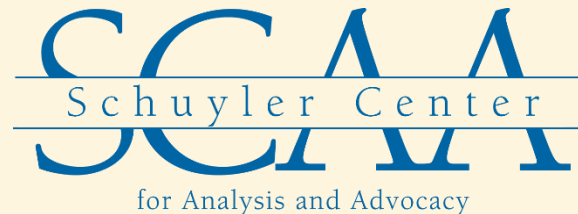


What Does *American Health Care Act* Mean for Children and Families Who Rely on Medicaid in NYS?

Kate Breslin
March 17, 2017



Why we are doing this webinar

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- A bill is moving very quickly through Congress
- Sneak attack on, and major implications for, Medicaid, which provides coverage for many of New York's most vulnerable individuals
- Massive implications for NYS budget, well beyond health care
- There's so much noise that it is hard to hear
- All hands on deck!

Success of the Affordable Care Act

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- Major reduction in uninsured. Child insurance at historic low.
- People with pre-existing conditions can't be denied coverage.
- No lifetime limits on coverage.
- Young adults can remain on parent's insurance until age 26.
- Youth who age out of the foster care system covered by Medicaid to age 26.
- No co-pays for preventive medical services (immunizations, hearing tests, etc.)

Success in NY

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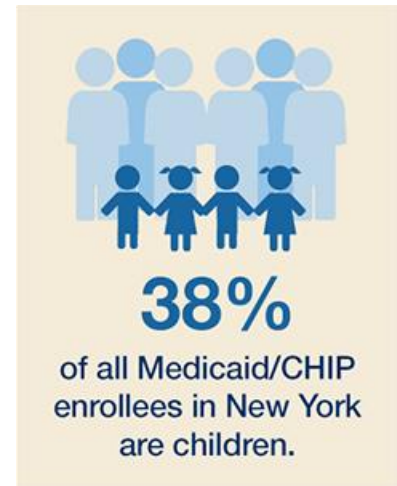
- The number of uninsured people in has declined dramatically -- from 10% to 5%
- The number of uninsured children is now at 2.5% -- an historic low
- Medicaid provides health and long-term care coverage for more than **six million low-income children, pregnant women, adults, seniors, and people with disabilities in NYS.**
- In addition, 665,000 people are covered through the Essential Plan (low-cost insurance for low-income New Yorkers) and 242,000 New Yorkers are enrolled in Qualified Health Plans



NY Medicaid, Children & Families

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- Covers 41% of NY children; that's 2.3 million kids
- Covers 84% of children living in or near poverty
- Covers 100% of children in foster care
- Covers 51% of births/newborns
- Covers treatment for mental health, substance use disorders, etc.
- Ensures that families with children who have disabilities can get array of important services and supports.



Medicaid Helps Vulnerable Children Learn, Directly and Indirectly

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■ Schools

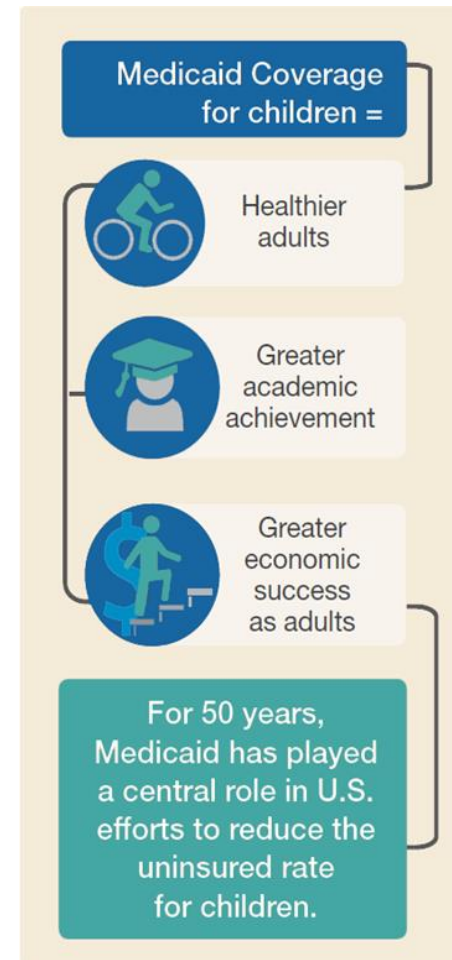
- Use Medicaid to cover certain health-related services for Medicaid-eligible children.
 - Can be reimbursed for direct medical services to Medicaid-eligible students through individualized education program (IEP) or individualized family service program (IFSP).
- Districts can use Medicaid for Early Periodic Screening Diagnostic and Treatment (EPSDT) benefits.
- In NYS, **\$273.5 million** (\$136.8 M federal share) in Medicaid funding went to school-based services.

Data Source: CMS-64, compiled by Office of Senator Bob Casey

Medicaid and Children

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We should be proud that New York State has long been a leader in covering children.



Medicaid Financing Today

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- Created in 1965 with an open-ended funding structure to guarantee coverage and benefits to all who qualify.
- Allows states to respond to changing demographics, economic downturns, natural disasters, epidemics, development of new medical treatments.
- State-federal partnership; NY gets 50% match.
- Expansion of Medicaid under ACA allows states to get 90% match for new enrollees. New York (and 30 other states) took advantage of this option.

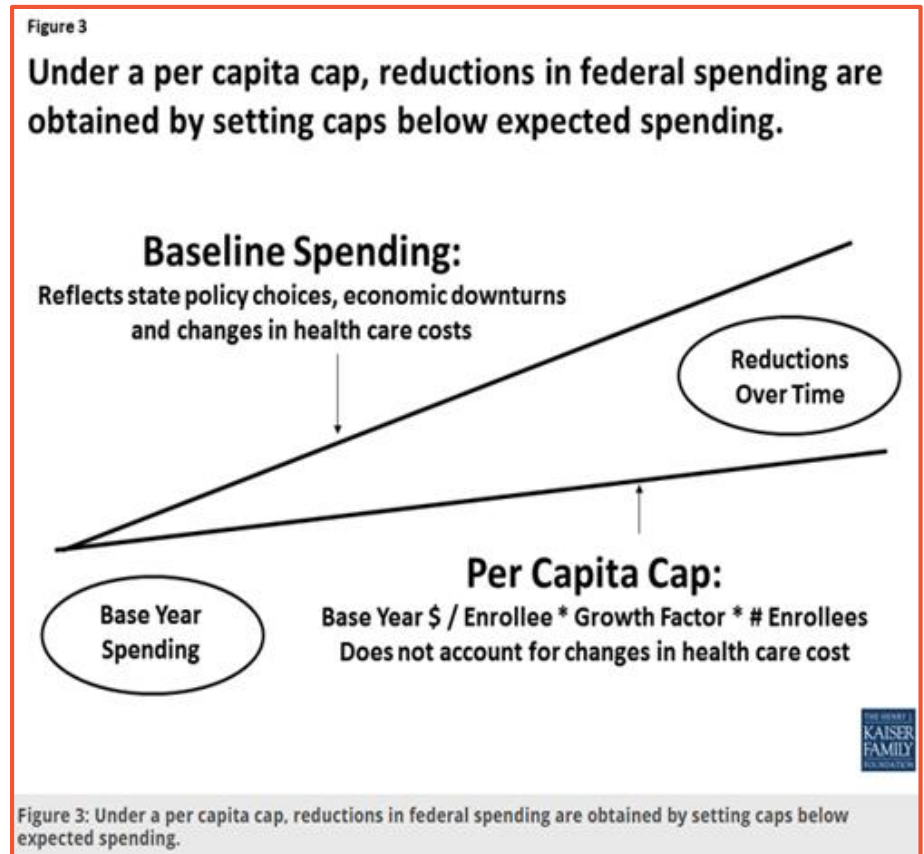
Per Capita Cap Proposed

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Funding based on a pre-determined \$ per enrollee

Adjusted by population (children, elderly, persons with disabilities).

(Number of enrollees in each population) X (\$ for that population) = Total



Proposed Medicaid Restructuring

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- Imposes a “per-capita cap” and caps the amount of federal spending on Medicaid.
- Medicaid populations would be forced to compete for fixed resources from the federal government, leading states to make difficult decisions about who to cover.
- Eliminates Medicaid funding that made expansion possible to poor working-age adults.
- This is a fundamental, radical rejection of 50 years of health policy in the United States.

“Flexibility”

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Significant cuts to Medicaid



This is shorthand for flexibility to cut critical services for our most vulnerable residents – children living in poverty, people with disabilities, and seniors in need of nursing home and home-based care.

NYS has made use of existing flexibility to bring additional resources to support innovation and a relatively broad array of services and supports for people covered by Medicaid.

Substance Abuse and Mental Health

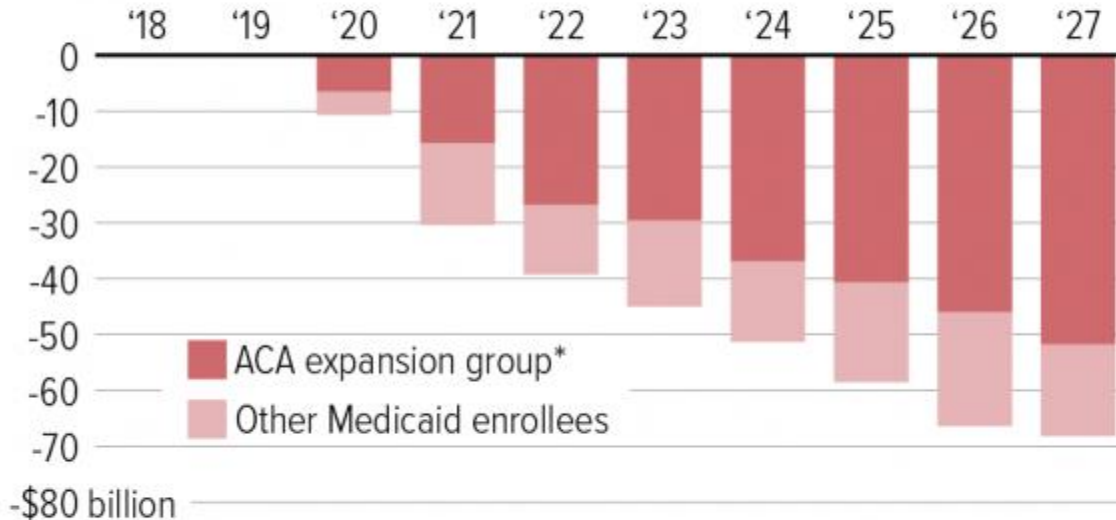
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- Individual states could decide whether or not to include mental health and addiction coverage in their Medicaid plans. Estimates suggest that nationally:
 - 1.2 million people with serious mental health disorder and 2.8 million with substance use disorder will lose insurance coverage for these conditions
 - Eliminating the benefit coverage would result in \$5.5 billion of treatment withdrawn from low-income population
- This, during a widespread opioid epidemic.
- Estimates vary, but substance use disorder and untreated mental health conditions are factors in child neglect and maltreatment.

National Impact

Medicaid Cost Shifts in House GOP Plan Would Total an Estimated \$370 Billion Over 10 Years and Grow Over Time

Cost shifts to states, relative to current law



*Enrollees under the Affordable Care Act's Medicaid expansion

Source: CBPP analysis using Jan. 2017 Congressional Budget Office Medicaid baseline and inflation estimates from CBO and the Centers for Medicare and Medicaid Services

Cuomo Analysis of House Bill

Impact on NY

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- Over 1 million people lose coverage
- Over \$4.5 billion in costs shifted to state, counties and safety net hospitals over the next four years
- At least \$2.4 billion annually shifted after 2020
- \$400 million in tax credits to purchase insurance wiped out
- = Significant loss of federal resources for programs that provide health coverage and family economic security for low-income, disabled, at-risk, vulnerable children and families. Also adds major pressure on all other budget areas.

A Sampling of Groups Opposed

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- American Academy of Pediatrics
- American Academy of Family Physicians
- American College of Physicians
- National Association of Social Workers
- School Superintendents Association
- American Civil Liberties Union
- Coalition for Community Schools
- Learning Disabilities Association of America
- National Disability Rights Network
- School-Based Health Alliance

Timetable

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To Date

- Passed: House Energy & Commerce, Ways & Means, Budget Committees

Week of March 20

- Sent to House Rules Committee
- Possible House floor vote; rumored goal is March 23rd, anniversary of passage of the Affordable Care Act)

Week of March 27

- Plan to skip committees and go to Senate floor.
- Senate rules require 20 hrs of debate before vote (51 votes required)
- If Senate does not pass the same bill it will go back to House.

Before April 10

- To President Trump

Key Takeaways

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- No way to cut Medicaid without harming kids, including those with special needs like autism, Down syndrome, and other conditions.
- Federal cuts to Medicaid funding would put even greater pressure on our state and county budgets and make it difficult to fund other important priorities, such as education, transportation, and public safety.
- The bill is moving right now and every call, letter and email matters.

Actions you can take

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- Contact your member of Congress – today!
 - Tell them to vote no!
 - Letter on our website that will connect you
- Tell a story
 - Health Care for All New York (HCFANY) is collecting stories on their website
- Sign our advocate's letter to Schumer and Gillibrand (coming shortly)
- Reach out to colleagues and partners

Resources

Radical Restructuring of Medicaid Would Harm Children and Families



Over 43% New York's children, almost 2.2 million kids, rely on Medicaid for their health care. More than 37% of New York's Medicaid enrollees are children.¹ Medicaid's existing financing structure—a partnership between federal government and states—has helped communities respond to every economic downturn, natural disaster, epidemic, and public health emergency since the program was enacted in 1965.

Medicaid is a foundational source of health coverage for children, and an investment in their future. It is the pillar on which the successful Child Health Plus program and the Affordable Care Act (ACA) are constructed. Medicaid is a significant source of health coverage and financial protection for children and families. The benefits—better health, lower rates of mortality, educational attainment, and economic outcomes—last through adulthood.

Now the financial underpinning of this successful structure is under assault. Congress is proposing significant cuts to Medicaid, with the goal of saving money for the federal government and at a cost to states and communities. Ultimately, these proposals would erode health coverage for children and families in New York.

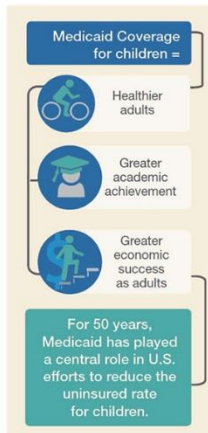
Medicaid Financing

Currently, Medicaid is jointly funded by each state with a share contributed by the federal government based on a formula. Higher-income states pay more and lower-income states pay less. The program is administered by each state within broad parameters for eligibility and benefits. When state spending increases, due to an outbreak, financial downturn, or other disaster, federal funding increases too, to meet increased need.

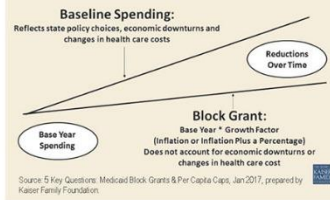
Proposals being considered by Congress would upend this and radically restructure financing to shift the costs and risk to states, beneficiaries, and medical providers. These proposals are about saving federal dollars, but the impact will be felt by children, parents, people with disabilities, seniors, and state taxpayers.

Under a **block grant**, states would receive a pre-set amount for Medicaid. There may be an adjustment—up or down—each year, but to generate federal savings this would be less than what would be expected under current law. Any increases in state spending above the grant would require states to increase state contributions, reduce the number of persons served or eliminate benefits.

Under a **per capita cap**, the amount provided to states would be based on a pre-determined amount per enrollee. This amount could be adjusted for



Under a block grant, reductions in federal spending are obtained by setting caps below expected spending.



PROTECT MEDICAID AND CHILD HEALTH PLUS



Significant cuts to Medicaid



Congress has proposed significant cuts to Medicaid that pose serious risks to health coverage for children and families in New York.

- Block grants and spending caps proposed by Congress would shift costs from the federal government onto New York State and working families, straining our economy and harming low-income children and families.
- A fixed cap on available funds for Medicaid would put New York government and families at risk when need rises and costs go up. In the case of natural disasters or health epidemics, New York could not rely on help from the federal government to cover increased health costs.

Coverage for children will be in jeopardy



Federal funding for Child Health Plus (CHP) runs out in September of 2017 so Congress must move quickly to continue the program or coverage for children will be in jeopardy.

- CHP does not stand alone, but works because it stands on the shoulders of Medicaid.
- CHP funding must be extended to provide certainty and stability for families who depend on it.

WHY IS PROTECTING MEDICAID AND CHP IMPORTANT?

→ 2.5 million children rely on Medicaid & CHP for health coverage.

Good health and health care are critical to the success of children and families.

- When we meet children's health care needs, they do better in school and are more likely to graduate and excel in life.
- Parents miss fewer days at work and families are more financially stable when they have access to quality, affordable health care.

Medicaid and CHP help working families and children stay healthy and contribute to our economy and society.

- Together, Medicaid and CHP have been incredibly successful at providing high-quality, cost-effective health care for millions of children.

Thanks to these programs, the number of kids without health insurance is the lowest in history. Today, almost 98% of New York's children have health insurance.

WHAT CAN WE DO?

We need to stand together in support of children and families by protecting Medicaid and CHP.

- Continue to provide a pathway for children to get health coverage that helps them excel and keeps the whole family healthy and economically strong.
- Oppose radical changes to Medicaid financing that harm children's access to coverage.



Resources

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■ www.scaany.org

- Link on home page will take you to Action Alerts and documents.
- Also go to **Health** policy area

■ www.medicaidmattersny.org

- **Resource** page

■ www.HCFANY.org

- **ACHA War Room**

Parting Thoughts....

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*May the road rise to meet you,
May the wind be always at your back,
May the sun shine warm upon your face,
The rains fall soft upon your fields and,
Until we meet again,*

*May our elected leaders hold those most in-need in
their thoughts and actions.*