

# Medicaid Works: Cuts Would Harm Pennsylvanians

Large cuts in federal funding for Pennsylvania's Medicaid program, known as Medical Assistance in Pennsylvania, would put health coverage at risk for many Pennsylvanians. Medical Assistance 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 Pennsylvania's Families

**2.6 million**

Pennsylvanians get comprehensive, affordable health coverage through Medicaid.

Most are children, seniors, and people with disabilities.



**722,000** Pennsylvanians with disabilities rely on Medical Assistance for their medical care.

In total, **43%** of residents with disabilities rely on Medical Assistance. People with disabilities in Pennsylvania are particularly vulnerable to cuts in federal Medicaid funding.

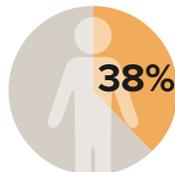
Medicaid helps **45,300** of Pennsylvania's babies get a healthy start in life each year.

**1.1 million** of Pennsylvania's children can see a doctor when they are sick, and get the vaccinations and screenings they need to stay healthy, thanks to Medicaid.

**261,000** of Pennsylvania's seniors get health care through Medicaid, including nursing home care and services that help them live at home.



That's **33%** of births in the state.



That's **38%** of children in the state.

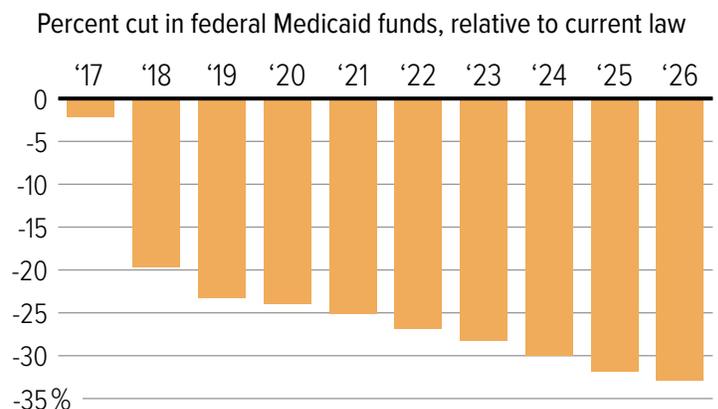


That's **13%** of seniors in the state.

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

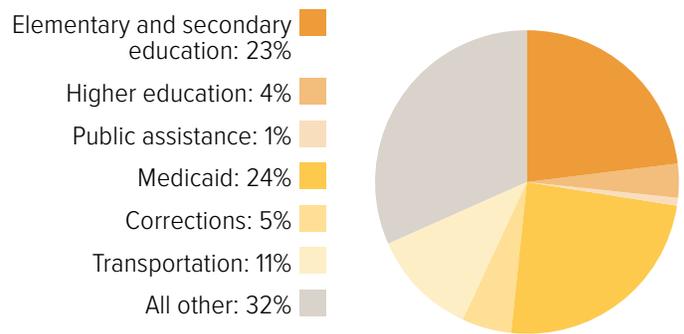
Congress is considering plans to "block grant" or "cap" Medicaid – which would cut federal Medicaid funding by large and growing amounts over time, leaving it well below what states will need to continue serving all beneficiaries. A proposal the House Budget Committee approved in 2016, for example, would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



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



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

The federal government covers nearly **52%** of Pennsylvania's Medicaid costs. That's a great deal for Pennsylvania, especially when costs are higher than anticipated, such as when an effective but costly new medical treatment becomes available.

Pennsylvania received **\$15.5 billion** in federal Medicaid funds in 2015, which made up **61%** of Pennsylvania's federal funds.

### Cuts Could Undermine Pennsylvania's Innovative Programs

#### Centers of Excellence

Pennsylvania leads the nation in drug overdoses among males ages 12 to 25. To combat this epidemic, Pennsylvania invested Medical Assistance funding to create Centers of Excellence to coordinate care for Pennsylvanians with opioid use disorders or a combination of behavioral and physical health conditions. These centers help people on Medical Assistance navigate the health care system and get the full range of needed care.

One center, Mount Pocono Medical, has provided drug addiction treatment since 2006, but the state funding it receives as a Center of Excellence "allows us to provide more services to individuals suffering from addiction and their families," according to company CEO Joe Pritchard.



**Warning**

Innovations like Centers of Excellence require an upfront investment, which could be impossible for Pennsylvania if Congress deeply cuts federal Medicaid funding.

#### Health Enterprise Zones

In North Philadelphia, nearly 300,000 people rely on Medical Assistance for their care. These families are more likely to experience deep poverty, which can have long-term effects on their health and ability to thrive. State and city officials are partnering with local hospitals and other stakeholders to create a "Health Enterprise Zone" to improve residents' access to health care while reducing costs.

This Health Enterprise Zone is investing resources into the infrastructure the community needs to achieve long-term health and stability, and particularly to improve care for people with the highest health care needs.



**Warning**

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

Sources: CBPP, Census Bureau, Kaiser Family Foundation, Medicaid and CHIP Payment and Access Commission, National Association of State Budget Officers, Pennsylvania Department of Human Services