

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health
Medical Assistance Administration



February 11, 2008

The Honorable Henry A. Waxman, (D.,CA)
Chairman
U. S. House of Representatives
House Committee on Oversight and Government Reform
2157 Rayburn House Office Building
Washington, DC 20515-6143

Dear Chairman Waxman:

The Department of Health, Medical Assistance Administration (MAA) is responding to the Committee's letter dated January 16, 2008 regarding your request for an analysis on the impact of seven regulations proposed during the past year. The proposed regulations include: cost limits for public providers; payments for graduate medical education; payments for hospital outpatient services; provider taxes; coverage of rehabilitative services; payments for costs of school administrative and transportation services; and targeted case management.

The estimated reduction in federal Medicaid funds to the District of Columbia over the next five years is, as follows:

- 1) Regulations proposed in CMS 2258-FC (Cost limits to public providers) would reduce federal Medicaid funds by an estimated \$8.75 million over the next five years.
- 2) Regulations proposed in CMS 2279-P (Payment for graduate medical education) would reduce federal Medicaid funds by an estimated \$73 million over the next five years.
- 3) Regulations proposed in CMS 2213-P (Payment for hospital outpatient services) would not have an impact on receiving federal Medicaid funds.
- 4) Regulations proposed in CMS 2275-P (Provider taxes) would reduce federal Medicaid funds by an estimated \$2.6 million over the next five years.
- 5) Regulations proposed in CMS 2261-P (Coverage of rehabilitative services) would reduce federal Medicaid funds by an estimated \$10.6 million over the next five years.

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- 6) Regulations proposed in CMS 2287-P (Payment for costs of school administrative and transportation services) would reduce federal Medicaid funds by an estimated \$17.5 million over the next five years.
- 7) Regulations set forth in CMS 2237-IFC (Targeted Case Management) would reduce federal Medicaid funds by an estimated \$80 million over the next five years.

The loss of \$192 million to the District of Columbia will have a substantial impact on District residents and Medicaid recipients. Despite losses in federal Medicaid matching funds, it will be necessary to continue to provide services such as school transportation and targeted case management for foster care children. Thus, services that were previously matched with 70% federal funds will now require completely local funding. Ultimately, the reduction in the District of Columbia's budget will potentially result in a reduction of other vital services to District residents and Medicaid recipients. If you have any questions, please call John McCarthy, Senior Policy Director, Office of Policy, MAA, on 202.442.9074.

Sincerely,



Robert T. Maruca
Senior Deputy Director
Medical Assistance Administration