



Eshoo Votes to Halt Medicaid Cuts

April 9, 2008

Washington, D.C. – Today, Rep. Anna G. Eshoo (D-Palo Alto) joined her colleagues on the Energy & Commerce Committee’s Subcommittee on Health in unanimously approving H.R. 5613, the Protecting the Medicaid Safety Net Act, which would place a one-year moratorium on seven Medicaid regulations that threaten to cut more than \$50 billion dollars in Medicaid payments to states. Eshoo is a cosponsor of the bill.

“In the current economy, states are hurting, and none more so than California which stands to lose \$12.5 billion over five years under these regulations,” Eshoo said. “This meat cleaver approach would impact hospitals, families, and disabled kids in my congressional district by tens of millions of dollars. Governor Schwarzenegger, along with over 2,000 organizations, has urged Congress to pass this bill and I’m pleased we’ve taken this important initial step today.”

The bill now moves to the full Energy and Commerce Committee where a vote is expected next week. The regulations which would take effect without the moratoria would:

1. Restrict Medicaid payments to government safety net providers.
2. Eliminate Medicaid payment for Medicaid-covered school-based administration and specialized medical transportation services for children.
3. Restrict payment for rehabilitation services, including eliminating currently-available coverage of rehabilitation services that help people with disabilities gain or maintain function.
4. Severely curtail the ability of states to provide case management services that enable people with disabilities to live in the community.
5. Eliminate all Medicaid payment for graduate medical education payments that fund training of physicians who care for the special needs of Medicaid beneficiaries.
6. Eliminate coverage of many hospital outpatient department services, including services that keep beneficiaries from unnecessary emergency room use.
7. Rewrite rules for allowable provider taxes.

###