

# Medicaid Works: Cuts Would Harm Iowans

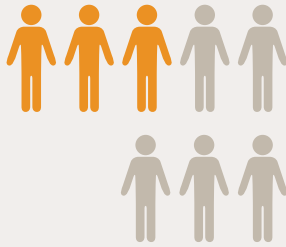
Large cuts in federal funding for Iowa's Medicaid program would put health coverage at risk for many Iowans. Iowa's Medicaid program enables low-income seniors, children, and people with disabilities to get needed health care. And it helps parents and other adults stay healthy, work, and avoid medical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

## Medicaid Helps Iowa's Families

**634,000**

Iowans get comprehensive, affordable health coverage through Medicaid.

Most are children, seniors, and people with disabilities.



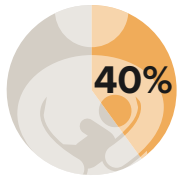
**286,000** of Iowa's children get health care through Medicaid, including the primary care they need to stay healthy.

That's **3 of 8 kids** in Iowa who rely on Medicaid for their care. Iowa's kids are particularly vulnerable to cuts to Medicaid.

Medicaid helps **15,600** of Iowa's babies get a healthy start in life each year.

**46,000** of Iowa's seniors get health care through Medicaid, including nursing home care and services that help them live at home.

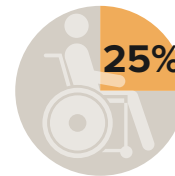
Medicaid provides **90,000** people with disabilities in Iowa with access to critical care that helps them live independently.



That's 40% of births in the state.



That's 10% of seniors in the state.

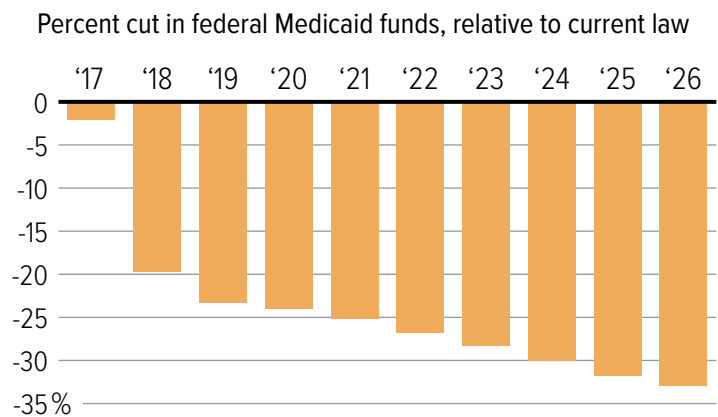


That's 25% of people with disabilities in the state.

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

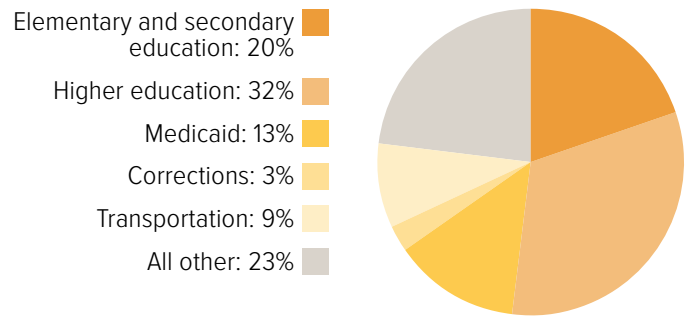
Congress is considering plans to "block grant" or "cap" Medicaid – which would cut federal Medicaid funding by large and growing amounts over time, leaving it well below what states will need to continue serving all beneficiaries. A proposal the House Budget Committee approved in 2016, for example, would 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 Iowa and other states. The loss of federal support could make it harder for Iowa to respond to public health crises such as the current opioid epidemic.



Given that states must balance their budgets, cutting Medicaid would force Iowa 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 Iowa's State Budget, 2015



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

The federal government covers nearly **57%** of Iowa's Medicaid costs. That's a great deal for Iowa, especially when costs are higher than anticipated, such as when an effective but costly new medical treatment becomes available.

Iowa received **\$2.9 billion** in federal Medicaid funds in 2015, which made up **46%** of Iowa's federal funds.

## Cuts Could Undermine Iowa's Innovative Programs

### Integrated Health Homes

Iowa established "health homes" in 2012 to coordinate care for Medicaid beneficiaries with chronic physical health, mental health, or substance abuse disorders. These health homes, authorized by the Affordable Care Act (ACA), have helped participants make fewer emergency room visits and cut their Medicaid costs by \$1,600 per year, on average.



**Warning**

Deeply cutting federal Medicaid funding through a block grant or cap would prevent Iowa from making the upfront investment in care coordination needed to improve beneficiaries' health and reduce long-term costs. And fully repealing the Affordable Care Act would eliminate Iowa's federal health home payments.

### Rural Hospitals

The ACA expanded insurance coverage to tens of thousands of Iowans who would otherwise have sought emergency room or other care that they could not pay for, but which hospitals and doctors must provide. Uncompensated care has been reduced significantly, particularly benefiting rural hospitals in Iowa.



**Warning**

Repealing the ACA would triple uncompensated care costs in Iowa and likely lead to rural hospital closings.

Sources: CBPP, Census Bureau, Center for Health Care Strategies, Centers for Medicare and Medicaid Services, Department of Health and Human Services, Kaiser Family Foundation, Medicaid and CHIP Payment and Access Commission, National Association of State Budget Officers, PubMed.gov