
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: GOVERNOR
FROM: SMITH
SUBJECT: RICA'S RESPONSE TO THE GOVERNOR'S HEALTHCARE COMMISSION REPORT
DATE: 8/13/02
CC: MAYO, KINNEY, RENICK

Attached is a **draft** response to the recommendations made by the Governor's Healthcare Commission. Please review and let me know if anything causes concern. I have highlighted the recommendations that are initiatives that the Division of Medicaid were not already exploring and implementing. There were several recommendations that will be considered. Once we are in agreement with the content, I will ask Rica to assign a cost savings amount to the initiative, if possible.

Please note the following responses:

- Page 17, addresses the recommendation that DOM manage all eligibility determinations, including those currently done through social security and Department of Human Services (DHS).
- Page 17, addresses freezing CON requests for nursing home beds and psychiatric residential beds. Rica also made this recommendation to the conferees during the session. The new beds will have a significant financial impact on the Medicaid budget.
- Page 20, addresses Rica's opinion of the extent of her flexibility to restructure Medicaid. (*)
- Pages 21 & 22, responses address funding recommendations, including raising taxes, tort reform, and staffing shortages. These pages may not need to be included since they do not fall under the authority of the Division of Medicaid.

I recommend that you approve it **with the exception of Page 21**. I am not sure that Rica's perception of her "authority" is as limited as indicated in her response. We will, no doubt, need

to discuss in length. Also, after you have approved the report, we will need to decide when this will be released.