

## President Signs Budget Reconciliation Bill

- President Bush signed the FY 2006 Budget Reconciliation bill (S.1932) into law at a ceremony in New Hampshire on February 8<sup>th</sup>. The many provisions of the bill become law on different dates (see chart below). This variation gives advocates the hope that there may be a chance to fix some of the worst provisions before they take effect. There already is talk of a Medicaid "technical corrections" bill being developed on both sides of Capitol Hill. The information in the chart below is taken from a document developed by the National Association of State Medicaid Directors. The complete chart is available at <http://www.nasmd.org/bug-rec/docs/Budget-Reconciliation-Effective-Dates.pdf>

### Reconciliation Effective Dates for Certain Medicaid and SCHIP Provisions

Expanded Access to Home and Community-based Services for the Elderly and Disabled (State Option)	January 1, 2007
Cash and Counseling (State Option)	January 1, 2007
Premiums and Cost Sharing (State Option)	March 31, 2006
Emergency Room Co-Pays for Non-Emergency Care (State Option)	January 1, 2007
Use of Benchmark Packages (State Option)	January 1, 2007
Targeted Case Management (Mandatory)	January 1, 2006
Family Opportunity Act (State Option)	January 1, 2007
Home and Community-based Alternatives to Psychiatric Residential Facilities for Children (Demonstration Program) (part of FOA)	Funds appropriated for FY 2007 through FY 2011
Family-to-Family Health Information Centers (State Option) (Part of FOA)	Funds appropriated for FY 2007 through FY 2011 Continued on next page
Restoration of Medicaid Eligibility for Certain SSI Beneficiaries (Mandatory) (Part of FOA)	One year after the date of enactment
Money Follows the Person	January 1, 2007

(Demonstration Program)	
Documentation Requirements (Mandatory)	Applies to determinations of initial eligibility made on or after July 1, 2006
Prohibition Against Covering Non-pregnant, Childless Adults with SCHIP Funds (Mandatory)	Upon enactment

- On January 27<sup>th</sup>, the Congressional Budget Office (CBO) released an analysis of the Budget Reconciliation Conference Report that estimated that 13 million Medicaid beneficiaries will face higher co-payments for medical services by 2015 and that 4.5 million of those will be children -- a population that never before has had to pay co-payments to receive health services. The CBO report also stated that some 20 million beneficiaries will face higher co-payments for prescription drugs by 2015. Of most concern, the analysis reported that 80percent of the savings resulting from these additional and increasing co-payments will come from decreased use of medical services, rather than from collection of co-payments themselves.
- There are additional cuts to the Medicaid program included in the President's FY 2007 Budget Proposal. These include reducing the match for Targeted Case Management to 50 percent, stricter reimbursement policies for rehabilitation services; and the elimination of payments for administration and transportation related to school-based services.