



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

April 22, 2008
(House)

STATEMENT OF ADMINISTRATION POLICY

H.R. 5613 – Protecting the Medicaid Safety Net Act of 2008

(Rep. Dingell (D) MI and 205 cosponsors)

The Administration strongly opposes H.R. 5613, the “Protecting the Medicaid Safety Net Act of 2008.” H.R. 5613 would block the Centers for Medicare & Medicaid Services (CMS) from implementing important regulations protecting the fiscal integrity of the Medicaid program, would put billions of dollars of Federal funds at risk, and would turn back progress that has already been made to stop abusive State practices. If the legislation were presented to the President in its present form, his senior advisors would recommend that he veto the bill.

The Medicaid program is a partnership between the States and the Federal Government. The Government Accountability Office (GAO) and the Health and Human Services Office of the Inspector General (OIG) have issued numerous reports, dating back to the 1990s, identifying loopholes in CMS regulations. These loopholes have permitted States to inappropriately enhance their claimed medical expenditures, thereby increasing the Federal Government’s contribution. Blocking the CMS regulations ignores the policy recommendations and investigatory findings of the GAO and the OIG and will put billions of dollars of Federal funds at risk.

In response to the GAO and OIG reports, CMS has issued a series of proposed and final regulations that both clarify the current rules and close the loopholes. These regulations are designed to ensure that needy individuals who rely on Medicaid for their health coverage will continue to have a financially secure program available for them. H.R. 5613 would thwart these efforts of the Federal Government to regain fiscal accountability and integrity in Medicaid. The bill also jeopardizes Federal savings of approximately \$14 billion over five years and \$33 billion over ten years because it prohibits the Administration from finalizing or implementing the rules before leaving office.

H.R. 5613 would prevent the Administration from responsibly clarifying ambiguities in current Medicaid regulations and from stopping blatant abuses of the Federal-State partnership arrangement that constitutes the Medicaid program; therefore, the Administration must oppose the legislation.

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