drop
Allocation of Funds	[to be discussed]
Special needs kids	**Support** required access to specialty care for special needs children **Fallbacks:** Accept conference.
HYDE AMENDMENT	**Oppose** expansion to children's health initiative; codification of these provisions in permanent law; and redefinition of "medically necessary services" in Medicaid managed care to exclude abortion except under certain circumstances.
MEWAs	**Oppose** inclusion of multiple employer welfare arrangements (MEWAs) since it has inadequate consumer protections and could result in adverse selection. [Reported to be dropped from conference]