are services provided by the Department of Institutions or they are services for which the federal government provides a hundred percent reimbursement.

SENATOR HIGGINS: Is there any reason why intermediate nursing care services and these specific individuals have been put in the bill? I am wondering if we are worried about Medicaid funds running out, why are not hospitals and doctors included?

SENATOR CULLAN: Well, Senator....

SENATOR HIGGINS: Are we going to pay them the full amount and just cut these?

SENATOR CULLAN: What I am suggesting is that the optional services be cut first to the tune of 10 percent and if 10 percent cut in those optional services which I have indicated is not enough to take care of the problem, then you cut all services including the mandatory services which are the ones you were referring to now.

SENATOR HIGGINS: But under this amendment anything in a hospital would be covered, right?

SENATOR CULLAN: No, not necessarily, there are a lot of services offered in hospitals like physical therapy, and a lot of the other services which would be optional services which would not be covered.

SENATOR HIGGINS: But hospitals are not specifically mentioned in the amendment.

SENATOR CULLAN: The hospitals...most of the hospital expenditures are inpatient hospital and outpatient hospital and, yes, I am preferring those mandatory services over optional services. As I said earlier, the rationale is that they are acute rather than chronic and I think the higher funding priority ought to be for acute services rather than chronic.

SENATOR HIGGINS: Well, a prosthetic device could be an artifical leg. Would you say that is acute to someone that has only one leg? Or would that be an optional?

SENATOR CULLAN: That is in optional services.

SENATOR HIGGINS: I think if I had only one leg I wouldn't consider it much of an optional service. Again, dentistry, if I didn't have any teeth, I don't think I would consider