

# Promoting excellence



**HCAM Legislative Update**  
May 2010

## **HCAM Supports House Appropriations Version of MDCH Budget... Concerned About Options to Solve Current Year Deficit**

The House Appropriations Committee advanced the Michigan Department of Community Health (MDCH) budget this week, concurring with the Senate passed version in not cutting Medicaid providers. Nursing facility providers are grateful to Rep. Gary McDowell for crafting a budget that does not cut Medicaid. To address Michigan's deficit last year, nursing facilities, hospitals and physicians were cut eight percent.

However, results of the Consensus Revenue Estimating Conference confirm a current year deficit of approximately \$340 million, which is very troubling to Medicaid providers. As legislative and administration officials discuss options to bring Fiscal Year 2009-2010 back into balance, they may be looking to the Department of Community Health budget to help fill the gap. Specifically mentioned was using additional Medicaid money from a miscalculation in the state's rate from General Motors creating a Voluntary Employee Benefits Association, totaling \$160 million; and using nearly \$100 million from the amount the state pays the federal government to offset the cost of Medicare coverage for prescription drugs for residents eligible for both Medicare and Medicaid. More specifically, the temporarily increased federal match rate will apply to so-called clawback payments. The clawback payment is the amount states pay to the federal government as required by the Medicare Prescription Drug Improvement and Modernization Act of 2003. Both of these funding options were incorporated into the 2010-11 Department of Community Health budget, as passed by the House Appropriations Committee.

As legislative leaders and administration officials continue negotiations on the current year shortfall and the Fiscal Year 2010-2011 budget, HCAM requests that revenue assumed in the MDCH Budget not be used to fill the current year shortfall.

## **Thousands of positive actions and outcomes occur on a daily basis... today's nursing facility.**

Dear staff of Brittany Manor,  
Thank you for the care you gave my mother-in-law Margaret (Marge) White from February until April.

Everyone was so kind to her. I have told so many people that nursing homes (living centers) get a bad rap. Sad but true. Marge received better care at Brittany than I was able to provide her at home. It was such a comfort to know that she was in good hands.

Appreciatively,  
Elaine White

### **HCAM CONTACT**

Please contact Melissa Samuel, Vice President of Government Services, at (517) 627-1561 if you have questions about HCAM's position on pending legislation or would like to work together to help Michigan's senior population.