



HHS Budget Proposal 06-02-09 Analysis

The latest HHS House Appropriations Subcommittee report is a blue print for the deconstruction of healthcare for the poor and needy of our state. The draconian cuts go well beyond the optional and attack the very core of the Medicaid program. At a time when our economy has surrendered and the need for services for mothers, children, the elderly and disabled are skyrocketing, the House is proposing to decimate any ability to provide patient centered care.

This proposal takes the emphasis off of the patient and focuses all the attention on slashing money no matter the cost. The Medicaid provider reimbursement cuts (-6%) along with countless additional service cuts eliminate the ability for the state to draw down over \$800 million dollars of the possible \$960 million in new federal stimulus money. This defeats the entire purpose of the increase federal match that was enacted by the Federal Government in February of this year.

Adult Medicaid patients will no longer be able to receive many essential health services such as eye care, certain dental care, and HIV case management. The cuts create impossible barriers for Medicaid patients to obtain prescriptions.

New administrative burdens threaten to discourage doctors from seeing Medicaid patients. Imaging prior authorization will be determined by a new outside vender. All claims and payments will be required to be done electronically. Physicians will be forced to comply with a preferred drug list. A number of other prior authorization programs will be enacted in the name of cost avoidance verses patient outcomes.

All the while, physicians participating in care management through the Community Care of NC (CCNC) program will be expected to deliver an additional \$88 million dollars in savings. The House proposal will actually drive up costs by leaving the Medicaid patients with no option other than the Emergency Department as their medical home.

Doctors, as well as all healthcare providers, need to call their House member today. Legislators need to understand that these cuts will not leave a Medicaid program to be rebuilt after this recession is complete. Legislators also need to understand that any tax increase that they offer must go back into Health and Human Services where the scarce dollars can be leveraged for additional federal matching funds.