



NAPH Members Urge Congress to Protect Medicaid

Medicaid Works

More than 60 million Americans rely on Medicaid for their health care coverage – particularly children, pregnant women, the disabled, and the elderly. Medicaid provides care to the nation’s most vulnerable at a lower per beneficiary cost than private insurance and Medicare. According to a recent Kaiser Family Foundation survey, Medicaid spending in states only increased 2 percent in fiscal year 2012. Moreover, the Medicaid program enables NAPH member health systems to provide essential services for their communities.

However, NAPH member hospitals recognize there is room to improve Medicaid and stand ready to work with policymakers and share innovative ideas that can make the Medicaid program more efficient.

Medicaid Is Different

On March 1, the mandated sequester cuts – a federal budget cut of \$1.2 trillion in spending, with half the cuts absorbed by defense spending and the remainder by domestic programs – went into effect. The sequester limited Medicare cuts to 2 percent of program spending and exempted Medicaid and other low-income programs. Congress, following three decades of sound precedent, afforded Medicaid such protection because of the

unique role it plays in the health care safety net.

Many lawmakers are interested in renegotiating the sequester to mitigate its impact. At the same time, Congress is faced with continued budget battles. These circumstances combined likely put greater pressure on Congress to find savings in the federal budget, leading many lawmakers to reconsider Medicaid’s exemption. However, any substantial cuts to Medicaid would hurt people and choke access to services, as there is no easy fix to achieve significant federal savings within the program.

Medicaid Cuts Threaten Expansion

A large majority of states have indicated that they will expand their Medicaid program as called for in the Affordable Care Act. However, any cuts to the Medicaid program at the federal level will only threaten that expansion. Federal-level cuts signal instability in future funds for the program, which may cause states to hesitate with their expansion efforts.

Additionally, Medicaid cuts at the federal level only serve to shift costs onto states. A 5 percent cut in federal Medicaid spending would result in a nearly \$14 billion reduction in funding to states and put more than 250,000 jobs at

risk, according to a recent study. This scenario would pressure cash-strapped states to make tough choices regarding their Medicaid programs. Simply put, states cannot afford it.

As the nation continues to face economic challenges, safety net programs such as Medicaid remain vital to communities across the nation to provide care for the vulnerable among us. Shifting the costs of that care onto states decreases access to care and puts patients’ well-being in jeopardy.

Our Ask

We urge Congress to protect the Medicaid program and oppose any cuts that would threaten patients’ access to care.

NAPH urges members of Congress to enact sound policy that leads to savings, rather than arbitrarily cutting vital funding from the Medicaid program. NAPH and its members are open to further dialogue around how that can be achieved.

Reductions to the Medicaid program simply shift costs onto states, providers, and beneficiaries and deter states from expanding Medicaid. NAPH urges Congress to protect Medicaid patients’ access to care. ■

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