Deficit Reduction Act Includes Cutbacks in Medicaid Benefits

BY JOYCE FRIEDEN

Senior Editor

BALTIMORE — Provisions in the Deficit Reduction Act are likely to profoundly affect health care for Medicaid patients, Cindy Mann said at the annual meeting of the American Society for Law, Medicine, and Ethics.

The Deficit Reduction Act (DRA) of 2005, signed into law last February by President Bush, includes "the most significant statutory changes in the Medicaid program arguably since the late 1980s," said Ms. Mann, who is research professor at Georgetown University Health Policy Institute in Washington.

"It really is also the first time that Congress has legislated some specific cutbacks aimed at beneficiaries," she added.

Many changes deal with Medicaid coverage requirements for states.

The law "gives [states] very broad flexibility to move away from what has been a system of mandatory and optional benefits to a system of benchmark benefits," said Ms. Mann, who is also executive director of the Center for Children and Families at Georgetown. "One benchmark [states can use] is any state employee plan—not the one most used in your state, or the one that has the highest enrollment of dependents, it's any state employee plan that's offered."

States could even construct a special plan just to be a benchmark and then offer it to state employees, "and that becomes [the] standard," she said, at the meeting cosponsored by the University of Maryland.

The other way states can formulate an acceptable plan is by getting the approval of the federal Health and Human Services secretary.

The two state plan amendments now approved under the DRA—West Virginia and Kentucky—used the secretary-approved coverage option, Ms. Mann noted.

The DRA also allows states to change benefit packages for some groups and not for others, Ms. Mann said. "[States] could have one benchmark package in a rural area of the state and a different one for urban areas.

"It opens it up to any slice and dice a state decides it wants to do in terms of how it constructs these benchmark packages and to whom they will apply."

A controversial change is a requirement that anyone applying for Medicaid who says they are a citizen must provide new documentation of their citizenship.

A controversial change imposed by the DRA is a requirement that anyone applying for Medicaid who says they are a citizen must provide new documentation of their citizenship.

"Since 1996 there's been a provision requiring documentation of immigration status, and now there are very strict rules about documentation," Ms. Mann said, adding that federal guidance on how to implement this section of the law is expected shortly.

The law also allows for several demonstration projects. For example, 10 states may start Health Opportunity Accounts, which are "a little like health savings accounts for the Medicaid program," she said.

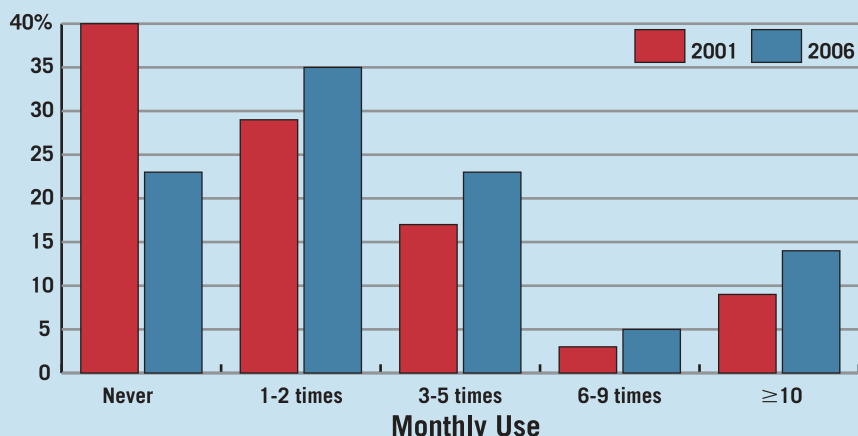
Another measure, championed by Sen. Charles Grassley (R-Iowa), is the Family Opportunity Act, which allows families to buy into Medicaid if they have severely disabled children, even if their family income is above the normal cutoff in their state for Medicaid eligibility.

Ms. Mann added that although the law contains profound changes, "it is often overstated what the changes were.

"In large part, what the DRA didn't do, Congress decided not to do. There was a debate about the areas of benefit guarantees for kids and there was a debate about the cost sharing. So while Congress did go a certain distance, it didn't go further than that certain distance, and I think that's an important consideration." ■

DATA WATCH

People Are Using the Internet More Often for Health Information



Source: Harris Interactive

ELSEVIER GLOBAL MEDICAL NEWS

POLICY & PRACTICE

Uninsured Figures Climb

The number of people in the United States without health insurance edged higher in 2005, fueled in part by a drop in employer-sponsored health insurance, according to figures released in August from the U.S. Census Bureau. In 2005, 46.6 million people were uninsured, up from 45.3 million the year before. The percentage of people covered by employer-sponsored health insurance dropped from 59.8% to 59.5% between 2004 and 2005, while the percentage covered by government insurance stayed the same, according to the Census figures. The new figures, compiled as part of the Current Population Survey, showed that the number of uninsured children also increased. Between 2004 and 2005, the number of uninsured children rose from 7.9 million to 8.3 million. And children living in poverty were the most likely to be uninsured, with a rate of 19% vs. 11.2% of children overall in 2005. The American Medical Association issued a statement calling for action to address the uninsured problem. "The AMA plan for reducing the number of the uninsured advocates expanded coverage and choice through a system of refundable tax credits based on income, individually selected and owned health insurance, and market reforms that will enhance new, affordable insurance options," Dr. Ardis Hoven, an AMA board member, said in a statement.

Mammography Capacity Dips

The national capacity to provide mammography services is adequate, despite a 6% drop in the number of mammography facilities from 2001 to 2004, according to a recent report from the Government Accountability Office. In addition to the decrease in the number of facilities, the GAO reported a 4% drop in the number of machines, a 3% drop in the number of radiologic technologists, and a 5% drop in the number of physicians who interpret mammograms. Experts interviewed by the GAO said that the capacity nationwide is likely adequate to meet the current demand for screening and diagnostic mammograms, but cautioned that there could be access problems in the future. The report was requested by Sen. Arlen Specter (R-Pa.) and Sen. Barbara Mikulski (D-Md.).

Cost of Infertility Treatments

The majority of employers who provide insurance coverage for infertility treatment have not experienced a significant increase in their health plan costs, according to the results of a survey commissioned by RESOLVE: The National Infertility Association and supported by Organon USA. More than 90% of employers who cover infertility treatment beyond an evaluation reported no measurable increase in their medical costs as a result of the additional coverage. The survey of 931 employers found that about 39% cover drug therapy for infertility treatment and 22% cover in vitro fertilization. More employers cover evaluation by an infertility specialist, with about 63% providing at least that level of coverage, according to RESOLVE. "This survey clearly debunks the myth that infertility coverage increases medical coverage costs significantly," RESOLVE President Joseph C. Isaacs said in a statement.

Improving Latina Cancer Screening

The use of a bilingual staff and free screenings may help to improve breast and cervical cancer screening frequency among Latina patients, according to a report published in the August issue of the Journal of Health Care for the Poor and Underserved. The study presents the first 6 years of experience with a program that provides free breast and cervical cancer screening to Latina patients, along with education on the importance of regular screening. The program was tested at Georgetown University, Washington. Between September 1998 and August 2004, 928 cancer screening visits were conducted, with 489 women (53%) returning for at least one additional annual screening exam. More than 90% of the women reported that they were more comfortable speaking Spanish when discussing their medical care and scheduling appointments, according to the study.

Most Americans Aware of HPV

About 58% of Americans recently surveyed said they had heard of human papillomavirus or HPV, according to a Wall Street Journal Online/Harris Interactive poll. More women (70%) were familiar with HPV than were men (47%). And parents of a female child under 18 years old were more aware than the general public, with 65% of that group having heard of HPV. Awareness of the newly approved HPV vaccine was lower, with only 48% of all adults surveyed saying that they had heard or seen anything about it. Among those surveyed who had heard of the HPV vaccine, 78% agreed that encouraging young women to get the vaccine is a good way to prevent cervical cancer. The survey was conducted among more than 2,600 adults in July.

WIC Would Add Vegetables, Fruits

More vegetables, fruits, and whole grains would be available to beneficiaries of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) program, under a proposal issued last month by the U.S. Department of Agriculture. Based in large part on the findings of Institute of Medicine report published last year, the proposed rules would promote greater consistency with established dietary guidelines for infants and children under age 2 years, and would better support breast-feeding, according to USDA. Current WIC-covered foods help increase beneficiaries' intake of protein, iron, calcium, vitamin A, and vitamin C—nutrients that were found lacking in the WIC population when the program was started in 1974, USDA said. The department is taking comments until Nov. 6.

—Mary Ellen Schneider