

# Medicaid Works: Cuts Would Harm Tennesseans

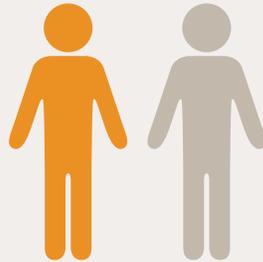
Large cuts in federal funding for Tennessee's Medicaid program, known as TennCare, would put health coverage at risk for many Tennesseans. TennCare enables low-income seniors, children, and people with disabilities to get needed health care. And it helps parents and other adults stay healthy, work, and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

## Medicaid Helps Tennessee's Families

**1.6 million**

Tennesseans get comprehensive, affordable health coverage through Medicaid.

Most are children, seniors, and people with disabilities.



**796,000** of Tennessee's children get health care through Medicaid, including the primary care they need to stay healthy.

That's **1 of 2 kids** in Tennessee who rely on Medicaid for their care. Tennessee's kids are particularly vulnerable to cuts to Medicaid.

Medicaid helps **40,700** of Tennessee's babies get a healthy start in life each year, including as the primary source of neonatal intensive care and visiting nurse programs for newborns.



That's **51%** of births in the state.

**152,000** of Tennessee's seniors get health care through Medicaid, including nursing home care and services that help them live at home.



That's **17%** of seniors in the state.

Medicaid provides **283,000** people with disabilities in Tennessee with access to critical care that helps them live independently.

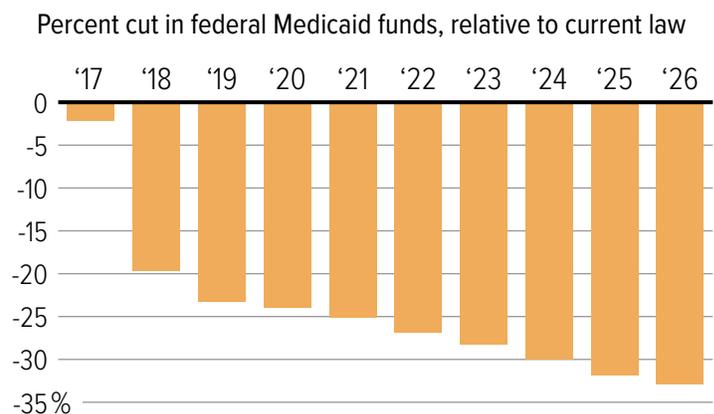


That's **29%** of people with disabilities in the state.

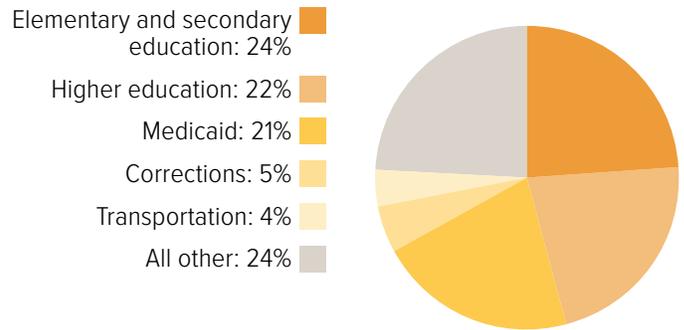
## ...But Congress Is Considering Shifting Medicaid Costs to States

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 Tennessee and other states. The loss of federal support could make it harder for Tennessee to respond to public health crises such as the current opioid epidemic.



Distribution of Tennessee's State Budget, 2015



Given that states must balance their budgets, cutting Medicaid would force Tennessee 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.

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

The federal government covers **65%** of Tennessee's Medicaid costs. That's a great deal for Tennessee, especially when costs are higher than anticipated, such as when an effective but costly new medical treatment becomes available.

Tennessee received **\$6.1 billion** in federal Medicaid funds in 2015, which made up **51%** of Tennessee's federal funds.

## Cuts Could Undermine Tennessee's Innovative Programs

### Expanding Access to Home Health Care

Many people in nursing homes don't need the level of care the facilities provide but can't return to the community because they lack a home or the support they need to stay in their home. Tennessee is one of 44 states participating in Medicaid's Money Follows the Person program, which helps TennCare beneficiaries safely and successfully transition from nursing facilities to their own homes, the home of a caregiver, or a community-based residential facility. Tennessee's program has helped more than 600 people transition to the community, and has produced significant state savings by reducing unnecessary nursing home stays in the state.



#### Warning

Money Follows the Person relies on federal Medicaid funding. If Congress makes deep cuts to Medicaid, this program likely won't have the money to operate – which will hurt seniors and people with disabilities who could live independently in their communities. It could also increase state costs on unnecessary nursing home care.

### Effective Treatment for High-risk Children

Tennessee received a \$2.9 million grant from the federal Centers for Medicare and Medicaid Innovation to invest in a model of care to treat high-risk children with asthma. Le Bonheur Children's Hospital and the University of Tennessee collaborated to develop an asthma registry with records of the children's care and provided a team of specialists and care coordinators to assess and treat the children in partnership with their primary care providers.

Over three years, the program treated 500 children and saw a 32 percent reduction in emergency room use and a 46 percent reduction in hospitalizations. The average annual cost of care for these children was reduced by 60 percent.



#### Warning

The Centers for Medicare and Medicaid Innovation was established by the Affordable Care Act. If Congress fully repeals the law, this kind of innovation may no longer be possible.

TennCare covers half of Tennessee's children. If Congress makes deep cuts to Medicaid that require Tennessee to cut care for kids, they won't be able to access the asthma care they need.

Sources: CBPP, Census Bureau, Centers for Medicare and Medicaid Services, Children's Hospital Association, Kaiser Family Foundation, Le Bonheur Children's Hospital, Medicaid and CHIP Payment and Access Commission, National Association of State Budget Officers