



Protecting Medicaid

Providing Health Coverage for Low-Income Individuals and Families

Medicaid is the nation's health insurance program for low-income and vulnerable populations, serving an estimated 50 million people in today's state economic crises. The Bush Administration's fiscal year 2006 budget request included legislative proposals that would change the nature of the Medicaid entitlement program. Overall, the Administration's proposed budget puts forward measures that are estimated to result in a net savings of at least \$45 billion dollars over the ten-year period spanning from fiscal 2006 to fiscal 2015. Although it is a goal to assure federal programs operate at the most effective and efficient level possible, some proposals included in the budget request would go beyond that goal and drastically affect the persons and services covered under the program. One provision of serious concern would allow states to lessen the coverage provided or individuals enrolled in the Medicaid program. The State Children's Health Insurance Program (SCHIP), in the form of 1115 waivers, has a similar approach, but SCHIP waivers require a federal approval process. This could limit the scope of services provided to and coverage of mandatory populations currently available and adversely affect the enrollment of optional populations and the coverage of optional services.

APHA supports the preservation of the individual entitlement to Medicaid, as it provides low-income and vulnerable populations access to effective health services. Therefore, it is essential that Congress in its budget resolution remain steadfast in its commitment to federal entitlement programs, including Medicaid. Capping or cutting federal funding of the program would endanger many individuals' access to care and not achieve the expected cost savings in the long term, as prevention is much less costly than treatment, and primary care is less expensive than emergency care.

What is needed:

- **Oppose efforts to block grant the Medicaid program**
- **Oppose efforts to cut or cap Medicaid spending**

Why it is important:

- In today's state economic crises, states do not have the capacity to absorb cuts in federal funding to the Medicaid program that makes up a relatively large share of state budgets (on average 15%) and almost half of federal grant-in-aid dollars directed towards states.
- Implementing provisions that would cut or cap federal Medicaid funding will likely have an adverse impact on populations served and services covered under the program. Not providing comprehensive coverage to enrollees or dropping current enrollees from state rolls has a strong possibility to not decrease, but escalate national health care spending, resulting from the increased utilization of emergency services, an increase in the number of underinsured and uninsured, and a decrease in the availability of preventive services.
- Medicaid is often the only source of health coverage available for low-income children. If states become able to change their Medicaid programs without federal oversight, therefore being able to decrease the number of benefits covered or the number of people served by the program without a mandated program evaluation, or if cuts or caps are instituted, many children will no longer have access to health coverage, as already has been seen in many states in the Medicaid program and under SCHIP.
- Medicaid is a main source of financial assistance for nursing home care.
- Medicaid is a critical support for people with disabilities in the community.