

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

Category	Medicaid Program Item	Effective Date	FY 2010		Target
			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
5	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
***	ITEMS BELOW THIS LINE	REDUCE	CARE TO	PEOPLE	CURRENTLY ELIGIBLE
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 All The Member Eligibility and Services Cuts Listed (#1-33) AND**
- **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

Category	Item	Effective Date	FY2009		Target
			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)
*****	REDUCTIONS BELOW THIS LINE	REDUCES	CARE TO	PEOPLE	NOW ELIGIBLE
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)