Let's Protect Medicaid and Health Equity: A Primer for Health Departments and Public Health Professionals to Take Action

STANDING UP FOR OUR PRINCIPLES BY STANDING UP FOR MEDICAID

For over 50 years, Medicaid has provided cost-effective coverage for medically necessary services to millions of low-income children, pregnant women, people living with disabilities, and seniors. Today, Congressional Republicans and the President propose dramatic changes to end Medicaid as we know it, to instead give wealthy people tax cuts. Their plans would lead to 23 million uninsured people by 2026 — in large part by eliminating Medicaid coverage for 14 million people.

As public health professionals, we're uniquely positioned to advocate against these devastating changes: we know the importance of having access to health care when someone is ill or injured, and the value of getting services and advice that help families stay healthy. We believe that all people — especially children and disadvantaged adults — should have access to health care regardless of their income. Let's use our voices to protect health care for all children and adults!

This resource, produced by Public Health Awakened, is intended to help health department staff and other public health professionals protect health and equity in the face of devastating changes to Medicaid.

In here, you will find:

- An introduction: why Medicaid works, and how Republican proposals will end it as we know it
- Action steps for health departments as organizations and public health professionals as individuals
- Tips for talking about the proposed cuts
- An overview of consequences from the proposed Medicaid changes
- An overview of why the proposed changes to Medicaid are so misguided
- Details about Republican proposals to change Medicaid

Are you looking for a place to use the brief? Visit this schedule of Town Hall meetings and Organizing for Action's Toolkit to use during future Congressional recesses.

Medicaid helps millions of people in need to have health coverage

Medicaid works — and it works well. Today, 81 million people in the US get health coverage through Medicaid, the state-federal partnership that ensures access to life-saving health care for low-income children and adults, as well as people with disabilities and seniors (Medicaid and CHIP Payment and Access Commission, 2017). This includes nearly 2 in 5 children in the US, 36 million children in households that already struggle to make ends meet, as well as children and adults with disabilities. Medicaid covers almost half of all births in the US (Kaiser Family Foundation, 2017). It also covers seniors for costs that Medicare may not cover — such as nursing homes. Nearly 1 in 10 people using Medicaid is a senior (Kaiser Family Foundation, 2016).

Currently, a person who is eligible for health care coverage through Medicaid can get that coverage. This includes people who the federal government says must be covered and those whom states have the option to cover (Centers for Medicare and Medicaid Services, 2017). This idea that people who are eligible have a right to coverage is the same in Medicare, which along with Medicaid supports elderly Americans (Medicaid and CHIP Payment and Access Commission, 2017). To pay for Medicaid, state and federal governments jointly fund the program. The amount of federal funding to states can increase or decrease along with health care costs, as the population ages, or as more or fewer people need coverage, such as during times of economic downturn (Kaiser Family Foundation, 2017).

The Republican budget and health care plan will end Medicaid as we know it

Instead of strengthening the current Medicaid program, Republicans are suggesting drastic changes to cut it. These changes will effectively take away coverage from people who already have it and/or will force states to limit the services they provide. The proposals cap the amount of money the federal government provides to states, instead of the current system that is responsive to what people living in those states need.

Proposals being considered use two mechanisms — per capita caps and block grants. Both would drastically reduce coverage, benefits, and affordability for millions of at-risk children and adults by setting limits to what the federal government contributes to state Medicaid programs, regardless of need or changes in health care costs (Center on Budget and Policy Priorities, 2016; Congressional Budget Office, 2012; Families USA, 2017). Instead of saving money, it will shift the burden from the federal government to states or even the people who use the programs.

See the last section of this resource, "Nuts and Bolts: What are Republicans Proposing?" for specifics on how Medicaid is funded and proposed changes to that funding.

Where are We in the Process?

Changes to Medicaid will happen through 2 main routes: healthcare "reform" and federal budget cuts.

Healthcare "Reform"

- On May 4, 2017, the House of Representatives passed the American Health Care Act (AHCA), a bill to replace the Affordable Care Act (ACA, or "Obamacare"), and including dramatic changes to Medicaid.
- Currently, an all-male Senate committee is creating a version of the bill to repeal ACA. The Senate will likely vote the week of June 26, 2017. If the Senate passes a different bill than the House, either: the House has to pass the Senate version or both chambers vote again on a bill that reconciles the 2 versions.

Federal Budgets

- On May 23, 2017, the President proposed cuts to Medicaid funding on top of those in AHCA — for a combined $1.3 trillion in estimated cuts in the next 10 years (Center on Budget and Policy Priorities, 2017).

Visit The New York Times tracker, Kaiser Health News, or Trump Tracker to get the latest information about the status of legislation to modify Medicaid, the ACA, and AHCA.

Health Departments: Take Action to Stop These Changes!

Educate your community and elected officials about potential health impacts of proposed changes to Medicaid for your state — or more locally if you can access that data.

For example, using Kaiser Family Foundation identify the number of people in your state covered by Medicaid — including children, pregnant women, people living with disabilities, seniors, and people with chronic illnesses. Or cite info on Medicaid use by Congressional district. If you can access local data and stories, do it! Use these data and stories to highlight: benefits of expansion if your state expanded Medicaid under ACA, how dismantling Medicaid would affect the health of individuals and families, and how undoing it undercuts the health care system (e.g., community health clinics, rural hospitals).

Encourage elected officials to whom you report to take a position on the proposed changes to Medicaid. Once they have, see if your health department can speak publicly about its position.

Talk with your jurisdiction's legislative/policy staff and/or elected officials to ensure policy makers hear the department's concern about the proposed changes to Medicaid. Encourage them to take a formal position on the proposals. If they do take a formal position, use your platform at the health department to ensure people know about it and amplify the message.

Mobilize professional associations and advocates to take a position and provide them with data.

Work with professional associations like national, state, and local chapters of the American Public Health Association or the National Association of City and County Health Officials to communicate the impacts of the proposals to legislators. Provide local advocacy organizations with data, helping them understand how to request data from the health department as necessary, so they can make the case to local elected officials.

Hold workshops for community members.

Public health departments can host public workshops that help people to understand Medicaid and the AHCA. Host a workshop so community members know how changes may affect them.

Public Health Professionals: Take Action to Stop These Changes!

Attend Congressional Town Hall events and community meetings.

When members of Congress host town hall events and community meetings in home districts, ask about their plans for Medicaid and the AHCA. Visit Organizing for Action's Toolkit for guidance on doing this during Congressional recesses. Identify yourself as a public health professional, share information from this brief or information about local impacts, and ask how elected officials are protecting health.

Reach out to elected officials — repeatedly and often.

Write letters with health colleagues through professional organizations like the American Medical Association and American Public Health Association or call and visit the offices of Congressional and local elected officials. Inform them on how pending decisions will change health and equity. This brief can be a starting point.

Get proactive — call for strengthening Medicaid.

Read the evidence, join the discussion, and help advocate for strengthening instead of dismantling Medicaid. Put another choice on the table. Look for opportunities to partner with other groups or agencies with similar goals.

Tips for Talking About Proposed Cuts to Medicaid

Start with values — for example, you can say:

"No matter our differences, most of us want pretty similar things — to go through our lives in good health and to get quick, effective, compassionate care if we're ever sick or injured."

"Most of us can agree on the basic principle that we all should be able to see a doctor, be treated for an illness, or get care to prevent us from being sick in the first place — regardless of how much money we earn. All children should have health care, and people with disabilities, people with chronic conditions, seniors, and those in great need should get the care that is essential to helping them live."

"Medicaid embodies these principles. And it works well."

Here are some key points you can make about what Medicaid looks like today:

- Medicaid works well — it provides needed care to tens of millions of children, seniors, people living with disabilities, and low-income people who otherwise would not have health care.
- Medicaid costs less per person than private insurance.
- Medicaid responds to changing needs in states — including economic downturns, expensive treatments, and epidemics that may be costly to control.
- Medicaid already gives states flexibility. To ensure people across all 50 states, territories, and the District of Columbia have coverage, the federal government sets standards for health care and covers some costs, while states still have flexibility to fit programs to the specific needs of the people who live there.
- There can always be improvements. We should strengthen, not gut, Medicaid.
- The proposed changes under AHCA and the President's suggested budget cuts will:
    - Harm the nation's health — and that is not okay.
    - Be worse for 3 core aspects of health care: access, affordability, and quality.
    - Be worse for millions of people struggling with health issues and making ends meet.
    - Cap the amount of money coming into states, instead of responding to changing needs.
    - Save the federal government money at the expense of state budgets. States will have to take away health care services people already have, states will have to find a way to pay for services, or people will have to shoulder the cost themselves. It hurts people most at risk in our states for no good reason. The proposed changes will do all this to give tax cuts to wealthy individuals.
    - Be costly — in money and in health.

Capping Federal Money to States will Devastate Millions of People

Proposed changes to Medicaid will lead to:

- More people getting ill or dying prematurely, including children. Low-income children are less likely to die in childhood or adolescence when states expand Medicaid (Howell & Kenney, 2012; Wherry & Meyer, 2013). Cuts that Republicans suggest would end core services to keep kids healthy that past administrations on both sides of the aisle have supported and expanded, including: well-child visits and check-ups, developmental screenings, immunizations, and treatment for vision and hearing, oral health, lead poisoning, mental illness, addiction, autism, and behavioral health issues (Sharfstein, 2017). For low-income adults, expanding Medicaid is significantly associated with less death and better self-reported health (Sommers, et al., 2012). Cutting Medicaid will reverse these trends in children and adults.

- More seniors unable to meet basic needs. For seniors, including those who may struggle to make ends meet, have high medical costs, live in nursing homes, or live with the effects of a stroke, dementia, losing their vision, etc., Medicaid covers long-term care and basic services for everyday life — like eating, bathing, or doing laundry — that and are not covered by Medicare (Kaiser Family Foundation, 2016).

- Millions of people having health coverage taken away from them. Estimates are that 14 million people would have Medicaid coverage taken away — more than half of the 23 million more who would be uninsured by 2026 under changes to health care proposed by many Republicans (Congressional Budget Office, 2017). This would reverse the recent expansion in coverage to millions of people under ACA.

- Harder financial times for working people, people with disabilities, seniors and adults who already struggle to make ends meet. Reduced Medicaid coverage will worsen health disparities for already at-risk populations. People who lose coverage will have to make tough financial choices and will be less likely to get needed health care, for themselves and for their children (Chatterjee & Sommers, 2017). Currently Medicaid covers (Kaiser Family Foundation, 2017):
    - Pregnant women: 49% of all births are covered by Medicaid
    - Children: 39% of all children, and 76% of poor children
    - People with disabilities: 30% of adults with disabilities (excluding and 60% of children with disabilities
    - People in long-term institutional care: 64% of nursing home residents
    - People in treatment for HIV/AIDS: 41% of adult AIDS patients and 90% of children with AIDS

- Wider disparities across states and geographies in access to care. States with older and sicker residents, as well as rural states, will be most affected (Lambrew, 2005). Safety-net hospitals, nursing homes, and clinics in low-income and rural areas that rely on Medicaid funds may close, and there will be less care for all residents of these already-underserved areas (Kaiser Family Foundation, 2012). Even people who can afford care will have to travel further to providers, and the proposed changes would eliminate Medicaid transportation services. States will likely control costs by paying providers less, and over time fewer providers will accept Medicaid patients (Sommers & Naylor, 2017). In addition, setting the amount of money that states get from the federal government would "lock in" current disparities in Medicaid funding, eligibility, and benefits packages across states: states that currently have less generous packages would not be able to "catch up" to more generous states (Holahan, et al., 2017).

- Cuts in health services or states paying more money in the long run. Reduced Medicaid coverage would reduce access to health care but not reduce health needs. Instead, health care use would likely shift to more expensive acute care services (e.g., emergency departments). Furthermore, untreated health conditions would lead to more severe health needs, leading to higher costs in the long run. An uninsured child costs the community $2,100 more than a child covered by Medicaid (Children's Defense Fund, 2017).

The Proposed Changes to Medicaid are Misguided

The rationale for radically changing Medicaid does not stand up to scrutiny. There are 2 main and misguided criticisms:

First, critics suggest that Medicaid "does not work" because reimbursement is too low and many health providers will not treat Medicaid patients. That is incorrect — reimbursement rates are currently set by states, not the federal government. Further, compared with similar people without coverage, people with Medicaid are more likely to have a regular source of care, receive needed health care services, and have better health outcomes (Center on Budget and Policy Priorities, 2017).

Second, critics suggest that the federal government takes a "one size fits all" approach to Medicaid, while states need flexibility to meet local needs. Again, this is a misrepresentation — states *already have* a lot of flexibility about whom they cover, what benefits they provide and how health care services are delivered. The federal government sets minimum standards in these areas. States are free to set their own rules as long as they meet the minimum standards. As a result, Medicaid eligibility and benefits vary substantially from state to state. In addition, states can obtain waivers from certain minimum standards to implement other alternative approaches to meeting the needs of their low-income children and at-risk adults. So states already have a large degree of flexibility. Federal standards are important, however, for ensuring that state programs provide a minimum benefit level to participants and cover the people who are most at-risk.

Congress created the Medicaid program in 1965 with legislation supported by both sides of the political aisle, but attempts to overhaul Medicaid began under President Reagan in the 1980s. Starting in 2010 and every year since then, Republican majorities in the House have proposed major changes to Medicaid, starting with Rep. Paul Ryan's suggestion to slash spending for Medicaid and similar programs in his "Roadmap to Prosperity." Often, the motivation is to cut taxes significantly for the wealthy — the 1%, the 0.1% — and for corporations. Since those tax cuts mean an out-of-balance budget, many Republicans have suggested instead taking away services like Medicaid for people who earn low incomes.

Nuts and Bolts: What are Republicans Proposing?

Currently, states and the federal government jointly fund Medicaid. The federal government pays at least 50% of the cost, and beyond that it varies by state, with the federal government paying a larger share in states with more low-income residents (Center on Budget and Policy Priorities, 2016; Kaiser Family Foundation, 2017). Medicaid is better able to control healthcare costs than private insurance, providing more comprehensive benefits at 22% lower costs. Over the past 30 years, Medicaid's annual cost growth rates have been 40% lower than for private insurers. Moreover, people who get health coverage through Medicaid — including lower-income people who often have worse health and greater health care needs than higher-income people — are overwhelmingly satisfied with their coverage, and are more satisfied than people covered with private insurance (Center on Budget and Policy Priorities, 2016; America's Health Insurance Plans, 2016).

Many Republicans are proposing to change Medicaid's financing structure from guaranteeing federal money that covers medically necessary services to instead capping how much the federal government gives to states. There are 2 possible ways to do this that are being discussed: through what is known as a "block grant" or a "per capita cap". There are nuances and differences to each, but the two options share many harms to health. Both block grants and per capita caps are forms of "caps" that would drastically reduce coverage, benefits, and affordability for millions of at-risk children and adults by setting limits on what the federal government can contribute to state Medicaid programs, regardless of need or changes in health care costs. The caps would be based on 2016 average rates.

Although increasing with overall inflation, they would not rise with health care cost inflation (which is higher than regular inflation) — meaning the federal government would be forced to contribute less and less to states relative to the states' rising costs.

The block grant program proposed in the House's AHCA bill gives states the option to shift low-income children and adults (but not senior citizens and other Medicaid enrollees with disabilities) to a new Medicaid block grant. This is incredibly harmful to residents. States would no longer have to cover the comprehensive pediatric benefit that federal law currently requires (known as EPSDT, Early and Periodic Screening, Diagnostic, and Treatment, including developmental and preventive screenings, like lead testing); they could charge people unlimited premiums, deductibles, and copayments; and they could limit the number of children or adults who enroll (Sharfstein, 2017).

Because the federal government would be forced to limit its contributions to states, and not increase at the same rate as health care costs nor grow as the population ages and its health care needs increase, states would have to either find other funds to cover the shortfall or, as is most likely given state budgets, cut services or the number of people covered, or charge participants more. (Center for Budget and Policy Priorities, 2017; Park & Solomon, 2016; Holahan, et al., 2017). States may also cut back on Medicaid funding for school-based health services, which were $4 billion in 2015 that funded staff such as school nurses, school counselors, and speech therapists.

Starting in 2020, the AHCA in particular also would end enhanced federal Medicaid payments that let states expand Medicaid as part of ACA under the Obama administration. The non-partisan Congressional Budget Office estimates that 95% of people enrolled in Medicaid through the ACA would lose coverage by the end of 2024 (Congressional Budget Office, 2017).

Together the capped federal payments, block grant option, and abrupt ending of enhanced Medicaid payments would lead to an estimated 14 million people would have Medicaid coverage taken away — a large chunk of the estimated 23 million more people who would be uninsured under the House's proposed AHCA bill — and millions more people experiencing reductions in coverage and/or increases in out of pocket costs specifically because of Medicaid changes (Kaiser Family Foundation, 2017; Congressional Budget Office, 2017).

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Public Health Awakened is a group of public health professionals from across the US organizing for health, equity, and justice under the Trump administration. It is convened and staffed by Human Impact Partners. If you have questions or edits, please email: info@humanimpact.org. Our thanks to Anat Shenker-Osorio for messaging suggestions included in this brief.