



## Facts on the Republican Plan to Gut Medicaid

Medicaid provides an essential lifeline to around 70 million Americans who would otherwise be unable to afford health care and plays an essential role in containing overall costs in America's health system.<sup>i</sup> The Republican plan would gut \$370 billion from the Medicaid program over 10 years, putting mothers, children, and the elderly at risk of being kicked to the curb and throwing state government budgets out of balance.<sup>ii</sup>

- **Maternity Care:** Medicaid covers almost **50 percent of births** in the United States.<sup>iii</sup> New Mexico has the highest percent of births financed by the program – 7 out of 10 – and New Hampshire has the fewest – nearly 3 out of 10 babies born in the state were covered by Medicaid.<sup>iv</sup>
- **Children's Health:** Medicaid and CHIP provide **health care access to 35.7 million children** in the United States, helping them to grow up healthy.<sup>v</sup> Children covered by Medicaid are more likely to finish high school, graduate college, earn more as adults, and experience fewer emergency room visits and hospitalizations than similar children without health coverage.<sup>vi</sup>
- **Long-term Care:** Medicaid is the majority payer for long-term services and supports (LTSS) like nursing homes for the millions of people covered by Medicaid and Medicare. Without Medicaid, each year families would face typical expenses of \$91,000 for nursing care, \$46,000 for a home health aide, and \$18,000 for adult day care services.<sup>vii</sup> Medicaid is the single largest payer of all long-term care in the United States, **accounting for 51 percent of all LTSS spending** in 2013.<sup>viii</sup>
- **Mental Health and Substance Abuse:** The ACA made care for mental health and substance use disorders essential covered benefits in new marketplace plans and in Medicaid. **Medicaid is the largest payer for behavioral health services**, with 1.2 million people facing a substance use disorder gaining coverage through Medicaid expansion.<sup>ix</sup>
- **State Budgets:** Federal Medicaid contributions make up about 15 percent of state budgets on average. Freezing Medicaid expansion and imposing per capita caps **threaten to cut \$370 billion from federal Medicaid funding to states**, forcing states to face a series of tough choices: cover fewer people, cut services, cut doctor payments, cut other public services and investment, or raise taxes.<sup>x</sup>

- **Rural Hospitals:** There are 673 vulnerable rural hospitals in the United States, **supporting 99,000 health care jobs in rural communities and \$277 billion in economic activity.**<sup>xi</sup> Medicaid expansion has helped stabilize many rural hospitals by curbing uncompensated costs and increasing coverage. As a result, rural hospitals in Medicaid expansion states improved their operating margins by 1.1 percentage points on average, while rural hospitals' strained financial situation in non-expansion states only improved by an average of 0.2 percentage points.<sup>xii</sup>
- **Uninsured:** Medicaid and the new health marketplaces have **cut the rate of uninsured Americans to 9 percent** from 16 percent in 2010.<sup>xiii</sup>
- **Special Needs:** Public health insurance programs including **Medicaid provide coverage for nearly half of children with special health care needs**, delivering critical support to children and families who would otherwise face economic struggles such as bankruptcy.<sup>xiv</sup>
- **Caregivers:** Across the country, more than 40 million people are providing care to a loved one with a health care need.<sup>xv</sup> Whether it's a child with a disability or an aging parent with Alzheimer's disease, **Medicaid helps middle class families support their loved ones' care while preserving families' economic security.**

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<sup>i</sup> <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html>

<sup>ii</sup> <http://www.cbpp.org/blog/house-gop-medicaid-provisions-would-shift-370-billion-in-costs-to-states-over-decade>

<sup>iii</sup> Markus, A. R., Andres, E., West, K. D., Garro, N., and Pellegrini, C. (2013). Medicaid covered births, 2008 through 2010, in the context of the implementation of health reform. *Women's Health Issues*, 23(5):273-80.

<sup>iv</sup> <http://kff.org/medicaid/state-indicator/births-financed-by-medicaid/?currentTimeframe=0&selectedRows=%7B%22wrapups%22:%7B%22united-states%22:%7B%7D%7D.%22nested%22:%7B%22all%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22%25%20Births%20Financed%20by%20Medicaid%22,%22sort%22:%22desc%22%7D>

<sup>v</sup> <http://ccf.georgetown.edu/wp-content/uploads/2017/02/UnitedStatesMedicaidCHIP.pdf>

<sup>vi</sup> <http://www.cbpp.org/blog/medicaids-long-term-earnings-and-health-benefits>; <http://www.nber.org/papers/w20835.pdf>; <http://www.nber.org/papers/w20178>; <http://www.nber.org/papers/w20929.pdf>.

<sup>vii</sup> <http://kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>

<sup>viii</sup> <http://kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>

<sup>ix</sup> <https://www.manatt.com/Insights/White-Papers/2016/Medicaid-States%E2%80%99-Powerful-Tool-to-Combat-the-Opio>

<sup>x</sup> <http://www.cbpp.org/blog/house-gop-medicaid-provisions-would-shift-370-billion-in-costs-to-states-over-decade>

<sup>xi</sup> <http://www.beckershospitalreview.com/finance/the-rural-hospital-closure-crisis-15-key-findings-and-trends.html>

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<sup>xii</sup> <http://www.ivantageindex.com/ccrh/>.

<sup>xiii</sup> <https://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201605.pdf>

<sup>xiv</sup> <http://kff.org/report-section/medicaid-financial-eligibility-for-seniors-and-people-with-disabilities-in-2015-report/>; <http://kff.org/medicaid/issue-brief/medicaid-and-children-with-special-health-care-needs/>

<sup>xv</sup> <http://www.aarp.org/content/dam/aarp/ppi/2015/caregiving-in-the-united-states-2015-report-revised.pdf>