

Unprecedented cuts to Medicaid

The Republican health care bill and President Trump's budget cuts Medicaid by \$1.4 trillion over 10 years. Cuts of this magnitude mean fewer low-income Americans would have health care coverage and those covered will pay more out-of-pocket for their care.

Republican Health Care Bill

The American Health Care Act, which passed the U.S. House of Representatives on May 4, 2017, cuts Medicaid by \$834 billion over 10 years. This measure is pending passage in the Senate. Under the bill, beneficiaries would lose the guaranteed right to all medically-necessary services. The bill would instead turn Medicaid into a block grant that caps funding to states on a per-capita basis. States would be given a smaller and fixed amount of money to provide health care coverage for low-income citizens of all ages. With less funding states are likely to limit enrollment or increase cost sharing for individuals.

President Trump's Budget

President Trump's budget for Fiscal Year 2018 includes the cuts in the Republican health care bill and an additional \$610 billion from the Medicaid program. This is a 47% reduction in funding to the program. To deal with the loss in funding, states will have to ration care.

What will the Medicaid cuts mean to Arizona?

Loss of coverage under Medicaid Expansion

Medicaid's expansion in 32 states, including Arizona in 2013, has enabled more than 12 million Americans to obtain health care coverage. The Affordable Care Act (ACA) raised the income eligibility to include individuals with incomes up to 138% of the Federal Poverty Level (\$16,400 for individual and \$33,600 in 2017) for a family of four.

The Medicaid expansion has helped reduced the uninsured rate in Arizona by 33 percent. Today, 1,685,493 Arizonans are covered by Medicaid, including 463,000 newly eligible individuals. If the Medicaid expansion is repealed, 57,500 Arizonans will

lose coverage. The above number does not include the number of individuals who would lose benefits through the Medicaid caps. According to estimates by the Congressional Budget Office and experts, the Republican health care plan will force 465,200 Arizonans to lose coverage through cuts to Medicaid and tax credits and insurance changes affecting individuals in employer-sponsored plans.

Loss of revenue to the state economy

In 2015 alone, Arizona received \$8 billion in matching federal Medicaid funds. If the Medicaid expansion were terminated, Arizona would face a loss of \$3.2 billion in federal funds a year. This number does not take into account the cuts in per-capita caps. Loss of federal funds will also have a huge impact on jobs and the state's gross product and personal income.

Loss of coverage due to Medicaid per-capita Caps

Under a capped financing formula, federal Medicaid funding to states would no longer respond automatically to increases in state-specific health care expenditure growth, break-through drug therapies, public health crises, or increases in enrollment due to growing populations, changing demographics, economic downturns or other factors. This means that Arizona would not be able to access more federal funds if it is faced with these changing circumstances.

Arizona is the fastest growing state in the country, which puts it at particularly high risk under capped funding. A capped funding formula that does not take enrollment into account would leave the Arizona at higher risk than others states.

Long-term Care and Support Services would be in jeopardy

Medicaid pays for 61% of all nursing home and home care services. A year of nursing home care can cost as much as \$90,000, making Medicaid an essential program for older Americans. For 2017, seniors with incomes up to \$26,460 for an individual may qualify to receive these benefits. The cuts will endanger Arizona's ability to pay for nursing and home and community based care.

Cost-sharing Assistance for Low-income Seniors also at risk

The Medicaid program also helps low-income seniors pay the monthly Medicare Part B premiums of \$121.80 through the Medicare Savings Program.