REPUBLICAN DOCUMENT

MEETING AGENDA
MEDICAID / KIDCARE CONFEREES

July 16, 1997 -- 4:30 p.m.

I. Medicaid:

A. Savings from Sources other than DSH

B. Disproportionate Share Hospital (DSH) Cuts

C. Additional-Cost Provisions

D. Estimates of Net Savings

II. KidCare:

A. State Eligibility for Participation

B. Types of Assistance Available for Eligible Children

C. Permissible Use of Funds

D. Provisions on Health Insurance Benefit Package

E. Premiums and Cost-Sharing

F. Provisions on Medicaid Buy-In/Bonus Payments

G. State Match Rate

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Non-DSH Savings in House / Senate Plans: $4.0 billion

Medicaid Rates for QMBs/Dual Eligibles	$2.1 billion (net)
Repeal of the Boren Amendment	$1.2 billion
Restriction on IMD Use of DSH Funds	$0.3 billion
Phase-out of FQHC Cost-Based Reimbursement	$0.3 billion
Treatment of Veterans Benefits/Eligibility	$0.1 billion

DSH Savings in House / Senate Plans:

House: $11.3 billion　　Senate: $12.0 billion

Total DSH and non-DSH Savings in House / Senate Plans:

House: $15.3 billion　　Senate: $16.0 billion

Additional Costs -- Budget Resolution:

$1.0 billion	Medicare Premium Interaction
$1.5 billion	Protection for Low-Income Medicare Beneficiaries
$ 919 million	Higher FMAP for Washington, D.C.
$ 250 million	Inflation Adjustment for Puerto Rico and the territories

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Additional Costs -- House / Senate Plans:

House Plan

$1.50 billion	Protection for Low-Income Medicare Beneficiaries
$100 million	"Prudent Layperson" Standard for Emergency Care
$100 million	Fund for Emergency Services for Illegal Aliens
$100 million	Benefits for Services of Physician Assistants

Senate Plan

$1.50 billion	Protection for Low-Income Medicare Beneficiaries
$800 million	Expansion and Continuation of 1115 Waivers
$300 million	Higher FMAP for Washington, D.C.
$200 million	Waiver of Certain Provider Taxes
$200 million	FMAP Increase for Alaska
$100 million	Optional Coverage of CDC-Screened Breast Cancer Patient
$100 million	"Prudent Layperson" Standard for Emergency Care
$100 million	Inflation Adjustment for Puerto Rico and the territories
$ 50 million	Option to Enroll Disabled Workers in Medicaid

Which States Can Participate in the KidCare Program?

HOUSE	SENATE
Every State and Territory is Entitled to Funding	Those States and Territories that: -- accelerate the current Medicaid phase-in of older age groups

What Assistance Is Available to Eligible Children?

HOUSE Coverage & Services	SENATE Coverage Only
Medicaid, **State Insurance Program,** ***AND/OR*** **Direct Services**[1]	**Medicaid** ***OR***[2] **State Insurance Program**

<u>NOTES</u>: [1] A cap on the allotment share that may be used for services is being considered.
[2] Removal of the exclusive use of Medicaid or Insurance is being considered.

Provisions to Achieve KidCare Objective

HOUSE	SENATE
12-mo Continuous Coverage	12-mo Continuous Coverage
Outreach Provisions	Outreach Provisions
Presumptive Eligibility Option	Accelerated Phase-in of Older Age Groups

Mandated Insurance Benefits

HOUSE	SENATE
In- and Out-Patient Hospital Care	Standard Option Plan (FEHBP BlueCross/ BlueShield benefits)
Physician Services	Mental Health Parity
Lab and X-Ray	Vision and Hearing
Well-Baby/Child Care (incl. immunization)	

"Buy-Out" of Children Currently Enrolled in Medicaid or Other State Insurance Programs

HOUSE	SENATE
None: payments for uninsured kids only	5% Bonus Fund: payments to "buy out" currently insured kids

NOTE: CBO assumptions include consideration of potential substitution effect (relating to currently insured and uninsured children).

CBO Estimated Cost of the Mandated Insurance Benefits

HOUSE	SENATE
75% of Medicaid	100% of Medicaid

Reason for Difference:

The House mandates coverage parameters

The Senate mandates a benefits package that:

-- at least the benefits in the FEHBP BC/BS plan

-- mental health parity

-- vision and dental

Medicaid Buy-In Option: Plan Provisions

HOUSE	SENATE
State Defines the Population Enrolled under this Option (enrollment cap permitted)	State Sets the Income Level -- All Eligible Kids to be Enrolled (Medicaid rules apply)
Enhanced Match Rate (30% of SMAP)	Enhanced Match Rate (10% pts)

<u>NOTE</u>: Under both bills, funding for the enhanced match and bonuses lapses when a State exhausts its full KidCare grant allotment.