

CASTLE, HOUSE VOTES TO BLOCK MEDICAID CUTS -- April 23, 2008

Approved bipartisan legislation would place a one-year moratorium on proposed Administration regulations

Washington, DC -- Today, Congressman Michael N. Castle (R-DE) voted in favor of H.R. 5613, the Protecting the Medicaid Safety Net Act of 2008, which postpones for one year (until April 2009) the implementation of the Bush Administration's proposal to reduce federal Medicaid payments to states for reimbursement of specific services.

"This bill will prevent Medicaid cuts to states for one year on services such as rehabilitation and school-based transportation, which are two important programs in Delaware," said Rep. Castle. "While I believe Congress should continue looking for greater efficiencies within the Medicaid system, we need to work with states and their financial circumstances to protect our most vulnerable citizens. The Senate should join the House in allowing states and the federal government time to review these findings over the next year, instead of hastily shifting such substantial costs over to the states this May as outlined in the proposed regulations."

The Protecting the Medicaid Safety Act of 2008 will block changes to the following programs:

Rehabilitation services for Medicaid beneficiaries, such as children in foster care of individuals with mental illness;
Medicaid payments to public hospitals;
State child welfare agencies that provide Medicaid services;
Transportation of school-age Medicaid patients to and from school, and administrative activities performed by a school employee;
Redefining what the Centers for Medicare and Medicaid Services considers to be an "allowable" provider tax;
Outpatient services, such as dental and vision services provided to Medicaid patients in outpatient clinics;
Graduate medical education; and
Hospitals and nursing homes that service Medicaid patients

H.R. 5613 will also:

- Require a report to Congress outlining specific problems with the administration's new regulations are intended to solve, to be completed by the Department of Health and Human Services (HHS);
- Require HHS to create an independent contractor to:
 - Review the effects that proposed regulations would have on states
 - Review each state's current system for reporting Medicaid claims; and
 - Make recommendations on how best to impose proposed regulations;
 - Require each state to implement an asset verification program in order to electronically determine the eligibility of individuals to receive Medicaid; and

Authorize \$25 million annually for efforts to reduce fraud and abuse in Medicaid.

Rep. Castle supported the six-month hold on reimbursements for school-related transportation and rehabilitation services last year and, in addition, has written to the House Budget Committee to request that proposed cuts to Medicaid hospital services be rejected. In September 2007, Rep. Castle joined Rep. McKeon, the senior republican on the Education and Labor Committee, in writing to Secretary Michael Leavitt, the Director of U.S. Department of Health and Human Services, to express concern about the Medicare cuts proposed in the President's budget for school-based transportation.

For more updates on this and Rep. Castle's other Healthcare initiatives, please visit www.castle.house.gov.

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