

In June the General Assembly and the Governor agreed on a state budget for the new fiscal year beginning July 1, 2010. This budget had to address a projected deficit of over four hundred million dollars, as well as cover a deficit from the preceding fiscal year. Not surprisingly, no one on Smith Hill wanted to raise state income or sales taxes in an election year. The result was a budget that reduced state aid to cities and towns. The good news for seniors was that the budget did not reduce Medicaid-funded long-term care services for seniors and disabled adults. However, seniors who are homeowners in some cities and towns could see higher property taxes due to the state aid cut.

Typically in a difficult year the state's Medicaid budget, representing thirty-three percent of all state expenditures, would be an obvious target for reductions in services and numbers of people served. But this was not a typical year. In mid-2009 Rhode Island opted to accept one hundred ninety-eight million dollars per year in extra federal Medicaid reimbursements for the eighteen month period ending December 31, 2010. These federal funds came with strings attached. In return for these funds, Rhode Island could not reduce Medicaid-funded services by changing eligibility requirements, increasing co-pays, or other requirements. Known as "maintenance of effort", this requirement prevented major cuts to Rhode Island's Medicaid spending.

Now the not-so-good news. In crafting the new budget, the General Assembly and Governor assumed that these increased federal Medicaid funds would be available through the first six months of 2011, and budgeted ninety-five million dollars in revenue from this source. However, Congress has not yet appropriated this money. AARP and countless other senior advocacy groups have mounted a campaign to persuade Congress to continue these funds. The Senior Agenda Coalition has urged Senators Reed and Whitehouse to include them in an appropriations bill before the Senate. The outcome is uncertain, and may not be resolved until after the November elections.

Critics of the Rhode Island's latest state budget have attacked the inclusion of future federal Medicaid funds as projected revenues. We believe this was a fairly reasonable assumption to make, given that thirty other states' budgets have also assumed that these Medicaid dollars would remain available in 2011. That fact alone translates into significant political pressure on Congress to act. Furthermore, the General Assembly has authorized the Governor to unilaterally enact budget cuts to offset loss of the projected federal funds, if they are not appropriated by next January. That provision seemed clearly aimed at reductions to Medicaid-funded services.

Medicaid funds the long-term care safety net for all of us as we age. As always, we need to follow John Dewey's dictum that "democracy means paying attention." I would also add that we need to let our Congressman and Senators know that we are paying attention.

William F. Flynn, Jr.
Executive Director
The Senior Agenda Coalition of Rhode Island