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Why the proposed changes to Medicaid are a really bad idea.

Seventy-four million people in the U.S. currently receive their health insurance through Medicaid. When the Affordable Care Act was introduced, almost 20 million of these gained medical insurance through Medicaid expansion*. As a result, healthcare has become more accessible for millions of people and the primary point of care has shifted from hospital emergency rooms to physician's offices, as it should be.

The Medicaid program delivers health insurance to poor, working-age people, including children, the disabled, and patients needing long-term care in nursing homes. It's administered by the individual states within Federal statutes and rules and the states are reimbursed at least 50% by the federal government. Each state creates their own policies, eligibility and reimbursement rates for doctors, nursing homes and hospitals.

The proposed cuts to Medicaid now working their way through Congress as the American Health Care Act (AHCA), will shift the financial burden of treatment back to hospital emergency departments, as millions of Americans lose their health insurance. The House's proposed changes to Medicaid funding will have a significant impact on state spending, vastly reducing enrollment in Medicaid and reducing physician and hospital reimbursement. Governor Wolf has predicted that Pennsylvania would lose \$2 Billion in federal funding for Medicaid - an amount which he says, the state couldn't possibly absorb, since Pennsylvania is already facing a \$3 Billion deficit.

How the AHCA will change Medicaid

The proposed changes, if passed, would reduce each state's flexibility in adapting to the unique changes in the needs of its Medicaid enrollees. The needs of each state differ and are influenced by a number of factors, primarily age and income. The states with the highest poverty rates and an older, working-age population would carry an especially heavy burden.

Under the proposed Medicaid changes,

- There would be a strict ceiling on federal funding for every Medicaid beneficiary.
- States would be limited in the benefits they could offer Medicaid enrollees and their reimbursements to physicians.
- The federal government would continue paying Medicaid reimbursement through 2019. But In 2020, Medicaid expansion would be frozen and the financial burden for new enrollees would fall on the individual states.

The Congressional Budget Office (CBO) estimates that the AHCA will result in a near-doubling of the U.S.'s uninsured rate to 19% of the poor, working-age population, up from the current 10%. The largest segment of those who lose coverage would be older, low income Americans, a group which tends to have higher overall healthcare costs. The burden for covering the health concerns of these patients would fall to the states and local hospitals through charity care funding.

PA Foot and Ankle Associates is one of the largest podiatric practices in the Lehigh Valley, and we treat a significant number of Medicaid patients. Foot, ankle and lower leg problems which occur as the result of obesity, old age and diabetes, must be treated in a timely manner – preferably as soon as symptoms are detected. When a patient has no health insurance, they typically delay treatment until a problem becomes severe and sometimes life threatening. These patients frequently require hospitalization and surgery, when in most cases, in-office treatment and monitoring during the early stages of their condition would have avoided these serious and costly consequences.

Pennsylvania, and indeed every state, has spent 50 years building their Medicaid programs to care for their most vulnerable citizens. These programs have been built according to federal guidelines and federal reimbursements. Dismantling Medicaid to the degree the AHCA proposes would be disastrous for patients, physicians and hospitals alike.

*According to the Henry J. Kaiser family Foundation