

Fast Moving US House Bill Would Radically Restructure Medicaid

March 7, 2017 - Last night House Republican leaders released [a bill](#) that details their plan to repeal and replace the Affordable Care Act, scrapping the mandate that nearly all Americans have health insurance and replacing it with a system of tax credits aimed at enticing Americans to purchase health care on the open market. These efforts have garnered national attention, with crowds of [outraged constituents](#) dominating town hall meetings. But what the bill does to Medicaid is more alarming — ending Medicaid as we know it by imposing a “per-capita” cap.

A per-capita cap (sending a fixed amount of money to the states for each beneficiary) would be an unprecedented abandonment of federal responsibility by giving states substantially less federal funding than they would get under Medicaid today, with the cuts growing larger each year. Capping Medicaid gives the federal government an easy and quick mechanism for reducing its contribution and leaves the hard and painful decisions to Pennsylvania officials.

The House Energy and Commerce Committee is expected to vote on the Medicaid-specific changes tomorrow (Wednesday) morning, clearing the way for the full House to act on it before a spring recess scheduled to begin on April 7.

What is breathtaking about this fast-track process is its scope. It's hard to imagine a more fundamental or disruptive change to Pennsylvania's Medicaid program which currently covers over 2.8 million people including 1.2 million children, 500,000 people with disabilities, and 347,000 seniors. People with disabilities are especially vulnerable.

The House Energy and Commerce Committee, where the Medicaid changes will be considered, will not have the benefit of even one hearing! They will not even hear what their own agencies with Medicaid expertise—the Congressional Budget Office, the Government Accountability Office (GAO), and the Medicaid and CHIP Payment and Access Commission (MACPAC)—have to say.

We need to shine a spotlight on this reckless move because it threatens the well-being of our most vulnerable populations. That leaves it to us to do our own research. Here are some basic questions that Pennsylvania's members of the Energy and Commerce Committee ([Tim Murphy](#), [Ryan Costello](#), and [Michael Doyle](#)) should answer before this bill moves one step further in the legislative process:

1. [Medicaid is Pennsylvania's largest health insurer for kids](#) with disabilities or other special health care needs. How will capping federal Medicaid payments to Pennsylvania affect their guarantee of coverage? What will happen to these services and the children who rely on them?
2. Medicaid offers a child-centered benefit package ([EPSDT](#)) that covers a wide range of medical and long-term care services, many of which are not covered or limited under private insurance. How does the bill affect children's health and their families' economic security?
3. In Pennsylvania, [503,798 adults with significant disabilities rely on Medicaid](#) for preventive services, primary and specialist care, and prescription drugs, as well as medical equipment, assistive technology, and long-term care. Neither private insurance nor Medicare covers a similar range of services or provides comparable financial protection. How many of them will lose their coverage under the bill to cap federal Medicaid funding?

4. If Pennsylvania has less money to spend on Medicaid, what effect does that have on the 13,000 Pennsylvanians with intellectual disabilities currently on [the waiting list](#) to receive Medicaid-funded home and community-based supports and services?
5. If Pennsylvania has less money to spend on Medicaid, what effect does that have on state coverage of nursing home services for an aging population (especially since Medicare does not cover these services)?
6. What effect will the bill have on Pennsylvania's [newly eligible Medicaid expansion population](#) who were diagnosed and treated for mental health and substance abuse disorders?
7. Medicaid provides the lion's share of federal funding flowing into state treasuries. How much will capping Medicaid cut Pennsylvania's federal revenue? How will Pennsylvania be able to use more flexibility if they have less money to spend?

Hearings are critical for committee members to educate themselves and the public. The implications of Medicaid restructuring for low-income Pennsylvanians, for their health care providers, for Pennsylvania and its counties, and for the integrity of the Medicaid program is too significant to rush the legislative process. PHLP strongly urges the committee to hold hearings on any proposal to change the financing, eligibility, services, and other aspects of Medicaid and repeal of the ACA.

Laval Miller-Wilson
Executive Director
LMillerWilson@phlp.org

[CLICK HERE](#) to read the entire bill

[CLICK HERE](#) to read a section-by-section summary of the Energy and Commerce legislation