

***November 29, 2006 LIP Council Meeting  
Suggested Options/Strategies to Address SFY0708  
Increased State Share Cost***

---

Issues:

- Increased State Share Requirements for Medicaid Programs Funded by Local Government/Taxing Districts
- Increased Exemption Cost for Hospital Providers

Options:

1. Shift resources from either LIP 1, 2, or 3 to cover growth requirements
2. Reduce Low Income Pool Payments to cover growth requirements
3. Reduce DOH or FQHC programs to cover growth requirements
4. Create a percentage reduction target for the exempt rates to control growth or accommodate reduction requirements
5. Use the \$10 million FY 06-07 special allocation to cover part of the growth
6. Use only audited data to distribute payments
7. Combine LIP 2 and 3 and lower the overall amount available in those programs to cover growth
8. Change the LIP 3 qualification standard to a percentage higher than 10%
9. Re-address the automatic qualifiers (e.g. 11% and 7.3%) for exempt rates
10. Change LIP 1 sub-allocation levels to cover growth
11. Change the LIP 2 120% cap to a lower number
12. Limit expansions of current projects and creation of new projects
13. Create a whole new allocation model to remain within the federal allocation with considerations for future growth in exempt rate costs and the five year limit.
14. Request additional GR to cover the FMAP growth requirements
15. Request additional GR to cover the exempt rate growth