HEALTH CARE WINS FOR THE GOVERNORS IN THE BUDGET

HEALTH CARE IN GENERAL

- **Increase in Federal funds for states**. States come out winners -- a net gain of at least $10 billion over five years (Medicaid & children's health combined). This does not even include the over $5 billion in State savings from new flexibility.

- **Liberated from excessive Federal oversight**. State have unprecedented flexibility in running both the children's health initiative and Medicaid.

MEDICAID

- **No per capita cap,** the NGA's number one concern at its January meeting.

- **Savings to states:** State savings over 5 years include:

    - **Repeal of the Boren amendment.** (Up to $1 billion).

    - **Medicaid rates for Medicare cost sharing.** (Up to $4 billion).

    - **Reduced rates for health clinics (FQHC/RHCs).** (Up to $200 million).

- **Repeals managed care waivers** that required a paperwork-laden, time-consuming review process.

- **Flexibility in cost sharing** for Medicaid beneficiaries.

CHILDREN'S HEALTH

- **Major investment for states**. $24 billion over the next five years.

- **Reduced matching rate,** from 43% under Medicaid, on average, to 30%.

- **No requirement to accelerate phase in of poor children 14 to 18 years old.**

- **Flexibility in:**

    - **Eligibility** to target children by area, age, or other circumstances.

    - **Benefits** so that, above a minimum, States determine the mix and amount of services. No early, periodic screening, diagnosis & treatment (EPSDT).

    - **Provider or plan payment rates** which States will negotiate without burdensome Federal oversight.

    - **Use of managed care** so that States may, for example, contract with one plan to deliver care to children.