

## **Repeal of Medicaid Maintenance of Effort Requirements Will Harm Women**

On May 12, 2011, the Subcommittee on Health of the House Energy and Commerce Committee approved H.R. 1683, the State Flexibility Act of 2011.<sup>i</sup> H.R. 1683 would repeal the maintenance of effort requirements under Medicaid and the Children's Health Insurance Program (CHIP) passed as part of the health care law and economic recovery legislation. These provisions require states to maintain their current Medicaid and CHIP eligibility limits and application and recertification procedures for adults until 2014 and children until 2019.<sup>ii</sup> Though states claim that they need to be able to cut enrollment to respond to budgetary pressures, the repeal of the Medicaid maintenance of effort requirements will harm women and their families.

**H.R. 1683 could cause as many as 100,000 adults to become uninsured in 2013.** The Congressional Budget Office (CBO) estimates that implementation of H.R. 1683 could result in the loss of Medicaid and CHIP coverage for 400,000 individuals in its first year, 2013, and that 75% of these individuals would become uninsured. Children would bear the brunt of these reductions.<sup>iii</sup> But the law would also harm equally vulnerable populations including people with disabilities, the elderly and struggling parents.

**Thousands of women could become uninsured and lose access to vital services.** Women comprise over two-thirds of adults' receiving Medicaid (69%)<sup>iv</sup> and are, therefore, likely to be the majority of adults' losing coverage under H.R. 1683. These women would then lose access to essential supports and services, such as maternity services; prescription drugs; home health aides; family planning; and long-term care services, including nursing home coverage.

**The maintenance of effort requirements were enacted to ensure that states did not reduce Medicaid and CHIP eligibility before 2014, causing people to lose coverage before the health care law took effect.** Most of those losing coverage before 2014 would be unable to obtain private insurance for a variety of reasons. Most private insurance plans are too expensive for low-income people. Furthermore, currently, private plans in many states can discriminate on the basis of gender, age, health status and the existence of pre-existing conditions.<sup>v</sup> As a result, those affected by H.R. 1683 would likely become uninsured, and the cost of their medical care would merely be shifted to low-income patients themselves, doctors, hospitals and localities.

In 2014, as a result of the health care law, state Exchanges (or the new health insurance marketplaces) will be operational and insurance reforms will be implemented. At that time, states could eliminate Medicaid coverage for all adults above 138% of poverty.<sup>vi</sup> Adults losing Medicaid coverage in 2014 could then enroll in insurance plans through state Exchanges with protections against discrimination and federal subsidies to make coverage more affordable.

**States have flexibility under current law to adapt their programs for lean budget times.** There is already flexibility built into the Medicaid program – through existing law and the ability to seek “waivers” of specific current law requirements – that allows governors to contain costs in

positive ways (such as service delivery reform) or negative ones (such as cutting optional services and lowering provider rates).

**H.R. 1683 is one of several attacks on the Medicaid program that would result in less access to vital health care services for women.** Medicaid is under attack on many fronts. The House Republican Budget would cut \$750 billion from Medicaid over ten years and turn the program into a block grant, a dramatic restructuring of the program which would result in even greater cutbacks in eligibility and services. Caps on federal spending that are being debated in Congress would lead to Medicaid cuts of a similar magnitude and would likely necessitate the creation of a block grant.

**For more information on the attacks to Medicaid, please visit our website at [www.nwlc.org](http://www.nwlc.org)**

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<sup>i</sup> The bill has also been introduced in the Senate as S 868.

<sup>ii</sup> States with budget deficits can cut eligibility for adults without disabilities who have income above 133 percent of poverty before January 1, 2014.

<sup>iii</sup> Congressional Budget Office, *Cost Estimate: H.R. 1683, State Flexibility Act* (May 11, 2011). Two-thirds of the 400,000 people losing coverage would be children.

<sup>iv</sup> Kaiser Family Foundation, *Medicaid's Role for Women* (Oct. 2007).

<sup>v</sup> National Women's Law Center, *Nowhere to Turn: How the Individual Health Insurance Market Fails Women* (2008).

<sup>vi</sup> Children would remain on Medicaid or CHIP until 2019