

Federal Advocacy: Medicare & Medicaid Moratoriums

The Administration has issued a number of Medicare and Medicaid regulations over the last year that will substantially reduce federal health care investment in Oregon. The Medicaid moratoriums alone would cripple essential health services for vulnerable Oregonians by \$163 million in federal fiscal year 2009 and by \$865 million over the next five years.

These regulations make unilateral changes to longstanding Medicaid law and go well beyond the intent of Congress when it enacted recent health care legislation. Concern about the rules led Congress to delay implementation of many of the regulations, but the rules will go into effect the spring of 2008 unless Congress takes further action.

New Medicaid Regulations Impact Oregon

Graduate Medical Education. New rules eliminate federal funding that Oregon and most states use to reimburse teaching hospitals that typically serve the most vulnerable. Such hospitals incur additional costs associated with their missions of educating physicians and caring for patients who require more complex care. Estimated impact: \$21.1 million in FY 2009 and \$110 million FY 2009-2013. Congressional moratorium until May 25, 2008.

Government Provider Cost Limit. New rules impose additional cost reporting requirements on the state Medicaid agency and governmental health safety net providers. Estimated impact: \$6.2 million in FY 2009 and \$33 million in FY 2009-2013. Congressional moratorium until May 25, 2008.

School-based Services. New rules eliminate federal funds for outreach, enrollment assistance, coordination of health care and related activities by school personnel to enroll eligible children in Medicaid. Rules also bar use of federal funds for transporting children with special health needs to school if they receive needed health services at school. Estimated impact: \$10.3 million in FY 2009 and \$54.8 million in FY 2009-2013. Congressional moratorium until June 30, 2008.

Rehabilitation Services. New rules limit federal funds for rehabilitative services for children and adults with mental illness or developmental disabilities. Estimated impact: \$72.9 million in FY 2009, and \$378.6 million in FY 2009-2013. Congressional moratorium until June 30, 2008.

OAHHS Supports Extending Medicare Provisions:

- The prevention of Medicare payment cuts to physicians.
- Allowing independent labs to bill Medicare directly for the technical component of certain physician pathology services furnished to hospital patients.
- Allowing cost-based payment for rural laboratory services provided by hospitals with fewer than 50 beds in certain low-population areas.
- The exceptions process for therapy caps.
- Section 508 wage index classifications (expires 9-30-08).



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