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Report: Manchin would cut Medicaid Services to recipients will not be decreased,

By **Eric Eyre**
Staff writer

For the first time in more than a decade, a West Virginia governor is requesting a decrease in spending for the state Medicaid health insurance program for the poor, according to a new report from a nonprofit research group.

Gov. Joe Manchin's recommended budget for the upcoming fiscal year - which starts in July - recommends an \$8.2 million cut in Medicaid spending.

The decrease could result in a \$32 million drop in funding because the federal government provides three dollars for every dollar West Virginia spends on Medicaid, says a report from the West Virginia Center on Budget & Policy.

About 390,000 West Virginians receive free health insurance through Medicaid. About half of those are children.

"This is going to have a huge impact," said Renate Pore, a Medicaid researcher with the organization. "It deserves to be questioned. Do they want to reduce services to kids?"

Medicaid officials said services to Medicaid recipients won't be cut. Budget projections haven't matched actual Medicaid spending in recent years, a Medicaid spokeswoman said, and the program has spent less than expected.

"The question is why haven't we asked for more money?" said Shannon Riley Landrum, legislative liaison for the state Medicaid office. "It's because we don't need it yet."

Landrum noted that state "provider tax" revenue collected from doctors and other health professionals is expected to drop by \$8 million during the upcoming fiscal year - money that funds the Medicaid program.

The Legislature repealed the tax in 2001, and it's being phased out through 2011.

Landrum also said the office has saved money through more efficient administrative practices.

"We're better managing our money through better management of the program," she said.

Pore said Medicaid spending has increased in recent years because overall health-care costs have climbed.

The state's Medicaid budget increased from \$334 million in 1995 to \$661 million this year, according to the report.

Pore, who co-wrote the report with Ted Boettner, the budget center's executive director, said she hopes the study will prompt lawmakers and health-care leaders to discuss the \$8.2 million decline in the Medicaid budget.

"I just want people to start talking about this," Pore said.

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