



Statement
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Legislature Sends Bill to Governor and Avoids Heavy Cuts to Medicaid Providers More Work Needs to be done to Ensure That Across-the-Board Cuts Do not Happen

Statement by Terry Brooks, Executive Director, Kentucky Youth Advocates

In what can only be described as head-scratching maneuvering from all sides, Governor Beshear faces important decisions around the state's Medicaid budget. As the Governor considers the legislation handed him by the House and Senate, we urge him to:

- Take the fiscal actions required in moving \$166.5 million from the FY 2012 budget to FY 2011 to prevent crippling cuts to reimbursement for Medicaid providers across the Commonwealth.
- Reject across the board cuts to the much needed and valuable state services to children and families. In addition to education, programs such as family preservation, child abuse and neglect investigation efforts and juvenile justice diversion must be protected as they provide critical supports for the children of Kentucky.
- Ensure that provisions to recreate barriers to health care for eligible children are vetoed. The legislation before Governor Beshear would reinstate face-to-face interviews for Medicaid and KCHIP enrollment, making Kentucky one of only three states to use this ineffective and outdated practice. The Governor has taken important steps to ensure access to these services by eliminating that barrier and he must protect the important progress made.

There is no question that this issue is filled with a series of high risk propositions. For instance, the Governor is clearly on the line to save the millions he projects in expanding managed care. If he fails in that promise, then Kentucky's children and families will be on the line as policymakers implement broad and deep cuts to needed supports.

Managed care itself is also a high risk proposition. The national experience with managed care is as diverse as the nearly three dozen states involved. In some cases, managed care has produced dramatic savings and improved health outcomes. In other cases, the reverse has occurred. We are especially hopeful that the Governor will ensure that before any managed care option becomes a reality, its impact is carefully explored. As an example, a growing positive for Kentucky's children is the rise in school-based health services, which is usually built upon close collaboration between schools and the local health department.

Yet in the only existing managing care arrangement in Kentucky, school-based health services built around that kind of collaboration are explicitly precluded from happening because of the provider. The Commonwealth cannot afford that kind of unintended consequence for any segment of our Medicaid population.

Perhaps the most dramatic high-stakes proposition we face is the continuing failure of Kentucky's leaders to address the state's budgeting strategy. It is a strategy that makes Kentucky lurch from one fiscal crisis to the next. If we are to stop the state fiscal crisis from continuing as an annual rite of spring, then we have to get serious about aligning our tax structure with the realities of the 21st Century. A commitment to an adequate, sustainable and transparent budget system – which includes new revenue -- means that we can at last begin to invest in Kentucky's future rather than investing merely in electioneering. Citizens should demand that commitment animate the Governor's race and dominate the 2012 General Assembly.

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Kentucky Youth Advocates is the home of Kentucky's Tax and Budget Initiative. We work to promote an adequate, sustainable and transparent budget upon which we can build strong public structures and the long-term economic vitality of the Commonwealth.