

# Medicaid Works: Cuts Would Harm Arizonans

Large cuts in federal funding for Arizona’s Medicaid program would put health coverage at risk for many Arizonans. Arizona’s Medicaid program enables low-income seniors, children, and people with disabilities to get needed health care. And it helps parents and other adults stay healthy, work, and avoid medical debt.

## Medicaid Helps Arizona’s Families

**1.7 million**

Arizonans get comprehensive, affordable health coverage through Medicaid.

Most are children, seniors, and people with disabilities.



**805,000** of Arizona’s children get health care through Medicaid, including the primary care they need to stay healthy.

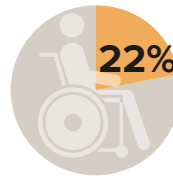
That’s **3 of 7** kids in Arizona who rely on Medicaid for their care. Arizona’s kids are particularly vulnerable to cuts to Medicaid.

**121,000** of Arizona’s seniors get health care through Medicaid, including nursing home care and services that help them live at home.



That’s 11% of seniors in the state.

Medicaid provides **176,000** people with disabilities in Arizona with access to critical care that helps them live independently.

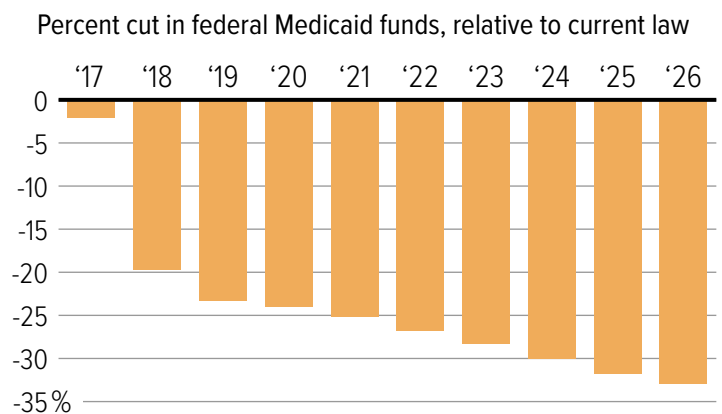


That’s 22% of people with disabilities in the state.

## ...But Congress Is Considering Shifting Medicaid Costs to States

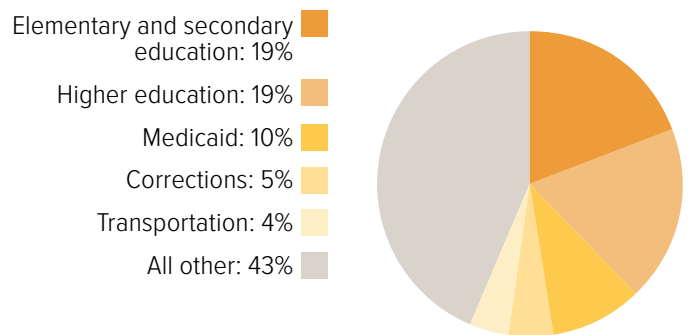
Congress is considering plans to “block grant” or “cap” Medicaid – which would cut federal Medicaid funding by large and growing amounts over time, leaving it well below what states will need to continue serving all beneficiaries. A proposal the House Budget Committee approved in 2016, for example, would cut \$1 trillion over ten years, with the cut growing to 33 percent by the tenth year, based on CBPP analysis (see graph).

These cuts would achieve federal savings by shifting Medicaid costs to Arizona and other states. The loss of federal support could make it harder for Arizona to respond to public health crises such as the current opioid epidemic.



Given that states must balance their budgets, cutting Medicaid would force Arizona legislators either to make deep cuts to other state priorities like education or public safety, or to decide which people to cut from Medicaid and which health services to stop covering. Given the magnitude of the cuts, there would be no way to protect the populations helped by Medicaid – including seniors, people with disabilities, and families with kids.

Distribution of Arizona's State Budget, 2015



## Cutting Federal Medicaid Funds Would Have a Big Impact on Arizona's Budget

The federal government covers **69%** of Arizona's Medicaid costs. That's a great deal for Arizona, especially when costs are higher than anticipated, such as when an effective but costly new medical treatment becomes available.

Arizona received **\$9.6 billion** in federal Medicaid funds in 2015, which made up **60%** of Arizona's federal funds.

## Cuts Could Undermine Arizona's Innovative Programs

### Behavioral Health Integration

Before 2014, lack of coordination between providers of physical health care in Arizona and providers of behavioral health services created a real barrier to care for people with serious mental health or substance use disorders. But in 2014, Medicaid and behavioral health partners collaborated to streamline access to mental health and substance use disorder services for Medicaid beneficiaries in Maricopa County, Arizona's largest county. In 2015, this strategy was expanded to all of Arizona.

Through the new, integrated system, Medicaid beneficiaries with serious mental illness or substance use disorders will have a fully integrated health plan that coordinates physical and behavioral health care — and coordinates care for those also enrolled in Medicare.



#### Warning

If Congress makes deep cuts to Medicaid, Arizona will have to make tough choices about which services to offer people who rely on Medicaid. They may need to cut off access to care for behavioral health conditions, and they won't be able to invest in innovative ways to integrate care like this one.

### Circle the City

This community health organization in Phoenix provides comprehensive health services to people experiencing homelessness. Circle the City worked with St. Joseph's Hospital in Maricopa to help some of the people who most frequently use both St. Joseph's and the county homeless shelters to get needed health care and social services. Emergency room visits by Circle the City clients fell by 73 percent, and hospitalizations fell by 74 percent, once clients received permanent housing.

Circle the City also works with first responders to identify medically vulnerable people and help them get permanent housing.



#### Warning

Circle the City relies on Medicaid funding for many of its services. If Congress makes deep cuts to Medicaid, Circle the City may not be able to continue providing this care.

Deeply cutting federal Medicaid funding through a block grant or cap would prevent Arizona from making the upfront investment in innovative programs like this one.

Sources: Arizona Health Care Cost Containment System, CBPP, Census Bureau, Kaiser Family Foundation, Medicaid and CHIP Payment and Access Commission, National Association of State Budget Officers