

Talking Points for Advocates about Medicaid Caps and Cuts

Background on House Passed Medicaid Caps and Cuts

The Senate is currently considering their version of the House passed American Health Care Act (AHCA). Negotiations are happening in secret, and while we don't have specific details on the proposal, we believe that the Senate version of AHCA will retain some or all of the House's devastating cuts to Medicaid. This is not just the ACA's Medicaid "expansion population" to be clear— this is ALL of Medicaid, including the in-home and nursing home care provided to millions of vulnerable older adults.

AHCA would shift the current federal and state funding formula for Medicaid to a "per-capita cap": no matter how costs rise, the federal government only pays a set amount per person, vs. a guaranteed percentage of the total cost. This leaves states holding the bag if the need for Medicaid services rises—such as greater demand for long term care as our nation ages rapidly_ and makes it too easy for the feds to let their share of the funding erode in the future. The nonpartisan Congressional Budget Office has estimated that AHCA would cut \$834 billion (25 percent) from Medicaid over 10 years, which would eliminate Medicaid coverage for nearly 14 million people (17 percent of current beneficiaries).

Medicaid is Critical to the Health and Well-Being of Millions of Older Adults.

- It makes no sense to undermine the only long-term care option available to most Americans just as our country undergoes a transformational demographic shift to an aging nation.
- Medicaid pays 60 percent of long term care -more than any other source.
- AHCA cuts Medicaid, both acute care and long term care. It does this by capping the amount of money the federal government contributes to Medicaid, which means states will be on the hook to cover federal cuts. States cannot absorb these costs!
- Total Medicaid cuts are more than \$800 billion over 10 years.
- The cuts in AHCA could result in higher Medicaid costs and reduced care, including co-pays and premiums for consumers, and waiting lists for services.
- We must preserve Medicaid's safety net guarantee in order to keep older adults healthy and living safely in their homes and communities!
- In Michigan alone, 2,957,837 people would be harmed, of which 210,884 persons reside in Genesee, Lapeer and Shiawassee Counties and all would be negatively impacted by the reduction of Medicaid funded services including personal care and Home Delivered Meals.