

Dingell Denounces Bush Administration Proposed Medicaid Changes

Rep. John D. Dingell (D-MI), Chairman of the Committee on Energy and Commerce, denounced the Bush Administration regulations that would make major, wide-ranging changes in Medicaid, the nation's largest low-income health program.

NEWS RELEASE
Committee on Energy and Commerce

Rep. John D. Dingell, Chairman

For Immediate Release: March 3, 2008

Contact: Jodi Seth or Brin Frazier, 202-225-5735

Dingell Denounces Bush Administration Proposed Medicaid Changes

Washington, DC — Rep. John D. Dingell (D-MI), Chairman of the Committee on Energy and Commerce, denounced the Bush Administration regulations that would make major, wide-ranging changes in Medicaid, the nation's largest low-income health program.

"At a time when our country faces an economic downturn and 47 million Americans are uninsured, President Bush should be assisting State efforts to protect the health of more of our citizens," said Dingell. "Instead, he's created a plan that will result in more State budget short-falls, more uninsured Americans, and an even more severe national health care crisis.

A new report released today, *The Administration's Medicaid Regulations: State-by-State Impacts*, details the impacts of seven regulations issued by the Centers for Medicare & Medicaid Service (CMS.)

Although Medicaid is the largest health care program operated by the states, the Administration has failed to provide any estimates of the state-specific impacts of its regulations. After several unsuccessful attempts by the Oversight Committee to obtain these important state estimates from CMS, the Committee requested an analysis from Medicaid State Directors on the impact of the CMS regulations on their state.

The report finds that the state estimates of the fiscal impact of the CMS regulations are significantly higher than the \$15 billion impact projected by the Administration for next five years. States estimated that the regulations would reduce federal payments to them by nearly \$50 billion over the next five years, more than three times the Administration's estimate.

The large discrepancy between the state estimates and the CMS estimates is evidence that the regulations are likely to have a much larger fiscal and programmatic impact on state Medicaid programs and state budgets than people realize.

The impact of each regulation varies from state to state. The total amount of federal funds that the State Medicaid Director estimates Michigan will lose over the next five years is estimated at \$3.91 billion. The regulations estimated to have the greatest impact on Michigan are on public providers and rehabilitation services.

These findings indicate that the CMS Medicaid regulations have fiscal and programmatic impacts that are far more extensive and far more harmful than has commonly been understood. For example, the Michigan State Medicaid Director states this about the public provider regulation: "All Medicaid beneficiaries could be impacted by a large reduction in federal support. Public hospitals and physician services, along with public health and mental health programs that receive Medicaid support, would be affected."

This lack of policy transparency is unfortunate in a program that affects the health of 60 million low-income Americans.

-30-

