

## **Commissioner Mary Mayhew's Remarks Maine's Medicaid State Plan Amendment Press Conference Wednesday, August 1, 2012**

Good morning. I am Mary Mayhew, Commissioner of the Maine Department of Human Services and I am joined today by Maine Attorney General William Schneider.

This morning, we will share with you the recent steps that have been taken to allow Maine to implement changes in its Medicaid program that were signed into state law in June but require federal approval.

Earlier today, I submitted Maine's Medicaid State Plan Amendment request to the Regional Office of the Centers for Medicare and Medicaid Services.

In this submission, I requested approval of this amendment request no later than September 1 in order to assure that Maine can implement legislatively approved changes by October 1.

Expedited approval would allow the State to meet the savings projected in the recently adopted budget for State Fiscal Year 2013.

Federal approval of our State Plan Amendment would permit Maine to implement the legislative changes authorizing the elimination of Medicaid coverage for 19 and 20-year olds, the reduction in coverage for non-pregnant, non-disabled adults to 100 percent of the Federal Poverty level and impose a 10 percent reduction in the Federal Poverty Level for those enrolled in various categories of the Medicare Savings Plan.

As you know, Maine, like other states, continues to deal with the effects of the most serious economic downturn since the Great Depression.

The Medicaid reductions passed by the Maine State Legislature clearly reflect the need to balance the budget in a way that provides health care coverage to Maine's most needy while protecting funding for other non-Medicaid services and other state programs.

These decisions were difficult for Maine's Legislature to make and we recognize that these reductions will not be easy for those who are losing coverage.

However, they are necessary for Maine not only to meet its constitutional obligation to submit a balanced budget, but for our state to reduce the sprawling growth of Medicaid spending in future budget submissions.

Maine, like many states, has struggled to deal with the loss of millions of dollars in federal Medicaid funding with the ending of the ARRA funding. It is very clear that the answer to the loss of the enhanced federal Medicaid funds cannot solely be reducing rates paid to providers.

While \$19.93 million in savings will be realized, Maine's Medicaid program will still offer a level of coverage that is significantly higher than what is required by the federal government.

This fact, combined with the recent court decision that struck down the freezing of state Medicaid eligibility standards and upheld flexibility for each state to manage its Medicaid program, offer a level of confidence that approval of our State Plan Amendment can be accelerated.

We have also offered the Centers for Medicare and Medicaid Services the option to pay Maine's share of the cost from October 1 forward until a decision is made on the State Plan Amendment.

If their final decision does not result in approval of the State Plan Amendment, an arrangement would be made to pay the federal government back through a reduction of our matching dollars once all legal issues have been resolved.

Once we have received approval, we will immediately begin work on completing all the steps necessary to implement the changes, which include notifying those whose benefits will be eliminated or reduced.

We are committed to open communication with those impacted by these changes throughout the process.

In closing, our staff is ready to move quickly to provide the Centers for Medicare and Medicaid Services with any additional information or support necessary.

We look forward to working with CMS to move this process to a swift and successful conclusion.

Now, I would like to introduce Attorney General William Schneider who will share with you the State's legal position regarding our State Plan Amendment submission.

I will be happy to take questions at the conclusion of his remarks.