

**What is going on in Washington DC?**

Currently the US Congress is trying to dismantle Medicaid and REPEAL the Affordable Care Act. The US House of Representatives has already passed a version called the American Health Care Act. The US Senate’s most recent version, the Better Care Reconciliation Act, does not have enough support to pass in the Senate. As of this document going to print, the Senate is currently exploring various options for how to move forward in health care changes.

These proposals go far beyond repealing the Affordable Care Act. They are also proposing drastic future Per Capita Caps on the existing Medicaid program, intended to limit federal spending on health care to low income, elderly and disabled persons. This is a first attempt to fundamentally change federal health care law and policy.

**Per Capita Cap:** Proposed system. The Federal Government will pay a set amount per person on Medicaid, regardless of what their actual needs are. Caps are meant to reduce and limit federal spending and would result in less money coming to GA for Medicaid.

**Medicaid as a State & Federal Partnership:** Current system. For every \$1 Georgia spends on Medicaid, the Federal Government contributes 68.5%.

**DISCLAIMER: We want you to know that this is document does not cover everything there is to know about the proposed health care changes in Washington DC. Things are constantly changing. Our goal is to help you understand a few benefits of the Affordable Care Act and why Per Capita Caps on Medicaid are bad for people with disabilities.**

There are three key pieces of this complicated healthcare puzzle.

- A. Medicaid** Georgia chose not to expand its Medicaid services to people with income between 100% and 138% of poverty. These people are not eligible to buy private insurance under ACA. They remain uninsured. But this expansion of Medicaid in 32 other states is part of the federal cost that the House and Senate want to abolish.

The changes Congress wants to make to Medicaid impact more than just states that expanded Medicaid services. **Congress wants to CUT through CAPS the traditional Medicaid program** created in 1965 to provide health insurance to low income Americans through a partnership where the Federal Government pays a part and the state of Georgia pays a part of the cost. Georgia’s Medicaid program provides almost 2 million Georgians with access to health care. Children make up about 1.3 million Medicaid enrollees (66%); another 25% of enrollees are seniors, blind or disabled. The remaining 8% are low-income pregnant women, parents or Georgians receiving breast and cervical cancer treatment, and 50,000 veterans. The federal/state partnership currently allows Georgia to drawn down more money when there is an economic downturn or higher than expected health care costs. For every \$1 Georgia spends, the federal government pays 68%.

**Why are we talking about this?** Georgians with disabilities are especially at risk because Medicaid funds the Home & Community Based Services (HCBS) they rely on for daily living needs, such as bathing, eating, dressing, equipment, transportation, or even supported employment. The federal rules that control Medicaid’s federal/state partnership set up mandatory services (hospitals, doctors, nursing homes) and optional services (Home & Community Based Services). Should Georgia be faced with caps on the federal funding to its Medicaid program, it will not have the money needed to provide HCBS services because it will be forced to

**How much does HCBS cost GA each year<sup>ii</sup>?**

**(includes ICWP, NOW, COMP, SOURCE, CCSP):**

State	\$329,390,121.59
Federal	<u>\$720,127,357.21</u>
Total:	\$1,049,517,478.80

Notice how much the Federal Government pays.

fund required Medicaid programs first, like nursing facilities. The waiting list for waiver services will grow further.

**B. The Affordable Care Act established rights and protections for health care consumers that affect most Georgians, even those with job-based coverage.**

- Essential Health Benefits mean all insurance plans must offer a comprehensive range of services, like maternity coverage & substance abuse treatment. It is true that this makes insurance a bit more expensive, but it also means that your insurance plan will actually pay for services you will use and not just catastrophic events.
- Pre-Existing Conditions – The ACA means that insurance companies cannot exclude people with pre-existing conditions from coverage, or charge them more for coverage. Pre-existing conditions can be anything from asthma, to diabetes, to mental health or even having a disability. This is especially important for people with disabilities and seniors who are not served by Medicaid waiver programs. It also limits the premiums that can be charged to people with pre-existing conditions, and increases their subsidy so they are affordable.
- Age 26 - The ACA allows young adults to stay on their parent’s health insurance plan until age 26.

**C. The Affordable Care Act provided Georgians with the opportunity to purchase private health insurance and provides financial assistance for many<sup>ii</sup>**

More than 487,000 Georgians purchased health insurance through the ACA’s Health Insurance Marketplace (also called healthcare.gov), helping to reduce the state’s uninsured rate from 21.4% to 15.9% in three years. Insurance costs to consumers are complicated and this document does not pretend to be an expert.

It’s important to know that the ACA helps people with incomes between 138% and 400% of the poverty level to purchase health insurance. It does this through premium subsidies to individuals, of which 86% of Georgians got financial help to cover monthly premiums, and cost sharing subsidies which help reduce deductibles and copays of people between 150%-250% Federal Poverty Level.

Want more information? Visit:

- <http://gcdd.org/save-medicaid>
- <http://protectourcarega.org/>
- <https://medicaid.publicrep.org/>
- <http://www.kff.org/interactive/proposals-to-replace-the-affordable-care-act/>

<sup>i</sup> Georgia Department of Community Health data-7/18/17

<sup>ii</sup> Protectourcarega.org

**Children with Disabilities in the Better Care Reconciliation Act?** It’s true that the Better Care Reconciliation Act exempts children with disabilities who are eligible for Medicaid based on their disabilities from the per capita caps. But this is not as helpful or impactful as you might think because:

- Most children with special health care needs qualify for Medicaid based on their families’ low income and not on disability – meaning they would not be exempt
- Children grow up and become adults who will still need Medicaid.
- In a Medicaid system facing dramatic cuts, it is impossible for children to not be impacted by those cuts