

## Capping & Cutting Medicaid Hurts Missouri— House Leadership ACA Repeal & Replace



On March 6, 2017 House Leadership unveiled a bill to Repeal & Replace key parts of the Affordable Care Act (ACA). The bill would cap and cut federal Medicaid funding, put states at financial risk, and cut services for poor children, seniors, people with disabilities, and parents.

According to the Congressional Budget Office (CBO)

- States will **lose \$880 billion** in federal Medicaid funding **over 10 years**
- **14 million** fewer people would have Medicaid coverage, with most becoming **uninsured**

### Caps and cuts federal funding for Medicaid

Currently, both the federal government and the states fund Medicaid by paying a share of the actual costs of medical care. When there are unexpected expenses, such as a flu pandemic or natural disaster, both the federal government and the state contribute their share to cover costs. The House Leadership plan would cap the federal government’s share no matter the actual costs, leaving states to fund more of the costs.

According to the CBO, by 2026, the House Leadership Plan would **cut federal Medicaid funding by 25%**.

Repeal	Replace
<ul style="list-style-type: none"> <li>• Repeals present guarantee that the federal government will pay 65% of all approved costs for Medicaid services in Missouri.</li> </ul>	<ul style="list-style-type: none"> <li>• Caps federal share based on 2016 spending, forever limiting funds</li> <li>• Federal share would grow at a slower rate than projected Medicaid cost increases, further cutting funding over time</li> <li>• States will be forced to spend more state funds on Medicaid, or cut services or eligibility</li> </ul>

### Effectively ends the Affordable Care Act’s Medicaid expansion for working adults

States that have expanded Medicaid will have to pay more of the cost, making it too expensive for states to continue to cover these low-income adults.

Repeal	Replace
<ul style="list-style-type: none"> <li>• Phases out enhanced federal funding provided by the ACA where the federal government pays 90% and states pay 10% of costs for working age adults.</li> </ul>	<ul style="list-style-type: none"> <li>• In 2020, states will have to pay their regular share of Medicaid costs to cover working age adults, which nationwide averages 37%.</li> <li>• States will have to spend <b>2.5 to 5 times more</b> to cover the ACA expansion group</li> </ul>

## How federal Medicaid funding cuts hurt Missourians

### Missouri's budget will be strained, forcing cuts to Medicaid

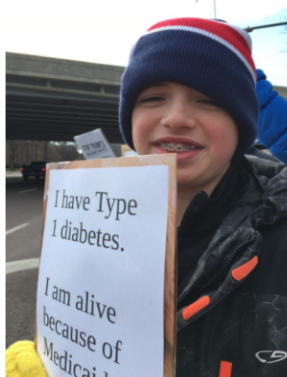
- Reduced federal funding will force the state to choose between cutting eligibility, services, or provider payments in Medicaid
- Missouri already has some of the strictest eligibility requirements and lowest provider payments in the country
- Further cuts to provider payments or services will **reduce the quality of care and number of providers** who will treat Medicaid patients

### Thousands of children, seniors, and people with disabilities risk losing coverage

- Medicaid now **covers almost 1 million** poor Missourians
- 4 in 10 children, 6 in 10 nursing home residents, 4 in 10 pregnant women rely on Medicaid

### Health care costs will increase because more uninsured people means higher uncompensated care costs in emergency rooms

- Using emergency rooms to save people when they are in crisis, rather than providing insurance coverage so people can get preventive and primary care, raises medical care costs for **everyone**
- Medicare, Medicaid, and private insurance costs will increase because of the rise in **hospital uncompensated care**. The CBO estimates that Medicare costs will increase \$43 billion over 10 years because of increased uncompensated care.



Colin is 13 years old and was recently diagnosed with with Type 1 diabetes. Because Colin has Medicaid, he is able to get the ongoing treatment and medication he needs to live a healthy, normal life. As Colin's Mom says, "I would like him to have the same opportunities as any other kid and that starts with good health. Medicaid has given him the care he needs to stay alive."