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# Report

## 2003 State of the State Addresses: Governors' Discussions of Budget and Health Care Issues

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**2003 State of the State Addresses:**

**Governors' Discussions of Budget and Health Care Issues**

<b>State</b>	<b>Date of SOS</b>	<b>New Initiatives</b>	<b>Medicaid</b>	<b>SCHIP</b>	<b>The Uninsured</b>	<b>FY 2004 Estimated State Budget Deficit (in millions of dollars)</b>
<b>Alabama</b>	No data available	N/A	N/A	N/A	N/A	\$500
<b>Alaska</b>	1/23/03	N/A	The delivery of adequate health care is a real challenge, made more difficult by the escalating costs of Medicaid. ... ensure we have a sufficient number of qualified health care professionals throughout Alaska... identify strategies to maximize federal and state resources so we can improve the delivery of health care services along with preventative health care strategies.	N/A	N/A	\$896
<b>Arizona</b>	1/13/03	N/A	N/A	N/A	N/A	\$967
<b>Arkansas</b>	1/14/03	...reduce health care costs with reform of medical malpractice...Legislation is being introduced to bring some control and boundaries to the risks faced by businesses, doctors, hospitals and employers, as well as just private citizens. The purpose is not to protect big corporations or insurance companies, but it is to protect all of us from a system of health care that we'll simply not be able to afford or access without some reform	... without you joining me and finding new revenue, we simply will not meet the court-ordered mandates in education or Medicaid			\$223
<b>California</b>	1/8/03	N/A	N/A	My budget will protect, to the extent possible, our progress in public	N/A	\$18,000 – 26,000

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				education, public safety and children's health insurance		
<b>Colorado</b>	1/16/03 No data available	N/A	N/A	N/A	N/A	\$900
<b>Connecticut</b>	1/8/03	<ol style="list-style-type: none"> <li>1. We are asking state employees to take a smaller raise this year, and a wage freeze next year.</li> <li>2. We are asking for a reasonable increase in their health care premium payments.</li> <li>3. We are asking for an increase in their prescription drug co-payments.</li> </ol>	N/A	N/A	N/A	\$1,500
<b>Delaware</b>	1/23/03	<p>My budget proposal will include a plan to spend \$5 million from the tobacco settlement fund on the first-year recommendations of the cancer council. These funds will be used to begin early screening for colorectal cancer, to pay for cancer treatment for the uninsured, to begin to investigate environmental causes of cancer and to reduce tobacco use in Delaware.</p> <p>One such cut has already been</p>	<p>When I began work on the budget proposal, the gap between projected revenues and expenditures for FY04 stood at \$300 million - more than 10 percent of our budget...The gap existed because the current projection of revenues next year is that they will be less than state government's level of spending this year. Add to that the largely unavoidable increases to the budget from the mandated costs we see every year: increases in Medicaid, increases in health</p>	N/A	N/A	\$300

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		announced -- the closing of the Gov. Bacon Health Center in Delaware City. The state has been operating three nursing homes when it only needs two, creating the opportunity to save \$2.5 million without diminishing services to citizens or putting state employees out of work. The level of care these patients receive will not change as they and the employees who have served them so well are moved to one of our two other health care facilities.	care and prescription costs...			
<b>Florida</b>	1/22/03	Health and human services spending has increased by a record \$4 billion.	For example, under our KidCare and Medicaid budget recommendations, 1.3 million children will be receiving health care coverage, up 69 percent from four years ago. The number of developmentally disabled being served has increased by 330 percent.	N/A	N/A	\$2,000
<b>Georgia</b>	1/27/03	... we have identified an additional \$285 million that will allow us to fully fund the homestead exemption property tax cut without taking away from education, health care or other critical needs.	N/A	N/A	N/A	\$900
<b>Hawaii</b>	1/21/03	I am proposing to level the playing field for private health insurance companies by eliminating the 4% general excise tax on their policies, thereby increasing dramatically the chances of new providers entering the	N/A	N/A	N/A	N/A

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		<p>market.</p> <p>I am also proposing that HMSA and Kaiser Permanente be prohibited in the future from sitting on the board that recommends which insurance companies can enter the market in Hawai'i.</p> <p>I am proposing legislation that only affects lawsuits that are found by a panel of independent doctors and lawyers to be without merit. It will reduce the cost of malpractice insurance and help to hold down the cost of healthcare.</p> <p>In order to bring immediate relief, I have put together a public-private partnership that will provide free prescription drugs to our most vulnerable citizens. This unique program is possible because the Hawaii Medical Association has offered to mobilize the support of Hawai'i's physician community, and fund a hotline so that help is readily available.</p> <p>Long-term care insurance is readily available and often affordable, but relatively few people have availed themselves of this self-help remedy. To encourage the purchase of such insurance, I am proposing a 30% tax credit to be phased in over a</p>				

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		three-year period.				
<b>Idaho</b>	1/7/03	...cutting all state funding to our seven health districts and eliminating the Catastrophic Health Care fund...	<p>We improved the quality of our healthcare to Medicaid recipients and reduced costly trips to the emergency room by investing in a program called Healthy Connections.</p> <p>We reduced the growth of Medicaid from 16% down to just 6%.</p> <p>...there would still be a \$100 million shortfall and the reality of slashing ALL remaining agencies, including senior programs, Veterans Services, and Medicaid</p>	N/A	N/A	\$200
<b>Illinois</b>	No data available	N/A	N/A	N/A	N/A	\$3,600
<b>Indiana</b>	1/14/03	N/A	N/A	<p>We have found children without insurance in Bluffton and Newburgh and Terre Haute and Crawfordsville and across the state. And we've done something about it. We have enrolled nearly half a million children in Hoosier Healthwise - which is both Medicaid and CHIP, the Children's Health Insurance Program.</p> <p>We have asked Washington to restore the money that it</p>	N/A	\$850

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				provided - and then jerked away - money that would allow us to help many more children get the health care they need.		
<b>Iowa</b>	1/15/03	<p>Iowa should lead the nation with the highest percentage of residents with mental health and substance abuse coverage. Let us make the enactment of mental health parity a landmark for which this legislature will be remembered and celebrated for years to come.</p> <p>And we will seek legislation to give the Department of Inspections &amp; Appeals the authority to regulate adult day care facilities for dependent adults and seniors, so that families can feel secure about the quality of care their family member receives.</p>	We will look whenever, wherever, and for as long as it takes for strategies to control Medicaid costs without limiting access to quality healthcare.	Today, we protect almost ninety-five percent of our children by providing access to healthcare through Medicaid; Hawk-I, our children's health insurance program; or other private insurance.	N/A	\$414
<b>Kansas</b>	1/15/03	<p>The '04 budget does not include any revenue transfer from the state to cities and counties, because those dollars are essential to educate our Kansas children, protect our most vulnerable citizens, and ensure access to quality health care.</p> <p>More than 450,000 Kansans receive their health insurance and health services from the state. As the largest purchaser of health care in Kansas, we</p>	N/A	N/A	N/A	\$700

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		must look for ways to utilize our purchasing power and help contain costs...I have begun to work with my colleagues in the Midwest to leverage the prescription drug costs of Kansans through multi-state purchasing.				
<b>Kentucky</b>	1/9/03	N/A	We've increased Medicaid spending 64 percent; and the Medicaid budget is still \$450 million short.  Proposed 2% Medicaid cut	We've been among the most successful states to implement the children's health insurance program. Over 51,000 children in Kentucky have health insurance coverage today because of our work!!!	N/A	\$360
<b>Louisiana</b>	N/A* No data available	N/A	N/A	N/A	N/A	N/A
<b>Maine</b>	N/A	N/A	N/A	N/A	N/A	\$375 – 475
<b>Maryland</b>	1/15/03	N/A	For Seniors: \$7.3 million for 1,000 additional placements for the Medicaid Older Adults Waiver to move people out of nursing homes and back into their homes.	N/A	N/A	\$1,200
<b>Massachusetts</b>	1/29/03	I will also call on all state employees to pay a larger share of their health insurance, from the 15 percent we now pay to 25 percent. And some state workers will face layoffs as positions they have filled will no longer be needed.	N/A	N/A	In some cases, I'll ask citizens who receive free medical care to contribute a share of its cost. Some health services will be pared back. Providers, like hospitals and nursing homes, will also be asked to share in our emergency reductions. Of every dollar now spent for	\$1,400 – 2,000



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					health and human services, there will be about a 1 _ cent reduction.	
<b>Michigan</b>	2/5/03	On behalf of our seniors, we have submitted - just this afternoon - a waiver request to the federal government asking for additional federal funds to expand EPIC, our Elder Prescription Insurance Coverage program. The waiver will allow us to more than double the number of low-income Michigan seniors who can rely on EPIC for comprehensive prescription coverage.	Citizens are providing input through a Medicaid summit on how to repair our broken Medicaid system.  I have also instructed the State's Director of Community Health, Janet Olszewski, to begin negotiations with other states to form a multi-state compact for prescription drugs. By leveraging the compact's immense buying power, we expect to cut tens of millions of dollars from our Medicaid drug costs this year.	N/A	N/A	\$1,603
<b>Minnesota</b>	2/6/03	Former U.S. Senator Dave Durenberger has agreed to lead a Blue Ribbon Task Force of Minnesotans to help us chart a course for the future of health and health care in Minnesota. This task force will provide Minnesotans with a long range cost control strategy to make health care more affordable. I expect this task force to finish its work within the next eight months.	N/A	N/A	N/A	\$2,442
<b>Mississippi</b>	1/9/03	During the special session on medical malpractice, I called for the creation of a compensation fund to provide relief for rural Mississippi. Today, I again urge its adoption as part of the overall	N/A	N/A	N/A	N/A

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		plan to ensure quality health care for our people.				
<b>Missouri</b>	1/15/03	I will also seek a cigarette tax dedicated to health care. But in this proposal, the money will be needed to protect existing health care needs, including health care for our low-income elderly.	N/A	N/A	N/A	\$1,000
<b>Montana</b>	1/21/03	<p>We can also retain our talented teachers by addressing the rising costs of healthcare.</p> <p>On behalf of educators in Montana, I urge you to send me HB 302, sponsored by Representative Dave Lewis and developed in partnership with the education community. This legislation creates a statewide teachers' insurance pool to keep costs down for our schools.</p> <p>As we work to address health care needs, I ask for your consideration of legislation to implement a senior discount prescription plan in Montana.</p> <p>Our budget addresses the need for more community-based programs for the mentally ill by limiting the population at the Montana State Hospital in Warm Springs, and creating three regional programs.</p> <p>In addition to these healthcare issues, our hospitals and</p>	We must also address the wise use of our Medicaid dollars. That is why I am creating a Medicaid Reform Commission, to be headed by Dr. Peter Blouke to address growing needs and escalating health care costs.	N/A	N/A	\$66

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		<p>clinics are faced with other tough challenges, not the least of which is the shortage of qualified healthcare workers.</p> <p>I established a task force to address those shortages, and in response to their recommendations, I have committed \$120,000 of federal money to partner with Superintendent McCulloch to provide a healthcare career specialist in her office. OPI will also provide \$30,000 of federal money over the next three years, and we are asking private industry to support this effort as well.</p>				
<b>Nebraska</b>	1/15/03	<p>My budget recommendations require reductions across nearly all programs, services, and aid provided by State government...I have also spared from deep cuts public and private nursing homes, the state's 24-hour care facilities including our veterans' homes, and our home for the developmentally disabled. And finally, children's health care, the family childcare subsidy, and early childhood education aid are spared deep cuts under this budget recommendation.</p>	<p>Aid to individuals includes Medicaid, childcare subsidy, and other individual assistance programs. The total price tag this year is \$535 million or 20 percent of the total budget. Medicaid, the state and federal health care program for low-income seniors, the disabled, and children, is the largest component of this category at three-quarters of the total. The complete elimination of aid to individuals for one year - of course, not a possibility - would not balance the budget.</p>	N/A	N/A	\$337 – 449
<b>Nevada</b>	1/20/03	<p>I am proposing a 15 cent increase in property taxes, and the creation of an admissions and amusement</p>	N/A	<p>Ladies and Gentlemen of the Legislature, I refuse to balance this budget on the backs of</p>	N/A	\$359

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		tax... the vast majority of these taxes will only provide enough revenue to meet the basic needs of our state's growth. Growth means the ...the enormous increase in mandated caseloads for Medicaid and welfare, and the rising cost of health care benefits for public employees.		our children, senior citizens, and the poor. Moreover, I will not cut programs such as Nevada Check-Up. Cutting a program whose sole purpose is to give health care to 25,000 needy children is wrong. No, it is not wrong, it is heartless. If it is your choice to do so, you will do it over my veto.		
<b>New Hampshire</b>	2/13/03 Text not yet available	N/A	N/A	N/A	N/A	\$100
<b>New Jersey</b>	1/17/03	We've developed a special tumor registry so that every New Jersey patient diagnosed with cancer will have greater access to state-of-the-art clinical trials through a network of hospitals and oncologists. We've created SWAT teams to respond to suspected cancer clusters.  In the next budget, we will build on these investments but we can start now by passing legislation to promote stem cell research to be done here in New Jersey.	N/A	N/A	N/A	\$4,000
<b>New Mexico</b>	1/21/03	Additionally, the gross receipts tax on payments to physicians from commercial HMOs should go away. The	The last administration took this development a giant step farther by giving the HMOs	N/A	N/A	N/A

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		<p>gross receipts tax is forcing doctors to leave our state, threatening the health and welfare of our communities particularly in rural New Mexico.</p> <p>I propose \$4 million for scholarships and other financial incentives to these health care professionals while they are in training. We'll require them to practice here in New Mexico.</p>	<p>management of Medicaid - the federal program that is a major financial component of almost everything that happens in health care. The result - intended or not - is that Medicaid and commercial health insurance are joined at the hip. Hard times in Medicaid will be made up by raising the premiums charged commercial customers. Higher premiums will reduce the number of people covered - which in turn increases the financial pinch on the big HMOs starting the whole cycle over again.</p> <p>We must reshape or reform our health care industry in ways that extend health insurance coverage to more people. I don't believe a single-payer system is the answer to universal coverage, but we must - and will - find ways to make health care coverage more universal for our state's citizens. The broader the reach of coverage the greater the stability in the industry.</p> <p>We need to provide prescription drug relief to our senior citizens. This should be accomplished through Medicaid for low-income and disabled seniors.</p> <p>For all seniors, I will enter into forceful negotiations with drug companies to obtain the largest possible price discounts. I agree with those who say prescription</p>			

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			<p>drug coverage for senior citizens is a federal responsibility, but we can't simply ignore the problem at the state level.</p> <p>The legislative Medicaid Reform Committee just reported on nine months of study on the almost \$2 billion a year program. This administration will make that study the starting point from which to decide what must be done in the short term.</p>			
<b>New York</b>	1/8/03	N/A	N/A	N/A	N/A	\$10,000 – 12,000
<b>North Carolina</b>	3/3/03	<p>We tackled the skyrocketing costs of prescription drugs for our seniors. Our new Senior Care program helps them get their medication while they keep their health. People said we could not afford to go forward in this economy, but North Carolina will protect the greatest generation in any economy.</p> <p>And while Washington still debates this issue, North Carolina passed the strongest Patients Bill of Rights in America...</p> <p>And finally, we must get health care costs under control. We cannot allow federal mandates to destroy education and public safety investments.</p> <p>Let me be clear - our health care programs help our most vulnerable citizens. We know</p>	<p>We will help those on Medicaid as well. Under our new ACCESS initiative, health providers will emphasize prevention, and begin enrollment this year. It will cost us less and provide patients more.</p>	N/A	N/A	\$2,000

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		<p>that we will all be judged by how we treat the least of our people.</p> <p>But if we fail to control costs, and try to be all things to all people, we will soon be unable to provide anything for anybody. The only viable long-term solution is prevention. It works in the private sector and it can work in government.</p> <p>Diet, exercise, and checkups prevent health problems.</p> <p>An ounce of prevention is worth a pound of cure - and a pound of cure is getting too expensive to waste.</p> <p>It is wrong to ask others to take care of us if we are not willing to take care of ourselves.</p> <p>Tonight I am proposing that the state increase its wellness benefit by one-third next year. It is the right investment to provide incentives to stay well.</p>				
<b>North Dakota</b>	1/7/03	<p>We can empower our seniors to live at home longer, and we can help those with limited income to afford the prescriptions drugs they need. To do that, I have proposed -- and I ask you to support -- funding for Healthy SeniorsRx, our new</p>	N/A	N/A	N/A	N/A

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		prescription drug program, as well as increased funding for more home-based services for our seniors and disabled.				
<b>Ohio</b>	1/22/03	Mental Retardation and Developmental Disabilities will gradually move people from institutions to community-based settings, enabling us to close one or two developmental centers in the next two years.	<p>[Medicaid is] also about to bankrupt Ohio, and nearly every other state in the union. The Medicaid growth rate is simply unsustainable. The year I took office, Ohio spent under \$6 billion on Medicaid. By the end of the coming budget, costs will have risen to \$10 billion a year - an increase of over 75 percent in just six years.</p> <p>We'll continue to protect our most vulnerable populations, including children and pregnant women. We'll also make it possible for more seniors and persons with disabilities to live in settings they prefer. But we must enact tough measures to slow the growth rate of Medicaid or else decimate every other category of state spending.</p> <p>I will propose to freeze reimbursement rates for all providers, require a new formula to pay for long-term institutional care, eliminate many optional services, and change eligibility criteria that will significantly affect the number of adult Ohioans receiving Medicaid services.</p> <p>Due to federal mandates, Medicaid costs are hard to control. Even with the steps I'm</p>	N/A	N/A	\$2,000



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			proposing, Medicaid will increase by nine percent next year, far more rapidly than state revenues, requiring an additional expenditure of \$300 million in state share alone in our next fiscal year.			
<b>Oklahoma</b>	1/13/03	Already, I have begun working with other Governors in our region to form a multi-state bulk purchasing pool to help drive down the cost of prescription drugs. We need to explore other options for making health care more affordable, such as that proposed by Senator Jay Paul Gumm in Senate Bill 710 and Senator Bernest Cain in Senate Bill 830. No one - especially our seniors - should have to choose between buying groceries or life-saving medicines.	We should continue to build on the health care and HMO reforms already enacted by the Oklahoma Legislature. For example, we should maximize our Medicaid program, and, at the same time, increase access by allowing limited liability for doctors who donate care to the poor.	N/A	N/A	\$593
<b>Oregon</b>	No data available	N/A	N/A	N/A	N/A	\$960 – 1,267
<b>Pennsylvania</b>	5/4/03 No data available	N/A	N/A	N/A	N/A	\$500 – 2,000
<b>Rhode Island</b>	2/4/03	We're going to throw our energies into tackling the rising cost of health care. Our low-income neighbors, our elderly and our working families need RELIEF.	N/A	N/A	N/A	\$175 – 250
<b>South</b>	1/22/03	N/A	Medicaid spends over 3 billion dollars each year - and it is	N/A	N/A	\$700

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Carolina			<p>currently in crisis. It will require about a \$150 million increase in funds just to keep the existing programs going. One solution is to simply raise taxes. I think this action alone would be a mistake because simply raising taxes is no more than a band-aid for a patient in critical need of surgery. We have a duty to work together to find a solution not just for this year - but also for subsequent years.</p> <p>I have specific thoughts on decreasing the income tax with any proposal to increase the cigarette tax to fund Medicaid. This may well be an acceptable tax substitution as the federal government pays 70% of Medicaid while South Carolinians pay 100% of the income tax.</p> <p>Let's also look at Medicaid reforms - eligibility, better linkage with non-profit and faith-based institutions, and a different approach to the way that Medicaid provides service.</p> <p>Medicaid doesn't look at health in any sort of long-term context, but rather seems to serve as an insurance agency that simply pays to treat symptoms. I think it's very important that we implement a system wherein Medicaid patients have medical homes and primary care physicians that look at their health needs and the causes of</p>			

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			<p>those health needs.</p> <p>There's something wrong with a Medicaid system that paid for \$26 million in visits to emergency rooms last year, though in many cases care could have been provided in a setting less expensive for the taxpayer and less institutional for the patient.</p> <p>There is something wrong with a Medicaid system that will pay for a series of different specialists' opinions or specialty procedures, but doesn't pay for significant preventive services.</p> <p>There is something wrong with a Medicaid system that will pay for a \$1500 a year drug plan to reduce cholesterol for twenty years - but it won't pay for an ongoing, \$200 a year nutritional plan that would reduce cholesterol by an even greater amount.</p> <p>We know that a diet high in saturated fat can lead to coronary heart disease. Well, we have plaque in the Medicaid blood stream. Before we ask for more blood to go through those constricted arteries we owe it to taxpayer, patient, and provider alike to reform the system. Concurrent with any proposal for more money, there must be reform. If we need waivers for more flexibility, I will go to the</p>			

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			mat in Washington to get them.			
<b>South Dakota</b>	1/14/03	<p>We will implement a prescription drug program for our seniors until such time as Congress acts to responsibly implement a nationwide plan.</p> <p>I think, in addition to that, we'll have to revisit somewhat the Physician Tuition Reimbursement Plan. We have physicians in our state that are taking advantage of it now. But there's room to grow and expand it. We have a shortage in dentists within our state. I would propose that part of the slots that we currently have available - we allow up to ten positions right now to take advantage of the tuition reimbursement plan. I believe that we should take three of those and allow those for dentists to come back to our state. The dental industry within our state through a foundation that their organizations have put together to cooperate with us to expand it and to help promote the education of dentists allowing for them to come back into the state. But there's another, there's another benefit here.</p> <p>I would like to offer a state solution for those individuals who have no other place to go, I would like to offer to</p>	<p>...we have a tough time getting dentists to all participate in our Medicaid program because we don't pay a real good rate for reimbursement for charges for dental care. We have fewer and fewer dentists that are actually working on our Medicaid patients. And, so as part of this requirement (for the tuition reimbursement plan), is that if these young people come back to our state, they would be required to take Medicaid patients as well for a period of time.</p>	N/A	N/A	\$54

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		<p>them a solution similar to what we have offered to our state employees. It's two prong - first of all, for our state employees we have offered them the opportunity in working with a select group of pharmacists who have chosen to work with us a plan in which when they bring in a prescription, that pharmacist will look at it and see if he can replace a name brand drug with a generic drug. In doing so, we have saved over \$500,000 on our state employees plan. That's after we pay that pharmacist \$10 for his work. In some cases, it means going to a larger pill and cutting them in half in some cases. But the pharmacist is working with us. I'd like to expand that plan and allow those same pharmacists and other pharmacists who care to do so to work with their senior citizens on the same approach. Then I'd like to go one step farther because part of the savings between the generic drugs and the name brand drugs, I'd like to take a small part of it and by membership, by membership for those seniors in the same type of a plan as what we have for our state employees. Now the seniors will still have to pay for their drugs, but they're going to get it at a discounted rate that we</p>				

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		receive for our state employees. I believe the savings will be significant and it will give them the same opportunity for a savings on their drugs as a person who is under the age of 65 and is on an insurance company's discounted plan.				
<b>Tennessee</b>	No data available	N/A	N/A	N/A	N/A	\$500
<b>Texas</b>	1/24/03	N/A	N/A	N/A	N/A	\$4,000 – 7,800
<b>Utah</b>	1/21/03	N/A	N/A	N/A	N/A	N/A
<b>Vermont</b>	1/9/03	N/A	Vermont has chosen to extend Medicaid coverage to those who do not qualify for traditional Medicaid, either because their incomes are too high, or because they do not meet other eligibility requirements. Currently, Vermont offers benefits that are among the most generous in the nation, and under my budget, we will continue to do so. In fact, I propose Medicaid spending increases totaling \$16 million. Not only does the Medicaid reform package I am recommending preserve traditional Medicaid, but it reduces the cost of health care for the poorest and sickest Vermonters who benefit from our expanded Medicaid programs. My plan maintains traditional Medicaid, reduces health care costs for the most vulnerable, and preserves Vermont's health	My budget outlines a compassionate course of action that improves the Medicaid program and begins to extend its solvency, while ensuring the neediest Vermonters are protected. The overwhelming majority -- nearly 70 percent -- of beneficiaries covered under traditional Medicaid and the State Child Health Insurance Program, including Dr. Dynasaur - that is the poor who are disabled, blind, or elderly, expectant mothers, and children who have no insurance or who are underinsured - will see virtually no changes.		\$28

March 13, 2003

State	Date of SOS	New Initiatives	Medicaid	SCHIP	The Uninsured	FY 2004 Estimated State Budget Deficit (in millions of dollars)
			<p>care safety net for the future by replacing the complicated and regressive co-payment system we currently operate under with a simple, progressive deductible system.</p> <p>Under this system, the healthiest beneficiaries and those with higher incomes are being asked, on average, to pay more for their health care coverage than they have in the past in order to insure that the neediest are protected from catastrophic health care bills.</p> <p>In order to prevent abuse of taxpayer dollars, I also apply the same resource test to VHAP beneficiaries that applies to traditional Medicaid patients.</p>			
<b>Virginia</b>	1/8/03	<p>To keep patients safe, I am proposing to give the Board of Medicine new tools to crack down on those doctors who fail to meet the highest standards. Our goal is not to burden the great majority of physicians who deliver quality care, but to help weed out the few bad doctors who should not be practicing.</p>	<p>The federal government's decision not to fully fund its share of Medicaid costs Virginia \$65 million a year. In fact, about half of all additional spending in our budget is in health and human resources. Without some action, additional funding for Medicaid alone would have totaled about \$200 million. That is clearly not sustainable.</p> <p>In preparing our budget, I made the choice to protect eligibility and services to people. I have sent you a budget that preserves basic services, while freezing provider reimbursements for hospitals, nursing homes, and HMO's. It also includes steps to control the soaring cost of</p>	<p>We have made FAMIS - Virginia's children's health insurance program -- more family friendly, by removing red tape and administrative barriers. Since Labor Day alone, we have provided health care coverage to an additional 18,000 children. This is good for children, good for working families, and since the federal government pays two-thirds of the cost - it's good for taxpayers as well.</p>	N/A	\$1,116

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State	Date of SOS	New Initiatives	Medicaid	SCHIP	The Uninsured	FY 2004 Estimated State Budget Deficit (in millions of dollars)
			<p>prescription drugs. To soften the impact, I have included \$60 million to preserve access to health care. This funding would support special reimbursements to providers who are the sole source of health care in their communities, or who serve disproportionate numbers of low-income Virginians.</p>			
<b>Washington</b>	1/14/03	<p>But let's recognize that the cost of prescription drugs is a key driver of our escalating health care costs. As a purchaser of prescription drugs, the state must implement a preferred drug list of safe, effective and affordable drugs to reduce the costs to state government. And let's work together to extend the state's buying power to benefit seniors and others without prescription drug coverage.</p> <p>I'm also proposing that we establish a new Senior Prescription Drug Information Clearinghouse. This program will help low-income seniors obtain drugs that are available free, or at low cost, from pharmaceutical companies. It will also provide information on generic drugs and discount purchasing clubs.</p>	N/A	<p>...my budget proposal continues to fund all existing health care programs for children. We will still be among the top three or five in the nation in providing health care for our kids.</p>	N/A	\$1,000 – 1,334



March 13, 2003

State	Date of SOS	New Initiatives	Medicaid	SCHIP	The Uninsured	FY 2004 Estimated State Budget Deficit (in millions of dollars)
<b>West Virginia</b>	1/8/03	<p>\$20 million proposal to address high medical malpractice rates. Plan would offer tax reductions and credits toward the purchase of insurance. Also would limit jury awards for pain and suffering at \$250,000 to \$350,000 in most cases, and limit damages for injuries suffered in trauma or emergency care rendered in good faith to \$500,000.</p>	N/A	N/A	N/A	\$250
<b>Wisconsin</b>	1/30/03	<p>Wisconsin sold off its nearly \$6 billion tobacco settlement for pennies on the dollar to plug a one year budget hole. As a result, we must now find an additional \$600 million this year alone -- just to stay even.</p> <p>That's a tragedy for our people -- and it's especially heart-breaking for me. We took the tobacco companies on when everyone said they were invincible. The settlement we won was Wisconsin's opportunity to invest in smoking prevention for kids -- health care for our people -- and so many other needs.</p> <p>I am directing state government to develop a Health Insurance Purchasing Pool to allow small businesses and farmers to take advantage of the buying</p>	N/A	N/A	N/A	\$2,000

March 13, 2003

State	Date of SOS	New Initiatives	Medicaid	SCHIP	The Uninsured	FY 2004 Estimated State Budget Deficit (in millions of dollars)
		<p>power of state government to purchase more affordable health care coverage for their employees and their families.</p> <p>I have also directed our government to find new ways to pool our prescription drug purchases, with those of local governments and even other Midwestern states, so that we can increase our bargaining power and obtain lower costs for prescription drugs.</p> <p>The Potawatomi Tribe built a \$10 million health care center in Crandon that's open to every member of the community. In fact, 60 percent of its patients are non-Native American. More than 70 percent of kids are now immunized. Pregnant women are getting exceptional prenatal care. And the clinic is serving 4,000 patients.</p>				
<b>Wyoming</b>	1/15/03	<p>Historically, you have paid 100% of the cost of health insurance for employees, and they are then required to pay all additional costs for their dependents. My predecessor has recommended that we move in a new direction, by recommending to you that we - the employer - begin paying 75% of the cost of insurance coverage for all employees and their eligible dependents. I am recommending that we go a step further and provide</p>	N/A	N/A	N/A	\$0

March 13, 2003

State	Date of SOS	New Initiatives	Medicaid	SCHIP	The Uninsured	FY 2004 Estimated State Budget Deficit (in millions of dollars)
		<p>85% of the premium cost, leaving 15% to be covered by the employee.</p> <p>I am requesting sufficient funding to make this change effective March 31 of this year. This raises the state insurance contribution from the prior recommendation of \$16.6 million to \$23 million.</p> <p>I encourage your support of a Health Care Commission for the next several years and perhaps longer. A properly constituted and funded commission can build policy based on data, not anecdote. It can make sure we are stretching our dollars and building policy for decades not election cycles. I believe we can make common sense progress on complex issues from liability insurance to Medicaid, if we develop accurate information and engage our citizens on a continuing basis</p>				

1. *State Budget Deficits for Fiscal Year 2004 are Huge and Growing.* Lav, I. and N. Johnson. Center on Budget and Policy Priorities. Washington, DC. January 2003. Available online: [www.cbpp.org](http://www.cbpp.org).