

SR-117, As Adopted by Senate, February 24, 2010

Senator George offered the following resolution:

Senate Resolution No. 117.

A resolution to memorialize the Congress of the United States, the President, the Secretary of the U.S. Department of Health and Human Services, and the director of the Centers for Medicare and Medicaid Services to change Medicaid laws, rules, and policies to reward states for maintaining healthy Medicaid populations and administering efficient, cost-effective programs.

Whereas, An unfortunate contradiction exists with the Medicaid program which causes states that efficiently administer Medicaid and reduce state spending to be penalized by reducing federal matching funds. The current system rewards states that spend significant amounts of general fund dollars on their Medicaid programs with increased federal matching funds, regardless of the effectiveness of the program in keeping the population healthy. This incentive leads to programs fraught with overspending and inefficiencies that are leading state governments to the brink of insolvency; and

Whereas, The Medicaid system is built on a false premise that spending more money on health care services will improve the health of a population when, in fact, a population's behavior is the single greatest determinant of its health. Under the current program, states which spend more on inefficient and costly services and administration are rewarded with greater federal matching dollars. This causes states to divert precious resources from other priorities to chase federal dollars. In return, it is a factor in driving the federal government into deeper and deeper debt. It is of vital necessity for the federal government to change the course of the Medicaid program and provide incentives for states to achieve better results from Medicaid programs while spending less; and

Whereas, In recent years, the burden of Medicaid has begun to weigh down the state's ability to function. In fiscal year 1999-2000, Medicaid only accounted for approximately 15 percent of total adjusted gross spending for the state. In fiscal year 2009-2010, Medicaid will account for approximately 23 percent of total adjusted gross spending for the state. If this escalation in Medicaid spending continues, the state will be unable to meet its other obligations. It is time that federal Medicaid laws, rules, and policies reverse the practices of the past by discontinuing a system that rewards inefficiencies and excessive spending; and

Whereas, It is time for the federal government to reconsider these ineffective and flawed federal dollar match practices that encourage inefficient Medicaid programs and, instead, provide federal block grants to states, which would ensure that states receive the money they are due to operate their Medicaid programs so that states have an incentive to operate cost-effective programs; now, therefore, be it

Resolved by the Senate, That we memorialize the Congress, the President of the United States, the Secretary of the U.S. Department of Health and Human Services, and the director of the Centers for Medicare and Medicaid Services to change Medicaid laws, rules, and policies to reward states for results, staying healthy, and spending less; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the Majority Leader of the United States Senate, the Speaker of the United States House of Representatives, the Secretary of the U.S. Department of Health and Human Services, the director of the Centers for Medicare and Medicaid Services, and the members of the Michigan congressional delegation.