



National Center for Children in Poverty
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For Immediate Release

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Child Health Researchers: Administration Changes to Medicaid Policy Will Continue Health and Mental Health Access for Needy

New York City – Researchers and policy analysts at the National Center for Children in Poverty (NCCP) are commending the Obama administration’s plans, announced June 29, to restore safeguards to Medicaid policy that support effective treatment for children and families. The administration will rescind all, or part of, three previously issued Medicaid regulations and delay the enforcement of a fourth.

“For those of us who work with vulnerable families and children, this is a clear indication that a new day has dawned,” says Janice Cooper, PhD, director of NCCP, a research center at Columbia University’s Mailman School of Public Health. “The previous administration undermined Medicaid by prohibiting payment for services provided in non-medical settings – such as child care centers, schools and some juvenile justice-related programs – places where many of the most needy among us first sought help.

Cooper explains that the regulations to be rescinded crippled the rehabilitation option, Medicaid administrative costs, school-based services, and targeted case management among a number of Medicaid financing mechanisms that had provided additional support for a range of effective, research-informed services for children and youth with mental health needs and their families.

The administration’s announcement was made Monday by Department of Health and Human Services (HHS) Secretary Kathleen Sebelius in a news release.

“These regulations, if left in place, would have potentially adverse consequences for Medicaid beneficiaries, some of our nation’s most vulnerable people,” said Secretary Sebelius in the HHS release. “By rescinding these rules, we can expect that children will continue receiving services through their schools, beneficiaries will be able to access all available case management resources to help them better manage their health care, and outpatient hospital and clinic services can continue to be covered in the most efficient manner.”

“By rescinding these proposed rule changes – which Congress had temporarily blocked through a moratorium – the new administration has sent a clear message that it plans to modify Medicaid to address the real concerns of this century and promote improved health and mental health through practical policy decisions,” says Cooper. “As advocates and researchers we see this as a positive first step. Children and families will depend on informed fiscal policies, including Medicaid, to support health.”

According to the release, the Centers for Medicare & Medicaid Services (CMS):

- Rescinded a rule, codified in December of 2007, that would have eliminated reimbursement for school-based administrative costs and costs of transportation to and from schools. The rescission reflects desire to support school-based Medicaid administrative outreach activities, and to prevent the overall budgetary impact on schools from impacting their ability to offer Medicaid services.
- Rescinded a rule, codified in November of 2008, which would have limited Medicaid's outpatient hospital and clinic service benefit to the scope of services recognized as an outpatient hospital service under Medicare. This rule was rescinded because CMS became aware that coverage beyond that scope could not be easily moved to other benefit categories, resulting in greater impact than previously anticipated.
- Rescinded provisions of an interim final rule, codified in December of 2007, that would have restricted beneficiary access to needed coverage of case management services, and limited state flexibility in determining efficient and effective delivery systems for these services.
- Delayed, until June 30, 2010, the enforcement of portions of a regulation that would have clarified limitations on tax programs related to health care, so that CMS could determine whether states need additional guidance. CMS may also further review the potential impact of the regulation, and give additional consideration to alternative approaches.

The National Center for Children in Poverty (NCCP) is the nation's leading public policy center dedicated to promoting the economic security, health and well-being of America's low-income families and children. Part of Columbia University's Mailman School of Public Health, NCCP uses research to inform policy and practice with the goal of ensuring positive outcomes for the next generation.

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