

Medicaid **Block Grants and Caps Will Hurt Women and Families**

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Medicaid, the nation's principal safety net health insurance program, provides critical health care for millions of lower income women, including many older women and women with disabilities.

As a federal-state partnership, the federal government and the states share the cost of Medicaid, and states design and administer their own programs within broad federal rules. To qualify for Medicaid, a person must be in or near poverty, and belong to a "categorically eligible" group: children, pregnant women, parents with dependent children, people with severe disabilities, or seniors. Through the ACA, Medicaid eligibility will be expanded to nearly all non-disabled adults under 65 living at or below 133% FPL in January 2014¹ effectively extending comprehensive health care coverage to 10 million women².

Medicaid provides the essential preventive and primary care and long-term nursing and home health care that women and their family caregivers need most. At all ages, women and girls make up the majority of enrollees in Medicaid, but the proportion increases with age.³

Some in Congress are now proposing to cap or "block grant" Medicaid – replacing the current federal-state cost-sharing formula with a capped payment to states that will not necessarily reflect the number of people who need care or the varying cost of care from state to state. Such a dramatic funding change has serious – potentially catastrophic – implications for the millions of women and families who rely on Medicaid.

A federal decision to block grant or cap Medicaid would:

Limit Services and Eligibility: Reduced funding could force states to impose deeper cuts in Medicaid services or in eligibility, thereby denying women and families access to the medical or long-term care they urgently need. States experiencing higher than average Medicaid cost growth due to factors largely beyond their control, such as the recession, might take such actions very quickly.⁴

Reduce Access to Medical Services: A block grant would essentially reduce federal financing for Medicaid. Many states are already facing a fiscal crisis and reduced federal funds could force them to cut already-low reimbursement for Medicaid providers. Reduced reimbursement to doctors, hospitals, nursing homes, pharmacies and community health centers will likely cause some providers to withdraw from the program or limit the patients they see.

Jeopardize Nursing Home Coverage: Block grants would dramatically affect states' capacity to meet the needs of the growing number of vulnerable older women (the vast majority of nursing home residents) who need help paying the impossibly high costs of nursing home and other long-term care.

Increase Costs for Women and Families: Medicaid block grants would not address rising health care costs. Instead, they would impose arbitrary spending caps on federal financing for Medicaid that leaves states and the most vulnerable women and families at risk for additional and rising health care and long term care costs. Limits on eligibility or reduced coverage of services means that many women – including older women – could face dramatically higher out-of-pocket spending for the services they need.

Undermine Innovative State Efforts to Improve Care and Reduce Costs: Many state Medicaid programs have been on the leading edge of innovation, developing and implementing new ways to pay for and deliver care through medical homes and other advances designed to contain costs and improve care for the highest risk, highest cost patients. Capping the state's federal dollars could stifle such initiatives.

Lock in Existing Inequities Among State Medicaid Programs: Depending upon how the block grant program is constructed, it could lock in place the present inequities between generous and more limited state Medicaid programs. The fiscal crises and deficits facing states have already caused many to restrict their Medicaid programs. If caps are based on current state spending, states with more restrictive Medicaid programs and low provider reimbursement rates would get significantly less funding than states with more generous state programs. Lower-spending states would have to contribute significantly more of their own funds to the program or scale it back even further.

Take Action

Medicaid is a critical source of affordable health care for millions of lower income women and families as well as vulnerable older adults. The NPWF urges Congress to protect the Medicaid program.

1 Musumeci, MaryBeth. (2012, March). *The Health Reform Law's Medicaid Expansion: A guide to the Supreme Court Arguments*. Kaiser Family Foundation. Retrieved April 9, 2012 from <http://www.kff.org/healthreform/upload/8288.pdf>

2 Kaiser Family Foundation. (2012, January). *Medicaid's Role for Women Across the Lifespan: Current Issues and the Impact of the Affordable Care Act*. Retrieved March 6, 2012 at <http://www.kff.org/womenshealth/upload/7213-03.pdf>

3 Kaiser Family Foundation. (2007, October). *Medicaid's Role for Women*. Retrieved May 2, 2011 from <http://www.kff.org/womenshealth/7213.cfm>

4 Park, E. & Broaddus, M. (2011, March 20). *Medicaid Block Grant Would Produce Disparate and Inequitable Results Across States*. Center on Budget and Policy Priorities publication. Retrieved May 2, 2011 from <http://www.cbpp.org/cms/index.cfm?fa=view&id=3422>