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RULES & ADMINISTRATION

FILED JAN 30 2002

**107**

1 SENATE CONCURRENT RESOLUTION NO.  
2 BY KRAMER, VEENSTRA, BOETTGER, REDWINE, LAMBERTI,  
3 TINSMAN, BOLKCOM, KIBBIE, SOUKUP, HAMMOND, KING,  
4 ZIEMAN, MCKIBBEN, SHEARER, JENSEN, REHBERG, DEARDEN,  
5 FINK, IVERSON, RITTMER, BEHN, HORN, DVORSKY, BLACK,  
6 MCKINLEY, HOUSER, FREEMAN, DRAKE, GREINER, LUNDBY,  
7 CONNOLLY, GRONSTAL, FRAISE, HARPER, SEXTON, MCCOY,  
8 HOLVECK, DELUHERY, SCHUERER, MADDOX, REDFERN, and  
9 FLYNN

10 A Concurrent Resolution relating to the Medicaid  
11 program and requesting assistance from the federal  
12 government.

13 WHEREAS, the Medicaid program provides health and  
14 long-term care coverage for tens of millions of  
15 Americans; and

16 WHEREAS, the Medicaid program is jointly financed  
17 with state and federal funds, with the federal  
18 portion, the Federal Medical Assistance Percentage  
19 (FMAP), being recalculated, annually, based on the  
20 relationship between each state's per capita personal  
21 income and the national average per capita personal  
22 income over three calendar years; and

23 WHEREAS, the Federal Medical Assistance Percentage  
24 for fiscal year 2003 will be based on state income for  
25 the 1998-2000 period, which does not reflect the  
26 current economic downturn; and

27 WHEREAS, in addition to the receipt of federal  
28 funds based on the Federal Medical Assistance  
29 Percentage, many states have relied on the use of the  
30 upper payment limit process in the payment of public

SCR 107  
RULES & ADMINISTRATION

1 nursing facilities and public hospitals to meet the  
2 costs of their Medicaid programs; and

3 WHEREAS, the upper payment limit process under the  
4 Medicaid program was revised in 2001 resulting in the  
5 elimination of the upper payment limit process, after  
6 a transition period, for all but public hospitals; and

7 WHEREAS, final rules published in January 2002 by  
8 the Centers for Medicare and Medicaid Services of the  
9 United States Department of Health and Human Services  
10 would revise the upper payment limit for public  
11 hospitals down from 150 percent of the Medicare limit  
12 to 100 percent, resulting in an additional reduction  
13 in the receipt of federal funds by the states; and

14 WHEREAS, many states were experiencing increased  
15 growth in Medicaid spending due to health care  
16 inflation, rising prescription drug costs, the unique  
17 role of Medicaid in serving elderly and disabled  
18 populations that often have high medical costs, and  
19 other factors, prior to the recent economic downturn;  
20 and

21 WHEREAS, in times of economic downturn, due to loss  
22 of employment and other factors, the number of people  
23 eligible for Medicaid increases, resulting in the  
24 competing pressures on the states to maintain or  
25 expand their Medicaid programs while at the same time  
26 to reduce state Medicaid spending; and

27 WHEREAS, state budget shortfalls that force states  
28 to trim their Medicaid programs to reduce state  
29 Medicaid spending may be counterproductive by  
30 simultaneously reducing the influx into the state of

1 an equal or even greater amount of federal Medicaid  
2 funds, thereby foregoing a potential stimulus to the  
3 economy; and

4 WHEREAS, the federal government, unlike a majority  
5 of the states, is not subject to a balanced budget  
6 requirement and can therefore increase expenditures  
7 during economic downturns; and

8 WHEREAS, time is of the essence in addressing the  
9 current state budget shortfall, including the Medicaid  
10 budget within the current fiscal year; NOW THEREFORE,

11 BE IT RESOLVED BY THE SENATE, THE HOUSE OF  
12 REPRESENTATIVES CONCURRING, That the General Assembly  
13 of the State of Iowa urges the United States Congress  
14 to increase the Federal Medical Assistance Percentage  
15 rate, and to also provide a one-time supplementary  
16 appropriation to the states under the Medicaid program  
17 to maintain current eligibility standards and  
18 benefits; and

19 BE IT FURTHER RESOLVED, That the General Assembly  
20 of the State of Iowa urges the Centers for Medicare  
21 and Medicaid Services of the United States Department  
22 of Health and Human Services to approve the Iowa  
23 Medicaid state plan amendment submitted on November  
24 26, 2001, to allow Iowa, like other states, to utilize  
25 the upper payment limit for assessment of payments to  
26 public hospitals; and

27 BE IT FURTHER RESOLVED, That the General Assembly  
28 of the State of Iowa urges the President of the United  
29 States, the Congress of the United States, and the  
30 Secretary of Health and Human Services to implement

1 strategies to contain the growing costs of health care  
2 and specifically the costs of the Medicaid program;  
3 and

4 BE IT FURTHER RESOLVED, That copies of this  
5 resolution be sent by the Secretary of the Senate to  
6 the President of the United States, the President of  
7 the United States Senate, the Speaker of the United  
8 States House of Representatives, the United States  
9 Secretary of Health and Human Services, and to all  
10 members of Iowa's congressional delegation.

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