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THE ADMINISTRATION'S MEDICAID REGULATIONS: STATE-BY-STATE IMPACTS

WASHINGTON, DC — Today Chairman Henry A. Waxman released a new report: *The Administration's Medicaid Regulations: State-by-State Impacts*.

The report details the state-by-state impacts of seven regulations issued by the Centers for Medicare & Medicaid Service (CMS) that would make major, wide-ranging changes in Medicaid, the nation's largest low-income health care program.

"As the economy tips into recession, the last thing we should be doing is taking federal funds from states, especially funds that are supposed to help people with their health and medical expenses," said Chairman Waxman. The Bush Administration has proposed drastic changes in the Medicaid program, without even attempting to understand the financial impact on states, localities, and the people they serve. The Governors have opposed these proposals on a bipartisan basis. With this report, we can really see why. I hope that the Administration will reconsider these misguided regulations."

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 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 report also finds:

- The combined effect of the reductions in federal funds from all seven regulations represents a major fiscal blow for many states;
- The regulations will reduce federal spending by shifting costs, not through greater efficiencies;
- The regulations will disrupt existing systems of care for fragile populations; and
- The regulations threaten the financial stability of the hospitals, emergency rooms, and clinics that treat Americans without health insurance.

The complete report and more information about the state-by-state impacts are available online at www.oversight.house.gov or can be emailed upon request.