Protecting Medicaid in WI: What You Can Do Now

A Threat to Medicaid is a Threat to...

...my daily personal care, preventing a devastating fall in the shower.

#ProtectWisconsinMedicaid #NoMedicaidCuts

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The Arc Wisconsin

The Wisconsin Long-Term Care Coalition

Keep Our Care at Home

Survival Coalition of Wisconsin Disability Organizations

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Your Presenters

Nicole Jorwic, Dir. Rights Policy
The Arc United States

Lisa Pugh, Exec. Director
The Arc Wisconsin;
Co-Chair Survival Coalition

Lynn Breedlove, Co-Chair WI
Long-Term Care Coalition

Problems in the session contact Erin – 608-235-1022;
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Updates:

• The Latest from DC
• Overview of President Trump’s Budget
• Threats to Medicaid
• Status of the American Health Care Act
• What Happens Next
• What you Can Do

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The Latest from DC

• What has happened
• What we can expect
• What we can do next in Wisconsin
The President’s Budget

- Submitted May 23
- First step in budget process
- May be redone by Congress; they develop their own budget resolution
- Outlines priorities of the administration
- Contains significant changes to disability programs and supports
The President’s Budget: Overview

• “returns the Federal budget to balance within ten years.”
• Reforms Medicaid: States have choice of per capita cap or block grant
• $610 billion in cuts to Medicaid
• $72.4 billion in cuts to Social Security’s disability programs
• $192 billion in cuts to Supplemental Nutritional Assistance Program (SNAP), or food stamps (Estimated impact: 12,563 WI households with person with a disability in 2018)
• Cuts to employment supports for people with disabilities
• Cuts to housing assistance/vouchers
• Elimination (consolidation) of State Developmental Disabilities Councils (Wisconsin BPDD)
Threats to Medicaid

• The President’s cuts assume that Congress implements per capita caps or block grants (like those proposed in the American Health Care Act- AHCA).

• Medicaid cuts in the President’s budget were achieved by lowering the growth rate in federal funding established under a block grant or per capita cap.

• The combined total cuts to Medicaid with President’s budget and the AHCA is $1.46 trillion over the next decade.
Threats to Medicaid: Restructuring

• Congress and the President want to change how Medicaid works to reduce the federal deficit
• Medicaid was created as an “entitlement” program (everyone who is eligible can get supports) by matching state funds
• Now Congress and the President want to eliminate federal rules and provide states with funds through either:
  • Block grants
  • Per capita caps
• Block grants are not tied to state needs. They are used in other federal programs.
• Congress continues to reduce funding to these programs by changing the per capita growth rate
Medicaid’s Current Structure

• Federal government and states share actual costs of coverage

• Wisconsin’s federal match rate is 60%
A Per Capita Cap (PCC) would implement a limit on average federal Medicaid spending.

It would not limit federal spending for any specific enrollee, but would instead limit the total funding for a group of people, e.g. children with disabilities:

\[
\text{Per Capita Cap} \times \# \text{ people} = \text{Total Amount of } \$ \text{ to serve those people}
\]
Per capita caps

- AHCA sets a baseline of 2016 sending & use a growth index that increases much more slowly than Medicaid spending
- The AHCA proposes using a medical CPI plus 1% for people with disabilities
  - This growth factor does not include long-term services and supports
  - There are negotiations in the Senate around potentially decreasing the growth rate
  - Nothing requires this enhanced growth rate to go toward people with disabilities
Per capita caps

- Cuts would grow each year. As health care costs rise, or if there is a public health crisis, states must absorb costs.
- States will likely impose Medicaid cuts in eligibility, benefits, and provider payments.
- Medicaid is states’ biggest source of federal funding, so cuts under per capita caps will squeeze state budgets overall.
- Hits seniors and people with disabilities the hardest, because the majority of Medicaid spending covers their health care & home care.
From Bad to Worse: the Funding Gap
Funding Caps: Block Grant

- Last version of AHCA would have allowed for some populations to be put under a block grant
- Provide states with a set amount of federal money instead of the federal government paying a share of all a state’s actual costs
- Massive cost shift to the states
- Eliminates current Medicaid protections & likely leads to eligibility and service cuts and waitlists
### Current financing v. block grants & per capita caps (in theory)*

<table>
<thead>
<tr>
<th>If your state wants to...</th>
<th>Do you get more federal $?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current Structure</td>
</tr>
<tr>
<td>add more enrollees</td>
<td>✓</td>
</tr>
<tr>
<td>add more services</td>
<td>✓</td>
</tr>
<tr>
<td>cover new Rx</td>
<td>✓</td>
</tr>
<tr>
<td>increase provider</td>
<td>✓</td>
</tr>
<tr>
<td>reimbursement</td>
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</table>

*This is theoretical since any proposal can alter a state’s ability to add more enrollees or other features of the Medicaid program.
New Congressional Office Budget Score out May 24

The Medicaid per capita caps have NOTHING to do with repeal of Obamacare; this is simply a “pay for” for the rest of the AHCA bill.

$834 billion Medicaid Cut
Congressional Budget Office: Over $800 billion cut in federal Medicaid spending

Figure 1: AHCA Dollar Cuts in Federal Medicaid Payments to States, 2017 - 2026

$ Billions per Year

-3  -20  -28  -64  -88  -104  -117  -128  -138  -149

Total 10 – Year Reduction: $839 Billion

Source: HMA, based on CBO letter to House Speaker Paul Ryan, March 23, 2017
Health Management Associates
What It Will Cost for States Just to Maintain the Status Quo

Figure 3: *Percentage* Increase in State Funds Needed to Maintain Current Medicaid Program, With AHCA Cuts to Federal Funds, 2017 - 2026

$ Billions per Year

Impact of Budget Shortfalls on People with Disabilities

• Remember that 2/3 of state Medicaid spending is on people with disabilities and older adults

• As state Medicaid budget shortfalls grow, states may:
  – Cut services (particularly “optional” services like waivers)
  – Totally eliminate optional services (again like waivers)
  – Increase waitlists for services
  – Decrease provider rates
Wisconsin is 28\textsuperscript{th} in the nation in per capita spending on people with disabilities (2011 data)

States that spend less per capita on Medicaid will be particularly harmed

<table>
<thead>
<tr>
<th>Location</th>
<th>Aged</th>
<th>Individuals with Disabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Minnesota</td>
<td>$17,053</td>
<td>$25,573</td>
</tr>
<tr>
<td>2. Iowa</td>
<td>$15,865</td>
<td>$18,893</td>
</tr>
<tr>
<td>United States</td>
<td>$13,249</td>
<td>$16,643</td>
</tr>
<tr>
<td>3. Illinois</td>
<td>$9,926</td>
<td>$15,696</td>
</tr>
<tr>
<td>4. Wisconsin</td>
<td>$14,866</td>
<td>$15,693</td>
</tr>
<tr>
<td>5. Michigan</td>
<td>$15,403</td>
<td>$14,234</td>
</tr>
</tbody>
</table>
Funding Caps Likely to Stifle State Flexibility

- Medicaid already give states flexibility in program design:
  - Range of optional services, including Home and Community Based Service (HCBS) options
  - Managed care authorities and 1115 demonstrations

- Innovation often requires up front investments in system change
  - Expanding HCBS, improving access to behavioral health treatments
  - Proven pay-offs: Better care coordination; better communication; better access to primary care = Goal of long-term savings

- Investment unlikely with less money due to caps

“Cuts” – Reductions simply do not keep pace with expected increased costs of providing care.
Who uses Medicaid in Wisconsin

- Current Medicaid enrollment in Wisconsin: 43% are children; 22% are older adults and people with disabilities; 35% are low-income adults.
- Current Medicaid spending: 64% of Medicaid spending is on services for people with disabilities and elderly.
- One in five Wisconsin residents rely on Medicaid — that’s 1.2 million people.
- That includes about 500,000 children, 167,000 people with disabilities, and 65,000 seniors in nursing homes.
Key Medicaid Messaging

What Medicaid funds in Wisconsin:

- Personal Care
- Job Coaching
- Prescriptions
- Day Services
- Transportation
- Respite
- Therapy

Medicaid Provides Funding for More than 20 Wisconsin Programs

Achieve with us.
What Can You Do?

• Contact Senator Johnson
• Contact your House Member (they will vote again)
• Contact Governor Walker
• Contact your State Legislator
• Contact Media
Make Noise:
This Won’t Be an Easy Vote

- U.S. House Representatives and U.S. Senators are home from May 29 to June 2\textsuperscript{nd}. **Visit and Call. Back again July 4; home on weekends.**
- Make sure they know that the AHCA would decimate Medicaid and literally harm millions of seniors and people with disabilities.
- **There is no acceptable cap.**
- Connect directly to Republican Senators or Representatives: **1-866-426-2631 (English)** or **1-877-736-7831 (Español)**

*Achieve with us.*
The AHCA is not addressing the key concerns of the failed Obamacare:
1. the need to stabilize the marketplace
2. the need to increase affordability

Key Messages:
• The problem with Obamacare is not Medicaid
• Set aside the other portions of this bill and focus on the elements to directly address the current problems with healthcare experienced by a majority of Americans.

Bring Data = Analytical
If you don’t know who your rep is:
www.govtrack.us/Congress/members
Our State Policymakers Must Advocate for Wisconsin

• Tell them you want them to:

  – Find out how much federal Medicaid funding Wisconsin will lose over 10 years
  – How they will advocate to protect the services and supports you receive today. How can they ensure the supports you need won’t change.

Your 2 state legislators: 800-362-9472
The Governor: 608-266-1212
Tell Your Story

• **Personal stories are the most effective advocacy.** Talk about why is Medicaid important to you.
  
  – What was your and/or your family member’s lives like before receiving Medicaid services?
  
  – If you or a family member are on Medicaid (including a waiver), what are the most important services to you? What difference has that made in yours and/or your family member’s lives?
    
    • Access to critical healthcare or therapies
    • Ability to receive in-home supports, residential supports or live independently
    • Ability to work or go to a day program (so your family can work)
Make Noise: Contact Media

• Call the paper, radio, TV.
• Tell Your Story.
• “What’s happening in Washington will hurt Wisconsin, will hurt me, hurt our community.” Tell them how. (Local data)
• Letter to the editor
Reminder on where to find local data

- Go to survivalcoalitionwi.org
Want to Submit a Letter to the Editor?

• Contact Beth Swedeen: Beth.Swedeen@wisconsin.gov

Congress needs to listen to voters on health care cuts

GREEN BAY - I am an active member of my community, have a master's degree in social work, and am active in volunteer and advocacy activities. I also depend on Medicaid for my health insurance and long-term supports funded by the IRIS program. These supports help me get out of bed in the morning, get ready for my day, and prevent costly emergency medical care. I have lived in nursing homes when my care has not been good, and that's no place for a 26-year-old.

I am extremely distraught by the proposed changes to Medicaid that would result in billions of dollars in cuts if the Republican-proposed American Health Care Act succeeds in replacing the Affordable Care Act. IRIS is so cost-effective and allows me the dignity and the cost savings of being in my own apartment instead of a facility. Yet I am having trouble getting through to my congressional representative by phone and now I find out there are no plans for public hearings on these massive changes.

Congress needs to hear real stories from real people like me. They need to look me in the eye when they talk about these cuts. Tax incentives and health savings accounts won't help me. I have ideas for cost savings, but there are no congressional town halls planned in my part of the state. We need to hold our members of Congress accountable when they make massive cuts on the backs of people with disabilities, low-income kids and frail elders.
Review your tasks

- Call Senator Ron Johnson (one fact or concern a day) **1-866-426-2631**
- Call Senator Tammy Baldwin (help her log calls) **202-224-5653**
- Call Governor Walker **608-266-1212**
- Call your two state legislators **800-362-9472**
- Contact local media: your story; local data
This is Serious: Make Sure People Know

Medicaid pays for the loving nursing care Devyn receives to stay at home with his family. It costs less for a month of care at home than one night in the hospital. But what happens to Devyn when Medicaid is cut?

#ProtectWisconsinMedicaid
#ProtectWisconsinFamilies
#NoMedicaidCuts #KeepDevynAtHome
Questions