

**(Neb.)-State Medicaid Funding Will Be Cut By \$8 Million**

By: Roxie Graham-Marski Posted at: 04/22/2013 07:59 AM

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Associated Press

LINCOLN, Neb. (AP) - Nebraska is losing another \$8 million in federal Medicaid funding, forcing lawmakers to cut services or make up the difference with state dollars before they approve a new budget.

State budget administrator Gerry Oligmueller tells The Associated Press that the new reduction comes on top of a \$44 million decline in funding that state officials anticipated last year.

Medicaid funding is distributed to states based on their income and population growth, relative to other states. The cut reflects Nebraska's strong economy.

Sen. Heath Mello, chairman of the state's budget-writing committee, says the reduction came as a surprise. Mello says the committee will propose a series of cuts to different programs within Medicaid, spreading them out to reduce their impact. States are generally required to provide services to Medicaid recipients.