Option #	Short Title	General Approach	Fiscal Impact (Federal)	Scored By	Options Author	Savings (in Billions)
Asset Transfer						
5/6	Change the start date of penalty period for persons transferring assets for Medicaid eligibility.	This option proposes to move the start date of penalty period from the date of the transfer to the date of application for Medicaid or the nursing home admission date whichever is later. Changing this date extends the time during which Medicaid applicants who made transfers are financially responsible for the cost of their care.	$1.5 Billion over 5 Years (2006-2010)/$1.4 Billion over 5 years (2006-2010)	CMS Office of the Actuary and Congressional Budget Office	President's Budget FY 2006/National Governors Association	**$1.4**
7	Increase "look-back" period from 3 to 5 years	Financial eligibility screeners look for transfers from personal assets of Medicaid applicants made during a period of time prior to application (this is referred to as the "look-back" period) that appear to have been made for the purpose of obtaining Medicaid eligibility. Applicants are prohibited from transferring resources during the look back period for less than fair market value. This option would increase the "look-back" period from 36 months to 5 years.	Small impact, less than $100 million over 5 years (2006-2010)	CMS Office of the Actuary	National Governors Association -Draft working paper	**$0.1**
Cost Sharing						
10	Tiered co-payments for prescription drugs	Under this option states would be able to increase co-pays on non preferred drugs beyond nominal amounts when a preferred drug is available, to encourage beneficiaries to fill the least costly effective prescription for treatment. For beneficiaries at or below the federal poverty line, co-pays for preferred drugs would remain nominal. All co pays on drugs would become enforceable. States would be given broad authority to waive co-pays in cases of true hardship or where failure to take a preferred drug might create serious adverse health effects	$2 Billion over 5 years (2006-2010)	CMS Office of the Actuary	National Governors Association -Draft working paper	**$2.0**

Option #	Short Title	General Approach	Fiscal Impact (Federal)	Scored By	Options Author	Savings (in Billions)
Prescription Drug Costs						
16	Prescription drug reimbursement formula reform	This option would allow states to negotiate pharmaceutical prices based on the Average Manufacturer Price (AMP) rather than the published average wholesale price (AWP) as is done today. There is widespread acceptance that the AWP is inflated and does not reflect a valid benchmark for pricing. Additionally, reforms would be implemented to ensure that manufacturers are appropriately reporting data.	$4.3 Billion over 5 Years (2006-2010)	CMS Office of the Actuary	National Governors Association -Draft working paper	**$4.3**
20/ 21	Extension of the Medicaid drug rebate program to Medicaid managed care	This option would give Medicaid managed care health plans access to the existing pharmaceutical manufacturer rebate program. Currently, the Medicaid Drug Rebate Program requires drug manufacturers to have rebate agreements for outpatient drugs dispensed to Medicaid patients as part of their fee-for-service programs. Currently, Medicaid managed care plans end up paying higher prices for the drugs even though they are also serving Medicaid beneficiaries.	$2 Billion over 5 years (2006-2010)	CMS Office of the Actuary	National Governors Association/ ACAP	**$2.0**
Provider Taxes						
30	Reform of the Medicaid Managed Care Organization (MCO) provider tax requirement	This option would require that managed care organizations (MCOs) be treated the same as other classes of health care providers with respect to uniformity requirements. Under this proposal, states would be prevented from guaranteeing that tax revenues paid to states by MCOs would be returned. (Provider taxes are a financing mechanism states have used to generate state funds needed to obtain federal Medicaid matching payments.)	$399 Million over 5 years (2006-2010)/ $1.2 Billion over 5 years (2006-2010)	CMS Office of the Actuary and Congressional Budget Office	President's Budget FY 2006	**$1.2**
					Total	**$11.0**