



*Updated as of March 21, 2017*

## **Stakeholders Speak Out on Medicaid**

Congress and the Trump administration have proposed slashing funding or eligibility for the Medicaid program through block grants or per capita caps and repeal of the Affordable Care Act's Medicaid expansion. These changes would all shift enormous costs on to states and undermine the coverage and care of the millions of vulnerable Americans who depend on Medicaid.

The continued success of the Medicaid program is a bipartisan issue that enjoys broad support from stakeholders in the health care industry. Providers, hospitals and insurers rely on stable financing from the federal government to continue providing needed services to seniors, people living with disabilities, children and low-income families. Medicaid plays a crucial role in reducing the burden of uncompensated care costs on state budgets and on the provider community. This community has an important role to play in urging Congress to protect Medicaid, stop any cost-shifting from the federal government onto states and ensure coverage for the tens of millions of individuals enrolled.

Stakeholders in several states have made public statements since the 2016 election about the positive impact that Medicaid and expanded coverage have had on states and the larger health care system. Many of these statements also express an interest in preserving the program in the face of proposed changes under the Trump administration and a Republican-controlled Congress.

- Bob Doherty, senior vice president for government affairs at the **American College of Physicians** criticized the Republican health care bill, [tweeting](#):
  - “In the 38 years advocating for doctors, patients I’ve never seen a bill that will do more harm to health than #AHCA bill being voted on Thursday.”
- CEO of **Molina Healthcare** Dr. Mario Molina [voiced concern](#) that the Republican plan to replace the Affordable Care Act will not only affect patients on Medicaid, but cause major economic ripples for states and the health care system.
  - “... The burden for paying for health care for low-income people is being shifted to the states. ... Many smaller rural hospitals are likely to go out of business. And so, even if you have private insurance, you have difficulty getting access to care, because your community hospitals may be gone. The E.R. is going to be crowded with people who were insured and now have no place to go. So it’s going to affect everyone, regardless of what type of insurance you have.”
- In a [letter](#) to Congressional officials, Dr. James Madara, CEO of the **American Medical Association**, highlighted the Association’s support for the current financing structure and expansion of Medicaid, while noting their concern that the recent Republican proposal will roll this expansion in coverage back.
  - “We are concerned, however, with the proposed rollback of the Medicaid expansion under the ACA. Medicaid expansion has proven highly successful in providing coverage for lower

**Community Catalyst** works to ensure consumer interests are represented wherever important decisions about health and the health system are made: in communities, courtrooms, statehouses and on Capitol Hill.

[www.communitycatalyst.org](http://www.communitycatalyst.org)

- income individuals. Beyond the expansion, the underlying structure of Medicaid financing ensures that states are able to react to economically driven changes in enrollment and increased health care needs driven by external factors. The Medicaid program, for example, has been critical in helping many states cope with the increased demand for mental health and substance abuse treatment as a result of the ongoing crisis of opioid abuse and addiction. Changes to the program, therefore, that limit the ability of states to respond to changes in demand for services threaten to force states to limit coverage and increase the number of uninsured.”
- In a [letter](#) to Congress, the **American Academy of Pediatrics** wrote in opposition to the *American Health Care Act's* plan to change Medicaid into a capped funding program:
    - “Medicaid has been a crucial source of health care coverage for children for over 50 years. ... Per capita caps would degrade the quality of care offered in the Medicaid program and would hinder the ability of states to respond to public health crises and other fluctuations in health care costs and the need for services...”
  - The **American Hospital Association** released a [statement](#) voicing criticism of the Republican proposal, including its plan to restructure Medicaid:
    - “For example, it appears that the effort to restructure the Medicaid program will have the effect of making significant reductions in a program that provides services to our most vulnerable populations, and already pays providers significantly less than the cost of providing care.”
  - In an [op ed](#) in the *Concord Monitor*, Brendan Williams, President and CEO of the **New Hampshire Health Care Association**, wrote that block granting Medicaid would pose a serious threat to seniors and those with disabilities.
    - “Medicaid is essential to the infirm elderly and those with disabilities who lack the resources to pay for their own care. As advocates urgently seek to improve Medicaid funding here at home, we do not need care to be robbed of federal dollars.”
  - In a [guest commentary](#) in *Modern Healthcare*, Dr. Patricia Gabow, former CEO of **Denver Health**, laid out a case against block granting Medicaid.
    - “Medicaid is a pillar of our health system and offers critical services to the poor, children, pregnant women, the disabled and the elderly, but its federal-state structure poses challenges. The 56-program structure has given rise to marked differences in payment rates and methodologies and in coverage and benefits for potential Medicaid recipients depending upon the state in which they live. The situation for Americans under age 65 markedly differs from the situation for Americans over age 65 who receive the same coverage and benefits regardless of where they live. This intergenerational and geographic inequity will likely be magnified with block grants and increasing state control. Advocates for vulnerable populations should be concerned about this.”
  - In a [letter](#) to members of the U.S. House Energy and Commerce Committee, **AARP** senior vice president of government affairs Joyce Rogers wrote:
    - “A block grant would end the guaranteed access to care for millions of Americans who are eligible and instead provide a fixed amount of federal funding to each state for its Medicaid program, which may not take into account increases in actual cost or need. ... We oppose the end of the guarantee and are concerned that fixed federal funding to states will result in cuts to program eligibility, services or both—ultimately harming some of our nation’s most vulnerable citizens.”

- Dr. Bruce Siegel, CEO of **America’s Essential Hospitals**, [noted his concerns](#) with block granting Medicaid:
  - “Block grants have been a policy idea for more than 20 years, and past proposals always translated to dramatic cuts to federal spending on Medicaid. ... Essential hospitals, which already operate with no margin on average, would have little choice but to scale back services dramatically or close, worsening access to care in already underserved communities.”
  - [More recent statement](#): “But we are deeply concerned it could reduce federal support for the Medicaid program. Past proposals for block grants and per-capita caps would have, over time, dramatically cut federal spending on the Medicaid program. Substantial cuts would be unsustainable for our hospitals and their patients.”
  
- Jeff Myers, President and CEO of **Medicaid Health Plans of America** (which represents some of the nation’s largest health insurers with Medicaid businesses, including Aetna, Centene, Cigna and UnitedHealth Group), [said](#) the following about block granting Medicaid:
  - “The less you know about Medicaid, the more block grants make sense.”
  
- Earl Rogers, President of the **Georgia Hospital Association**, said in a [statement](#) that the Association:
  - “... has significant objections to sweeping reforms to our health care system that would lock the state into arbitrary payment caps, effectively eliminating certain payments for hospital services and reducing resources for caregivers to treat what will surely be an increase in the number of uninsured patients.”
  
- In a joint [statement](#), the **Louisiana Hospital Association** and the **Metropolitan Hospital Council of New Orleans** said they were “deeply concerned” about the Republican proposal’s possible cuts to coverage of low-income Medicaid enrollees and the elderly.
  - “In Louisiana, cuts of this magnitude would negatively impact services to the most vulnerable covered by Medicaid ...”