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In R.I., sides line up over governor's bid to cap Medicaid spending

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PROVIDENCE — With a decision deadline looming, state lawmakers were presented with two very different pictures yesterday of what a first-of-its-kind Medicaid overhaul might mean to one out of every 10 Rhode Islanders.

As he testified before the House Finance Committee, Governor Carcieri said the proposal would give the state more leeway in how it spends its Medicaid money, improve services for the state's most vulnerable populations and save millions of dollars.

"The core of this is about choices and options for our citizens who are eligible for services," Carcieri said.

But a top government official in Republican Gov. Lincoln Almond's administration warned state legislators that the loosely defined proposal would jeopardize the lives of thousands of the elderly, the disabled and the poor, steering hundreds out of nursing homes and potentially reducing medical services to the poor.

"The suggestion that there will be no harm to almost 200,000 Medicaid beneficiaries in Rhode Island when tens of millions of dollars are [to be] cut annually defies logic," said former Department of Administration Director Robert Carl, who now heads a network of group homes and services for the developmentally disabled.

At its most basic, the waiver proposal would give the Carcieri administration unprecedented freedom in how it spends its Medicaid dollars in exchange for a promise that Rhode Island will limit Medicaid spending to \$12 billion over five years. The move would allow the state to cover fewer medical services and steer the elderly away from nursing homes to less expensive alternatives. Carcieri's budget-cutting plan hinges on 196 fewer institutional placements.

"What will happen to our fellow citizens who can no longer depend on public supports? Will they be on the streets? Or does anybody really believe that they will be happily and safely living at home? My 43 years in this business tell me that [the waiver] will not improve opportunities for recipients, and at the same time, save the state many millions of dollars annually. Such reasoning defies reality and common sense. We all know it. Everybody in this room knows it," Carl said.

The fleet of Department of Human Services officials who sat behind him yesterday rejected that characterization. Like the governor, they spent the morning vigorously defending the proposal.

and trying to dispel what they called “the misinformation that’s out there about what this will do” to Medicaid, a government-financed insurance program for the poor.

For instance, they called waiting lists for services unlikely.

But lawmakers pelted the DHS team with questions: Does the so-called opt-out clause allow the state to cancel the agreement at any time? Will canceling kill the Rite Care insurance program? Does the state have the infrastructure to handle an increase in home-care services?

“The average citizen is wondering: What’s going to change?” Finance Committee Chairman Steven M. Costantino said.

DHS Director Gary Alexander and his team only talked about what they said might change for the better.

Lawmakers are working under a tight, self-imposed deadline to reject or amend the proposal, or simply let it take effect by the end of next week. The razor-thin deadline — 30 days after approval by the federal Centers for Medicare and Medicaid Services — was built into the state budget that lawmakers passed last summer.

“I have a slew of e-mails here [from worried constituents],” said Rep. Joanne M. Giannini, D-Providence. “We have to get this right and people have to understand what this is because there’s a lot of fear out there.”

That fear was evident during the afternoon session in which affected families and advocates for low-income Rhode Islanders sounded off.

Lauri Archambault’s story was complex. For years, she said, she has struggled to find the right services for her 28-year-old son, Jared, who suffers from severe developmental disabilities.

The possibility that the proposed changes could further complicate his access to care was enough to bring her to the State House in tears.

Cynthia Conant Apt, executive director of the Hope Alzheimer’s Center, didn’t get a chance to testify, but in a written statement she questioned whether newly discharged hospital and rehabilitation patients would get an adequate number of adult daycare services “to ensure the safety and quality of care” they need.

Rhode Island College’s Poverty Institute policy director Linda Katz said it’s a mistake to agree to a five-year spending cap without knowing what the state’s needs could be.

“No one can see into the future,” she said.

Katz suggested Rhode Island would not need such a drastic overhaul of its Medicaid program if Congress pumps an additional half a billion Medicaid dollars into the state, a possibility raised in

a report issued this week by the Georgetown University Center for Children and Families and the Center on Budget and Public Priorities.

But Frank Spinelli, the state's Medicaid director until he retired last fall, said it's important not to overlook the potential benefits for a wide array of people. He offered an example: Under the new plan, a 25-year-old who suffers a brain injury in a car accident would qualify for Medicaid-funded placement in a group home that he does not qualify for under the current system because of his age.

Joshua Slen, the former Medicaid director in Vermont, which implemented a scaled-back version of what Carcieri is proposing, said the approval process in his state was fraught with similar anxiety about waiting lists and reductions in the level of care. Before the change was implemented, the state had a waiting list of 241 people seeking long-term care. The list now stands at 56.

Six hours after yesterday's hearing began, lawmakers called it quits last night, promising to return for a second installment on Monday at 1 p.m. More than two dozen people who didn't get heard yesterday are expected to testify.

Packing up the hundreds of pages of materials, a tired-looking Costantino said he still has huge questions about the proposal.

"There are concerns from both sides of the equation," he said. "On one side, there are those who want to keep their loved one at home and can't right now, and on the other side, those who want to keep their loved one in a nursing home and are afraid they will be turned out. We need to put security on both sides," he said.

Carl, the former DOA director, said it's foolish to think they can do it all.

"How are they going to expand options, create alternatives, not force anybody to move and figure out a way to save tens of millions of dollars. Nobody is buying it," he said. "The problem is: Do [they] have to hold [their] nose and support it because it's built into the budget?"

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