MEDICAID PROGRAM BUDGET FY2010
APPLY 3% MANAGED CARE PROVIDER FEE
OPTION A

	Medicaid Program		FY 2010		Target
Category	**Item**	**Effective Date**	**Total**	**State**	**$ 102,218,168**
				0.3495	**Cumulative Impact**
Rates	Provide state matching funds for private DSH hospitals with deemed status.	7/1/2008			$ 102,218,168
Eligibility	Add ICWP slots for MFP grant.	7/1/2009	$ (4,500,000)	$ (1,572,750)	$ 103,790,918
Scope	Provide wellness benefit for adults.	7/1/2009	TBD		$ 103,790,918
	Recognize additional CMO QA fee revenue due to change in federal definitions of the provider class. (set fee to annualize at 3%)	**10/1/2009**	$ 112,173,839	**$ 112,173,839**	**$ (8,382,921)**
Eligibility	Utilize PARIS database for interstate/VA Medicaid eligibility.		$ 10,000,000	$ 3,495,000	$ (11,877,921)
Eligibility	Utilize PARIS database for interstate/VA Medicaid eligibility - cost of 2 FTE's to work reports		$ (200,000)	$ (100,000)	$ (11,777,921)
	Reduce Peachstate CMO cap rates for their use of Grouper 16.		$ 6,351,241	$ 2,156,759	$ (13,934,679)
	Reduce PS CMO cap rates - Loss of CMO Provider Fee		$ (349,318)	$ (349,318)	$ (13,585,361)

MEDICAID PROGRAM BUDGET FY2010
DISCONTINUE USE OF MANAGED CARE PROVIDER FEE
OPTION B

	Medicaid Program		FY 2010		Target
Category	Item	Effective Date	Total	State	$ 102,218,168
				0.3495	Cumulative Impact
				0.2446	
Rates	Provide state matching funds for private DSH hospitals with deemed status.	7/1/2008			$ 102,218,168
Eligibility	Add ICWP slots for MFP grant.	7/1/2009	$ (4,500,000)	$ (1,572,750)	$ 103,790,918
Scope	Provide wellness benefit for adults.	7/1/2009	waiting for Margie		$ 103,790,918
1 Eligibility	Utilize PARIS database for interstate/VA Medicaid eligibility.		$ 10,000,000	$ 3,495,000	$ 100,295,918
2 Eligibility	Utilize PARIS database for interstate/VA Medicaid eligibility - cost of 2 FTE's to work reports		$ (200,000)	$ (100,000)	$ 100,395,918
3	Reduce Peachstate CMO cap rates for their use of Grouper 16.		$ 6,351,241	$ 2,156,759	$ 98,239,160
4	Reduce PS CMO cap rates - Loss of CMO Provider Fee		$ (349,318)	$ (349,318)	$ 98,588,478
	2009 Rate Enhancement NH - FRVS	7/1/2008	$ 36,743,431	$ 12,841,829	$ 85,746,649
6 Rates	Reduce CMO capitation rates by limiting inflation growth (1.0% vs. 3.6% originally projected)	7/1/2009	$ 53,911,330	$ 18,083,558	$ 67,663,091
7	Reduce CMO cap rates - Loss of CMO Provider Fee	7/1/2009	$ (2,965,123)	$ (2,965,123)	$ 70,628,215
8	2009 Rate Enhancement NH - CR Update + QI add-on		$ 19,693,272	$ 6,882,799	$ 63,745,416
9	2009 Rate Enhancement Dental	7/1/2008	$ 3,850,393	$ 1,257,390	$ 62,488,026
10	2009 Rate Enhancement Physician	7/1/2008	$ 38,732,431	$ 13,372,358	$ 49,115,668
11	2009 Rate Enhancement Hospital	7/1/2008	$ 65,973,323	$ 22,807,285	$ 26,308,383
12	2009 Rate Enhancement Home Health	7/1/2008	$ 4,007,911	$ 1,399,028	$ 24,909,355
13	2009 Rate Enhancement Waivers	7/1/2008	$ 1,032,245	$ 360,770	$ 24,548,585
14	2009 Rate Enhancement Ambulance	7/1/2008	$ 4,400,699	$ 1,518,501	$ 23,030,085
15	2009 Rate Enhancement Loss of CMO Provider Fee (no HB 990 and rates at minimum in actuarial sound rate range)	7/1/2008	$ (5,345,497)	$ (5,345,497)	$ 28,375,581

16	Rates	Physician Injectibles at 80% of 2007 Medicare	7/1/2009	$ 14,306,152	$ 5,000,000	$ 23,375,581
17	Rates	DME at 80% of 2007 Medicare	7/1/2009	$ 3,433,476	$ 1,200,000	$ 22,175,581
18	Eligibility-new	Suspend implementation of Chafee Option for Foster Care Children ages 19-20	7/1/2008	$ 3,272,800	$ 1,143,844	$ 21,031,738
19	Eligibility-new	Delay implementation of 75 new ICWP slots until January 1, 2009	1/1/2009			$ 21,031,738
20	Eligibility	Eliminate medically needy category of eligibility.	7/1/2009	$ 43,121,527	$ 15,070,974	**$ 5,960,764**
21	Eligibility	Eliminate Katie Beckett category of eligibility.	7/1/2009	$ 22,683,605	$ 7,927,920	$ (1,967,156)
22	Eligibility	Eliminate PCK coverage for members between 200% and 235% FPL.	7/1/2009	Mercer		$ (1,967,156)
23		Eliminate PCK coverage for members between 200% and 235% FPL - Loss of CMO Provider Fee	7/1/2009	Mercer		$ (1,967,156)
24	Eligibility	Reduce the cap for PCK enrollment to 240,808	7/1/2009	$ 19,924,247	$ 4,855,490	$ (6,822,646)
25		Reduce the cap for PCK enrollment - Loss of CMO Provider Fee	7/1/2009	$ (1,087,331)	$ (1,087,331)	$ (5,735,315)
26	Eligibility	**Freeze enrollment in PCK.**	7/1/2009	$ 56,484,405	$ 13,765,684	$ (19,500,999)
27		Freeze enrollment in PCK - Loss of CMO Provider Fee	7/1/2009	$ (3,082,539)	$ (3,082,539)	$ (16,418,460)
28	Member Cost Share	Implement PCK premiums for children under age 5.	7/1/2009	Mercer		$ (16,418,460)
29	Member Cost Share	Increase premiums for PCK members.	7/1/2009	Mercer		$ (16,418,460)
30	Scope	Eliminate dental benefits for pregnant women.	7/1/2009	$ 6,491,820	$ 2,268,891	$ (18,687,351)
31		Eliminate dental benefits for pregnant women - Loss of CMO Provider Fee	7/1/2009	$ (357,050)	$ (357,050)	$ (18,330,301)
32	Scope	Eliminate dental benefits for PCK.	7/1/2009	Mercer		$ (18,330,301)
33		Eliminate dental benefits for PCK - Loss of CMO Provider Fee	7/1/2009	Mercer		$ (18,330,301)

Discontinuing the Medicaid Managed Care Provider Fee in FY2010 would:

- **Require <u>All</u> The Member Eligibility and Services Cuts Listed (#1-33) <u>AND</u>**
- **Additional Funds Being Needed From Treasury to Complete the Replacement of the $90 Million in Revenue Lost.**

Options for Reduction to Meet the 5% Medicaid Program Reduction Alone

MEDICAID PROGRAM BUDGET OPTIONS FY2009

			FY2009		Target
Category	Item	Effective Date	Total	State	$ 33,768,384
				0.3586	Cumulative Impact
				0.2510	
Rates	Provide state matching funds for private DSH hospitals with deemed status.	7/1/2008	$ (7,000,000)	$ (7,000,000)	$ 40,768,384
Eligibility	Add ICWP slots for MFP grant.	7/1/2009			$ 40,768,384
Scope	Provide wellness benefit for adults.	7/1/2009			$ 40,768,384
Eligibility	Utilize PARIS database for interstate/VA Medicaid eligibility.		$ 5,000,000	$ 1,793,000	$ 38,975,384
Eligibility	Utilize PARIS database for interstate/VA Medicaid eligibility - cost of 2 FTE's to work reports		$ (100,000)	$ (50,000)	$ 39,025,384
	Reduce Peachstate CMO cap rates for their use of Grouper 16.		$ 5,576,605	$ 1,941,184	$ 37,084,201
	Reduce PS CMO cap rates - Loss of CMO Provider Fee		$ (306,713)	$ (306,713)	$ 37,390,914
	2009 Rate Enhancement NH - FRVS	7/1/2008	$ 35,300,000	$ 12,658,580	$ 24,732,334
Rates	Reduce CMO capitation rates by limiting inflation growth (1.0% vs. 3.6% originally projected)	7/1/2009			$ 24,732,334
	Reduce CMO cap rates - Loss of CMO Provider Fee	7/1/2009			$ 24,732,334
	2009 Rate Enhancement NH - CR Update + QI add-on		$ 18,919,615	$ 6,784,574	$ 17,947,760
	2009 Rate Enhancement Dental	7/1/2008	$ 3,684,045	$ 1,227,500	$ 16,720,260
	2009 Rate Enhancement Physician	7/1/2008	$ 36,702,776	$ 12,987,151	$ 3,733,109
	2009 Rate Enhancement Hospital	7/1/2008	$ 62,620,398	$ 22,190,326	$ (18,457,217)
	2009 Rate Enhancement Home Health	7/1/2008	$ 3,835,180	$ 1,373,455	$ (19,830,672)
	2009 Rate Enhancement Waivers	7/1/2008	$ 991,630	$ 355,598	$ (20,186,270)
	2009 Rate Enhancement Ambulance	7/1/2008	$ 4,235,246	$ 1,498,048	$ (21,684,318)
	2009 Rate Enhancement Loss of CMO Provider Fee (no HB 990 and rates at minimum in actuarial sound rate range)	7/1/2008	$ (4,888,070)	$ (4,888,070)	**$ (16,796,248)**
**********	**OPTIONS ABOVE WILL MEET BUDGET REDUCTION REQUIRED**				**Plus small cushion for add backs**

Rates	Physician Injectibles at 80% of 2007 Medicare	7/1/2009			$ (16,796,248)
Rates	DME at 80% of 2007 Medicare	7/1/2009			$ (16,796,248)
Eligibility -new	Suspend implementation of Chafee Option for Foster Care Children ages 19-20	7/1/2008	$ 3,067,485	$ 1,100,000	$ (17,896,248)
Eligibility- new	Delay implementation of 75 new ICWP slots until January 1, 2009	1/1/2009	$ 1,636,425	$ 586,822	$ (18,483,070)
Eligibility	Eliminate medically needy category of eligibility.	7/1/2009			$ (18,483,070)
Eligibility	Eliminate Katie Beckett category of eligibility.	7/1/2009			$ (18,483,070)
Eligibility	Eliminate PCK coverage for members between 200% and 235% FPL.	7/1/2009			$ (18,483,070)
	Eliminate PCK coverage for members between 200% and 235% FPL - Loss of CMO Provider Fee	7/1/2009			$ (18,483,070)
Eligibility	Reduce the cap for PCK enrollment to 240,808	7/1/2009			$ (18,483,070)
	Reduce the cap for PCK enrollment - Loss of CMO Provider Fee	7/1/2009			$ (18,483,070)
Eligibility	Freeze enrollment in PCK.	7/1/2009			$ (18,483,070)
	Freeze enrollment in PCK - Loss of CMO Provider Fee	7/1/2009			$ (18,483,070)
Member Cost Share	Implement PCK premiums for children under age 5.	7/1/2009			$ (18,483,070)
Member Cost Share	Increase premiums for PCK members.	7/1/2009			$ (18,483,070)
Scope	Eliminate dental benefits for pregnant women.	7/1/2009			$ (18,483,070)
	Eliminate dental benefits for pregnant women - Loss of CMO Provider Fee	7/1/2009			$ (18,483,070)
Scope	Eliminate dental benefits for PCK.	7/1/2009			$ (18,483,070)
	Eliminate dental benefits for PCK - Loss of CMO Provider Fee	7/1/2009			$ (18,483,070)