

## Rhode Island news

# Medicaid waiver plan puts neediest at risk, critics say

07:33 AM EDT on Wednesday, August 6, 2008

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Journal State House Bureau

PROVIDENCE — The critics filled the room.

And one by one, they took turns denouncing the unprecedented plan Governor Carcieri says will transform Rhode Island's health-care system for the better while saving taxpayers tens of millions of dollars over the next five years.

"The risks and unknowns of this global waiver as presented are too great for our state to bear at this crucial financial crossroads," said Lt. Gov. Elizabeth Roberts, who led the chorus of opposition yesterday at a special joint session of the House and Senate finance committees dedicated to the governor's sweeping "global Medicaid waiver" plan.

The waiver, if accepted by federal regulators and endorsed by the General Assembly, would limit spending on health care programs that consume nearly one-quarter of all state spending and touch one in six Rhode Islanders, including those in public schools, nursing homes and community hospitals.

Roberts was joined by advocates for the young, the old, and the disabled; lobbyists for the nursing-home industry and the medical profession; and a Georgetown University professor who studies Medicaid policy across the country.

They shared their collective concern with elected officials at yesterday's six-hour State House hearing, the one and only public opportunity to comment before the Carcieri administration submits a formal application to federal officials for review.

"The waiver proposal, as currently structured, is far too risky a path to take," said Joan C. Alker, a professor at Georgetown University's Health Policy Institute, who noted that Carcieri's proposal has drawn attention from other states and Congress.

Rhode Island is trying to do what no state has done before.

Carcieri is asking the federal government for a fixed grant of \$12.4 billion over the next five years to cover all spending on Rhode Island's Medicaid programs for the low-income, young, elderly and disabled. In exchange for capping spending, the federal government — which pays 52 cents of every Medicaid dollar spent in Rhode Island — would waive strict regulation of the Ocean State's health-care programs, giving Carcieri unique flexibility to transform the current system.

Critics yesterday testified that the plan carries unnecessary risk, given that many reforms, including those aimed at the state's long-term care system, could be implemented without agreeing to a five-year spending cap. House Finance Committee Chairman Steven M. Costantino is among those who fear that Rhode Island may run out of money in the fourth or fifth year, forcing sweeping cuts to the safety net for the elderly, poor

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and disabled.

While the administration released a 91-page waiver application last week, the specific effect on Medicaid recipients remains unclear.

The programs touch 180,000 Rhode Islanders and are projected to cost \$1.8 billion — in both federal and state funds — this year. Medicaid finances nursing-home care, subsidized transportation for the disabled and elderly and health insurance for low-income children and their parents. School districts collected Medicaid dollars exceeding \$24 million in 2006.

“We tend to like to do reform where everybody gets more,” said Adelita Orefice, the deputy secretary of the Office of Health and Human Services. “This is not that kind of conversation. This is a reform, because of the nature of the fiscal crisis we’re in, where there will be winners and losers. This is a reform about bringing the costs of an unsustainable program under control.”

Orefice offered few details as to who the winners and losers might be.

But the waiver application makes clear that the administration is committed to funding “mandatory” Medicaid programs, as opposed to the “optional” programs outlined by the federal government.

Optional services consume 60 percent of Medicaid spending nationwide, according to Alker, who said “the term optional is somewhat of a misnomer,” and includes such things as prescription-drug coverage for seniors. Optional services also include in-home medical care for the elderly, disabled children, and health insurance for thousands of low-income parents and children.

As part of the global waiver, the state would outline stricter eligibility standards for those wishing to enter nursing homes. And it notes that changes lead to waiting lists for some services. But much of the detail has yet to be determined.

Some key details — including the ultimate level of the five-year spending cap — would be negotiated with the federal government as the approval process plays out in the coming months. Other details would be crafted by the administration internally over that time.

Carcieri administration officials yesterday testified there would be ample public notification of changes to current programs.

And while lawmakers peppered state officials with technical questions for three hours yesterday, the Assembly has no official say in the matter until federal officials sign off on the plan, a process the governor hopes will be over by October.

State law gives the Assembly 30 days to veto the agreement. But any veto would jeopardize \$67 million in savings the governor says the plan would generate this year.

Costantino said the Assembly wouldn’t simply rubber stamp the agreement. Aside from the final spending cap, he said, he’s watching closely any of the negotiated “escape clauses” that would allow the state to wiggle out of the deal.

“There may be deal-breakers,” he said, declining to be more specific.

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