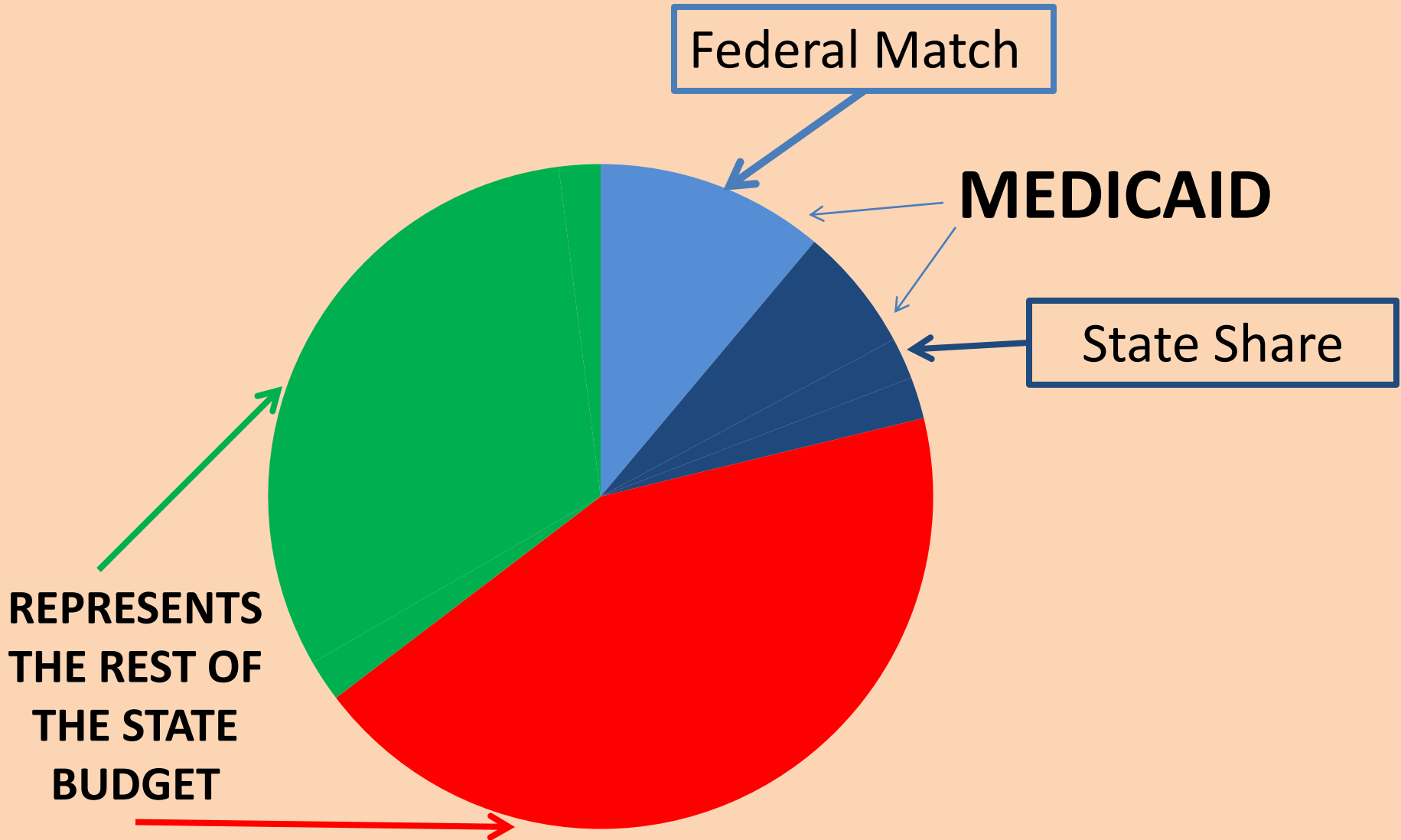


Why The Legislature Owes Medicaid

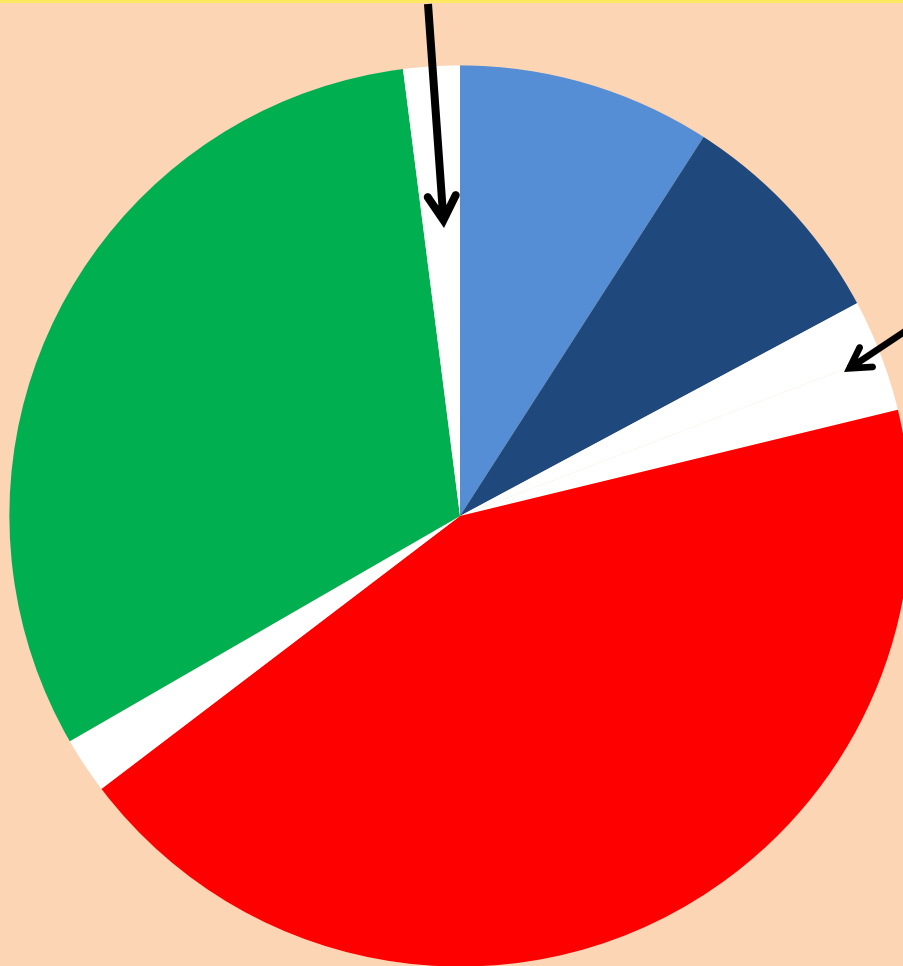
Florida CHAIN
www.floridachain.org

State Budget: Pre-Recession



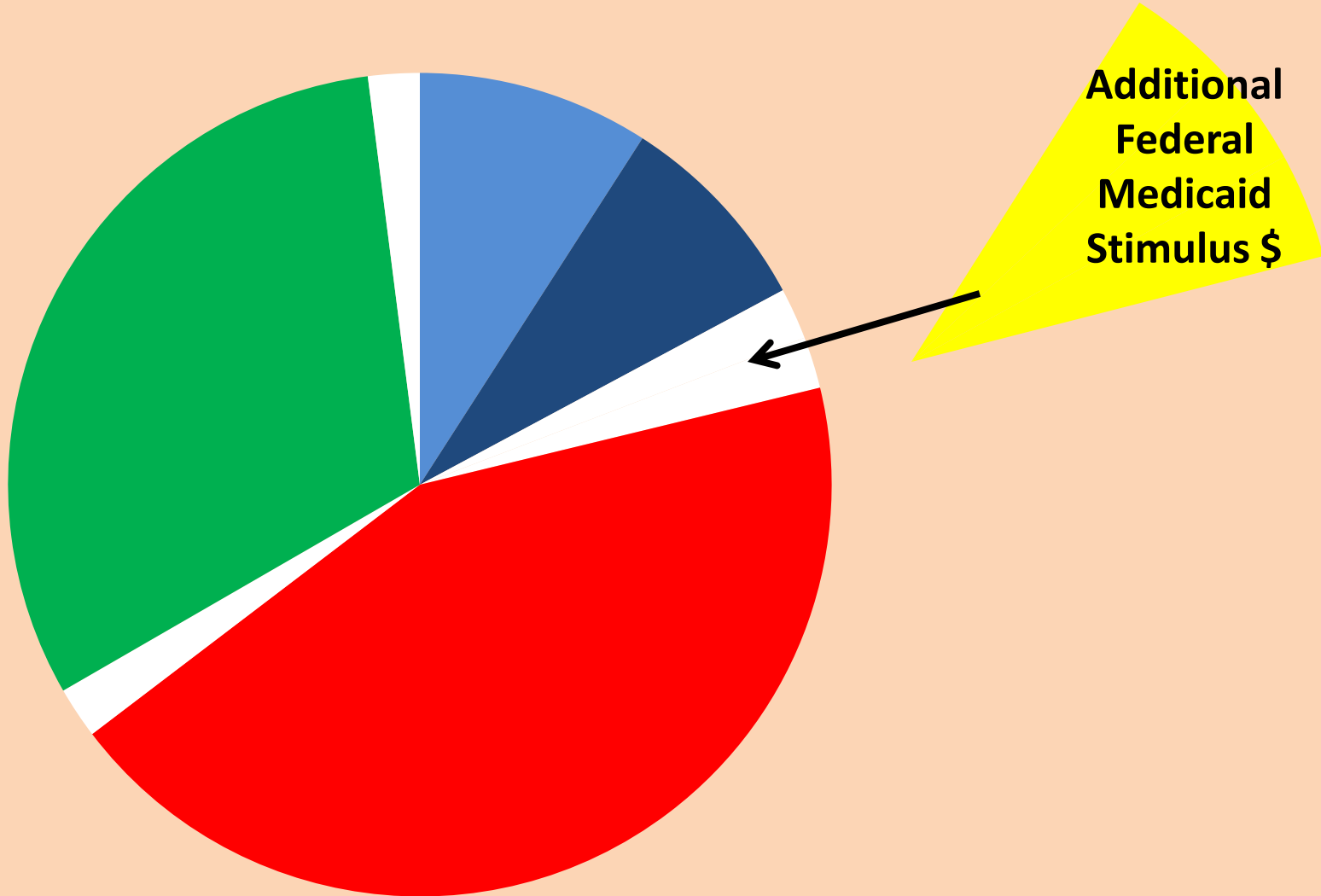
During Recession: Big State Budget Deficits

These deficits cause major gaps in funding for State programs and services



**MEDICAID'S
Funding Gap Is A
Double-Whammy:
LESS State Revenue
+ MORE Medicaid
Recipients**

Oct 2008 – Dec 2010: Medicaid Rescued by Federal Stimulus \$



Legislature's Dilemma: Steal from Medicaid?

Even after preserving Medicaid through Dec. 2010, Fla. should still have \$2+ billion in Medicaid stimulus \$ left.

What has the Legislature done with that money?

A. Acknowledged that Medicaid doesn't end in 2010. Planned to appropriately use remaining stimulus \$ to address Medicaid shortfall in 2011.

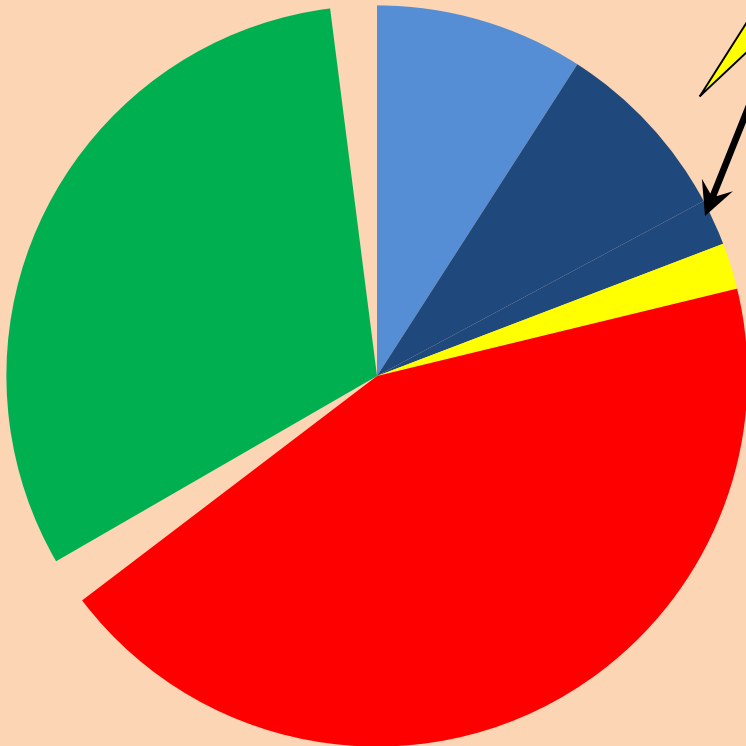
OR

B. Used short-term federal stimulus funds to replace long-term State funds. Used the freed up \$ like a slush fund, even though this will decimate Medicaid in 2011.

They Chose Option B (i.e., Steal from Medicaid)

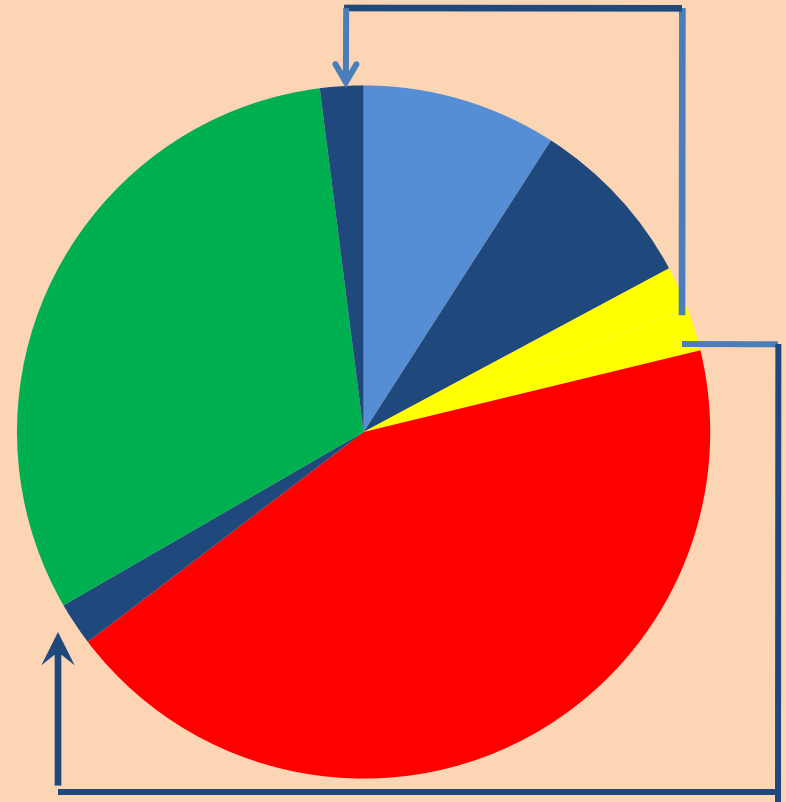
STEP 1

Put EXTRA
Stimulus \$ In



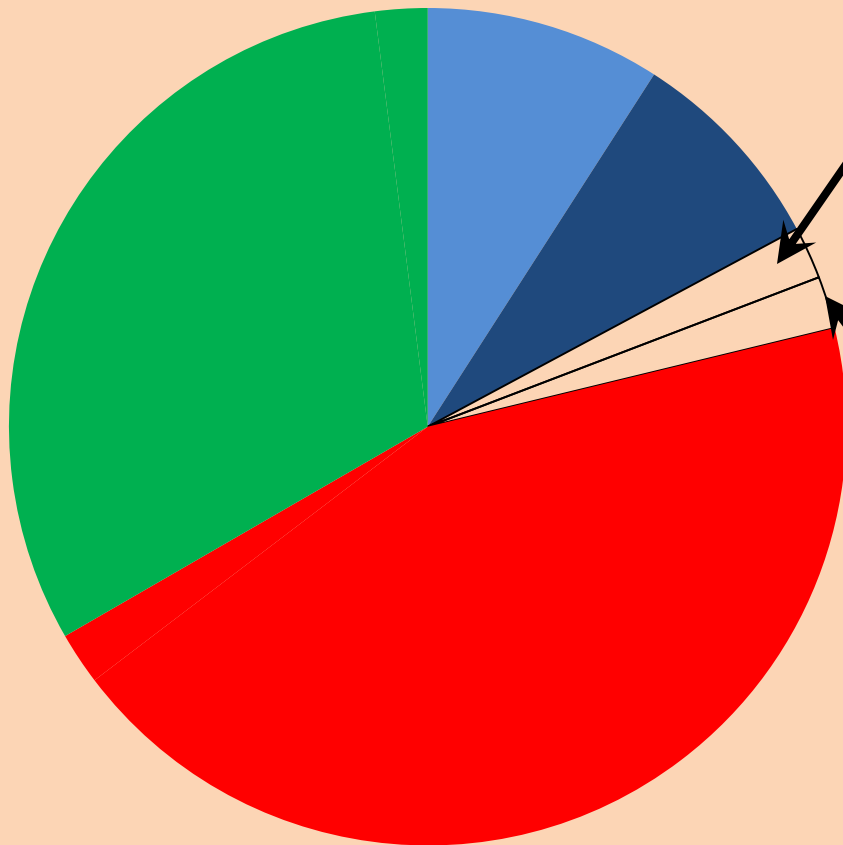
STEP 2

Take Long-Term State \$ Out
And Use It However



Real Impact on Upcoming Budget Decisions

**Supposed \$1.8 Billion Medicaid
Shortfall in 2010-11**



Yes, part of the Medicaid shortfall is due to more Medicaid recipients & to stimulus payments ending.

But a huge part comes from Irresponsibly replacing long-term state \$ with short-term fed stimulus \$. That diverted money is no longer in the State's baseline budget.

How Can the Legislature Save Medicaid?

- Avoid using “Option B” for the final installment of Medicaid stimulus funds.
- Use Medicaid stimulus \$ sitting in State reserves.
- Recognize that the # of Medicaid recipients will begin to drop again with economic recovery.
- Own up to our revenue crisis, not pass it to Medicaid recipients.