
PROTECT MEDICAID FROM HARMFUL CUTS

Cuts will result in less care and higher costs for all

Cutting Medicaid will result in reduced coverage and benefits for the nearly 80 million vulnerable patients who depend on Medicaid – children, pregnant women, seniors, veterans, peoples with disabilities and very low-income working adults. Patients in rural communities will be hardest hit.

Medicaid is critical to sustaining the safety net of rural hospitals, children’s hospitals, community clinics, and physician practices. Cuts will shift uncompensated care costs to already overburdened rural hospitals, resulting in more closures and increasingly crowded emergency departments. State budgets will be crushed.

Cuts will jeopardize patient health and economic security.

- 50% of the nation’s children are covered by Medicaid, including disabled children who can be cared for at home instead of institutionalized.
- Medicaid is the largest provider of nursing home care for the elderly.
- Adults in low wage jobs that do not offer health benefits depend on Medicaid for life saving medication and treatment that allows them to work.
- 1.75 million Veterans rely on Medicaid.
- Without Medicaid, more patients will be forced into medical debt.

Cuts will disproportionately harm rural America.

- Cuts harm access to care for the disproportionate share of rural America on Medicaid.
- Cuts threaten the viability of rural clinics, physician offices, maternity care, nursing homes, emergency departments, and hospitals.
- Closures will threaten the economic stability of the entire community.

Medicaid is efficient.

- Nearly 75% of Medicaid patients are enrolled in managed care plans which focus on reducing inefficiencies, waste, fraud and abuse.

Medicaid is widely supported by the public.

- 60% of Republican & Trump Voters say Medicaid is “very important”/65% oppose cuts .
- 76% of the public say Medicaid is “very important.”
- 2 of 3 Americans are covered by Medicaid or have a family member on Medicaid.

“Cuts will lead to the loss of 477,000 health care jobs and another 411,000 jobs. State economies are estimated to lose \$95 billion in GDP in 2026.” – *Commonwealth Fund*

We Strongly Oppose the Following Medicaid Proposals:

Reducing the enhanced federal match for Medicaid expansion adults

IMPACT: 20 million extremely low-income adults will lose health coverage in 41 states. \$596 billion national cut over 10 years (CBO).

These 20 million Americans are low-income adults making up to \$21,600 a year. For most of these people who are not disabled and working, their employer does not provide coverage. Without Medicaid, they cannot get the medication and treatment they need to stay employed. It will harm the health and economic security of these adults and impose more uncompensated care on an already overburdened health care system. Commercial rates will soar and everyone in the 41 states will experience the negative impact.

Eliminating or Limiting Provider and Managed Care Organization Taxes

IMPACT: Significantly reduces Medicaid funding in 49 states and is counter to efforts to reduce waste, fraud and abuse and lower costs. \$48-630 billion national cut over 10 years (CBO).

Under long-standing federal law and with the approval of state legislatures or the voters, states are allowed to increase taxes on certain providers (mostly hospitals and nursing homes) or managed care organizations (MCOs) to draw down federal Medicaid funding. While some have characterized the provider taxes as fraud and abuse, it is legal and reduces costs.

49 states have provider taxes, and 20 states have MCO taxes. An elimination or reduction in these financing mechanisms will harm 49 states. States use these taxes to ensure provider participation in Medicaid which improves access to primary, preventive care and chronic disease management that saves health care costs. The MCO taxes ensure health plan and provider participation in Medicaid. Health plans are essential to improving efficiency in the Medicaid program and overseeing fraud and abuse. Such cuts would be counterproductive to the President's goal of reducing waste, fraud and abuse in Medicaid. Hospitals and physicians rely on this funding to provide patient care.

Replace Existing Medicaid Federal Match with Per Capita Caps

IMPACT: Cuts \$900 billion in federal funding over 10 years. Transfers more costs and financial risk to the states that cannot absorb such costs, increasing state spending by 57% -- up to \$2,300/enrollee (CBO).

States will be forced to cut back on eligibility, coverage and benefits for children, pregnant women, the elderly, disabled and veterans. The funding caps are not likely to account for increased enrollment and costs during economic recessions, public health emergencies or natural disasters.