

MASSHEALTH COALITION OPPOSES
BUSH MEDICAID PLAN

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 2003

Mr. FRANK of Massachusetts. Mr. Speaker, in our efforts to do our jobs, we are aided by private organizations, which share our commitment to the public, and have first-hand experience with how the policies we enact work in practice. Three of the organizations to which I am indebted for their advice and their important public roles are the Massachusetts Hospital Association, the Home and Health Care Association of Massachusetts, and the Massachusetts Extended Care Federation. They are together, extremely important institutions both for the services they provide and for the economic role they play. I was therefore particularly impressed when they sent along a copy of the letter they sent on February 20 to Massachusetts Governor Mitt Romney, in which these three responsible and important organizations say with regard to the President's Medicare reform proposal, "our coalition firmly opposes the President's proposed plan since it would have long term detrimental effects on MassHealth recipients and providers." As their letter concludes, "the nearly 1 million Massachusetts residents covered by MassHealth deserve federal action to address the current crisis that does not put additional financial pressure on our state, nor diminish the guarantee of coverage for our most vulnerable patients." Mr. Speaker, I have for some time thought that the President's policy of fighting two wars and financing that with three tax cuts inevitably means serious social harm in our country in many areas. This letter from these three organizations, which play such an important role in the health and welfare of our citizens, underlines that point and I ask that the letter be printed here.

MASSACHUSETTS HOSPITAL ASSOCIATION, HOME HEALTH CARE ASSOCIATION OF MASSACHUSETTS, INC.,
February 20, 2003.

His Excellency MITT ROMNEY,
*Office of the Governor, State House,
Boston, MA.*

DEAR GOVERNOR ROMNEY: On behalf of the Massachusetts institutions dedicated to patient care, we must voice our grave concerns with President Bush's Medicaid reform proposal, which the National Governors Association (NGA) plans to discuss next week. Though the plan is promoted by the Administration as an answer to states' current financial problems, we urge caution in embracing this or similar future proposals. The proposal offers short-term federal relief for increasing state financial risk over the long term. Our coalition firmly opposes the President's proposed plan since it would have long-term detrimental effects on MassHealth recipients and providers.

MAINTAIN THE FEDERAL/STATE PARTNERSHIP

We believe that both federal and state governments have an obligation and responsibility to maintain their financial commitment to the Medicaid program. The Administration's reform proposal would sever the federal and state financial partnership and replace it with a fixed federal commitment and state maintenance of effort. This plan would destabilize the financial foundation of the Medicaid program since federal financial participation would no longer extend to

costs that grow beyond its fixed contribution. If Massachusetts cannot shoulder the burden of future cost growth, it will be faced with further reducing provider payments and/or limiting coverage and benefits.

We also strongly oppose any proposal that would force states to radically transform their Medicaid programs in order to receive federal fiscal relief. The President's proposed plan would require reduced federal payments in later years in order to repay additional federal support given now. Massachusetts would bear the ultimate risk of any cost increases that grow beyond the fixed federal commitment. States that need immediate relief and new programmatic flexibility should not have to risk the mission of their Medicaid program.

PROMOTE FINANCIAL INTEGRITY

Unfortunately, the Administration's proposal seeks fundamental change to the Medicaid program and ties any fiscal relief for states to the acceptance of such proposed changes. It weakens the guarantee of coverage for vulnerable populations and dismantles the Disproportionate Share Hospital Payment (DSH) program, which is our nation's primary source of support for safety net hospitals that serve the most vulnerable Americans. Indeed, last year Massachusetts received \$290 million in federal Medicaid DSH funds.

Further, the Administration's approach would cap federal spending using fiscal year (FY) 2002 spending as the base year, updated yearly by a non-specified trend factor. Like DSH funding that was initially capped in 1991, this new proposal caps a state's Medicaid spending at last year's level of spending—penalizing states that have yet to expand benefits and coverage, and severely limiting the ability of all states to expand coverage during better economic times or even to weather growth in Medicaid eligibility due to increasing unemployment during recession. This new cap proposal also has the potential to mirror the further reductions to DSH spending that took effect in the Balanced Budget Act of 1997.

PROTECT ACCESS TO CARE

The President's reform proposal simply translates into a program that over time will barely meet the needs of the mandatory population by putting pressure on states to reduce coverage for non-mandatory populations and to reduce payments to providers. This proposal has the potential to damage core services delivered by health care providers to all MassHealth patients in Massachusetts:

Hospitals, reeling from Medicaid reimbursement rates that are close to 30 percent below the cost of delivering care, cannot sustain further hits without compromising their mission and cutting vital services. Reductions in Medicaid enrollment will exacerbate hospital difficulties by increasing uncompensated care costs and decreasing Medicare Disproportionate Share Payments.

Nursing homes already receive Medicaid rates that average \$20 per day below cost in Massachusetts. Over the past four years, 91 homes with 6,200 beds have been forced to close.

Medicaid also pays home health agencies between 28 to 35 percent below what it costs to provide care. Additional reductions will likely result in agencies either becoming insolvent or putting other patients on the caseload at risk by continuing to provide care.

PROVIDE FISCAL RELIEF

Instead, Massachusetts and other states require immediate and meaningful federal support. Such support should be in the form of an increase in the Medicaid federal medical

assistance percentage (FMAP) and the elimination of the scheduled fall-off in federal Medicaid DSH funding. Members of Congress have introduced legislation to enact these proposals and we urge your support of these bills.

The nearly 1 million Massachusetts residents covered by MassHealth deserve federal action to address the current crisis that does not put additional financial pressure on our state, nor diminish the guarantee of coverage for our most vulnerable patients. We look forward to working with your administration on alternative mechanisms to meet the current and long-term challenges associated with MassHealth.

Sincerely,

RONALD HOLLANDER,
President, Massachusetts Hospital Association.

ABRAHAM MORSE,
President, Massachusetts Extended Care Federation.

PATRICIA KELLEHER,
Executive Director, Home & Health Care Association of Massachusetts, Inc.

RECOGNITION OF CHERYL HALSEY

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 4, 2003

Mr. GRAVES. Mr. Speaker, I proudly pause to recognize Cheryl Halsey, a very special young woman who has exemplified the finest qualities of citizenship and leadership by taking an active part in the Girl Scouts of America, Troop 985, and in earning the most prestigious honor of the Gold Award.

The Girl Scout Gold Award is the highest achievement attainable in Girl Scouting. To earn the Gold Award, a Scout must complete five requirements, all of which promote community service, personal and spiritual growth, positive values, and leadership skills. The requirements include, 1. Earning four interest project patches, each of which requires seven activities that center on skill building, technology, service projects, and career exploration, 2. Earning the career exploration pin, which involves researching careers, writing resumes, and planning a career fair or trip, 3. Earning the Senior Girl Scout Leadership Award, which requires a minimum of 15 Hours of work using leadership skills, 4. Designing a self-development plan that requires assessment of ability to interact with others and prioritize values, participation for a minimum of 15 hours in a community service project, and development of a plan to promote Girl Scouting, and 5. Spending a minimum of 50 hours planning and implementing a Girl Scout Gold Award project that has a positive lasting impact on the community.

For her Gold Award project, Cheryl created handicapped parking at more than ten city buildings.

Mr. Speaker, I proudly ask you to join me in commending Cheryl Halsey for her accomplishments with the Girl Scouts of America and for her efforts put forth in achieving the highest distinction of the Gold Award.