

## States Mull How Medicaid Expansion Might Affect Budgets

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States consider how health legislation on Capitol Hill might affect their Medicaid programs and budgets.

"The House health-care bill, which passed last week, expands Medicaid and for the first time sets a national standard on whom would qualify," [The Durango Herald](#) reports. "States would have to pay 9 percent of the expanded costs." The expansion "worries Joy Johnson Wilson of the National Conference of State Legislatures. 'This bill, if it were to pass, it makes Medicaid the foundation of our health-care system. And they're underfunding the foundation,' Wilson said last week on a conference call with state lawmakers" (Hanel, 11/18).

In Kansas, the expansion might save money, [The Lawrence Journal-World](#) reports. "Health insurance reforms being debated in Congress would save the state up to \$50 million per year and dramatically reduce the number of uninsured Kansans, according to a study released Tuesday by the Kansas Health Policy Authority. ... The savings would come from increased federal matching funds for Medicaid, and an essential federalization of the State Children's Health Insurance Program, the study said. In addition, the federal government would pay for most of the expansion of Medicaid eligibility" (Rothschild, 11/17).

The state of New Mexico is "bracing for the worst but hoping for the best," [The New Mexico Independent](#) reports. The House health bill "includes \$23.5 billion to extend by six months federal stimulus funding to help U.S. states pay for Medicaid." New Mexico would get about "\$147 million, almost exactly the amount of federal funds the state must replace in the latter half of fiscal 2011 — Jan. 1 to June 30, 2011 — to keep services at their current level, said Carolyn Ingram, director of the state Human Services Department's Medical Assistance Division." The money "could put off, for a time, decisions few in the Legislature or in Gov. Bill Richardson's office seem thrilled to make: how deeply to cut Medicaid services, and where" (Jennings, 11/17).

Officials in Hawaii, a state that has already "worked aggressively to increase the number of low-income residents covered by Medicaid," worries that it "wouldn't see much of a bump" from a federal expansion of Medicaid, [Gannett/The Honolulu Advertiser](#) reports. "Hawaii already covers people earning more than 100 percent of the poverty level. At a time when state governments are facing budget shortfalls, some senators say their states shouldn't be penalized for leading the expansion of health care coverage for low-income residents. For Hawaii's poor residents, it could mean stagnant Medicaid benefits as health care costs rise" (Yaukey and Gaudiano, 11/17).

Meanwhile, [Kaiser Health News](#) reports on the state-run Children's Health Insurance Program and the health bills. Sen. Jay Rockefeller, D-W.Va., "opposed language in the [Senate] Finance bill that would have ended CHIP after Sept. 30, 2013, when its current authorization ends, and moved those children to health insurance 'exchanges' where private insurers and possibly a government-run plan would sell policies. The House health overhaul bill raises similar concerns for Rockefeller and some children's groups. It would phase out the program at the end of 2013, moving some kids into a national exchange and placing others into Medicaid, the state-federal program for the poor" (Carey, 11/17).

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