

FOR IMMEDIATE RELEASE:
Wednesday, June 22, 1977

DOLE AMENDMENT WOULD PREVENT REDUCTION IN MEDICAID MATCHING PAYMENTS

INTRODUCTORY STATEMENT

Mr. Dole. Mr. Chairman, I offer an amendment for the consideration of the committee.

On Wednesday, June 8, HEW announced that it would reduce July Medicaid payments to 20 states by a total of \$142 million because of non-compliance with statutory requirements for independent medical review of Medicaid patients (in skilled nursing and intermediate care facilities). States such as my own will experience a substantial reduction.

While there is no question of the need for patient reviews, I am concerned about the severity of the reductions in terms of state budgetary difficulties balanced against the need to assure that federal funds are expended only for patients receiving proper care in an appropriate setting.

The statute that requires the reductions take place unless the states can demonstrate that they have indeed completed the required review of all patients in all facilities.

Unfortunately, the present law does not differentiate between significant and minor non-compliance. For instance, in my own State of Kansas, 13 out of 385 were not reviewed on time, in New Jersey, 2 out of 431, and in Colorado, 11 out of 181.

I am concerned that we not be too hasty and propose changes in the law that would not truly address all the problems, yet realize that the states cannot afford to experience a reduction as severe as the one presently facing them.

It is the purpose of this amendment to merely prevent any reduction in federal matching payments to states in the quarter beginning July 1 because of any prior non-compliance. This will allow us the time to consider all possible options for altering the statute permanently.

It is my understanding that the House Interstate and Foreign Commerce Committee anticipates approval of an amendment to H.R. 3 (Medicare and Medicaid Anti-Fraud and Abuse Bill) designed to permit states additional opportunity to comply with the review requirements, waiving any reductions attributable to prior periods of non-compliance, and altering somewhat the tests of compliance.

It is hopeful that this legislation will come to this committee for consideration sometime in late July. I will look forward to considering that approach and others as we look for an equitable solution.