

## Battles Over Medicaid Funding and Eligibility: What's At Stake for Vermont Women

As battles over federal spending, the national debt and state budgets continue in Washington, DC and throughout the country, the Medicaid program is becoming increasingly threatened. Cutbacks to Medicaid will disproportionately harm women because they represent more than two-thirds of the adults who receive Medicaid.<sup>1</sup> Debates over Medicaid funding and eligibility levels translate into questions such as: will my grandmother with breast cancer be able to afford her treatment; can my cousin with multiple sclerosis receive care in her home; and will my daughter be able to get her pap smears and mammograms.

### **Medicaid is facing serious threats.**

*Budget Battles:* Many of the proposals to cut federal spending contain serious threats to Medicaid. Current major threats to Medicaid<sup>2</sup> in the federal budget debate include:

- Proposals to “block grant” the program. The block grant contained in the House Budget Resolution would dramatically cut federal Medicaid funds and significantly restructure the program to allow states to limit eligibility, reduce or eliminate services and further lower provider payment rates. The Congressional Budget Office (CBO) estimates that the House block grant proposal would reduce federal Medicaid spending by 35% in 2022 and 49% in 2030.<sup>3</sup> Over the next ten years, the block grant would cause federal Medicaid funding to decrease by \$750 billion nationwide. *The Kaiser Family Foundation estimates that Vermont would lose \$2.1 billion in that time,<sup>4</sup> with 49,000 fewer people receiving Medicaid in Vermont in 2021.<sup>5</sup>*
- Proposals to “cap” federal spending. A current Senate proposal to “cap” federal spending would impose across the board cuts if federal spending equaled 20.6% of the Gross Domestic Product. If this cap were imposed in 2013, federal Medicaid spending would be reduced by \$547 billion over the next nine years.<sup>6</sup> Such a dramatic loss of funding would likely force the creation of a Medicaid block grant because states could not meet current federal requirements with such greatly reduced funding. *Assuming that imposition of the federal cap would result in the same distribution of cuts among states as would occur under the House block grant proposal, Vermont could lose \$1.5 billion in federal Medicaid funding over the next nine years.<sup>7</sup>*

*Repeal of Medicaid Protections:* Another looming threat to the Medicaid program is H.R. 1683. This legislation – recently approved by a House subcommittee – would eliminate the Medicaid stability protections (or maintenance of effort requirements) contained in the new health care law and stimulus legislation.<sup>8</sup> These provisions prohibit states from reducing income eligibility limits for Medicaid and CHIP (the Children’s Health Insurance Program) and enacting burdensome requirements that would make it more difficult for eligible individuals to get and keep these benefits.

If this legislation were to become law, the CBO estimates that 400,000 individuals would lose Medicaid and CHIP coverage in 2013; most of whom would be children. However, as many as

100,000 adults could also lose Medicaid coverage under this proposed legislation in 2013, most of whom would become uninsured.<sup>9</sup>

### **Women would be hard hit by Medicaid cutbacks.**

Because the majority of Vermont's Medicaid dollars fund services for elderly individuals and those with disabilities – the majority of whom are women – Medicaid budget cuts and eligibility cutbacks could greatly impact these populations. If states attempted to spare elderly individuals and those with disabilities from eligibility and service cuts, even greater program cuts would be necessary for the remaining adults and children who receive Medicaid. Such cuts would also harm women because they constitute a majority of these remaining adults' receiving Medicaid.

*Women comprise a majority of elderly individuals who receive Medicaid in Vermont.* 29% of Vermont's federal and state Medicaid dollars funded services for elderly individuals in 2007.<sup>10</sup> Women made up 70% of these elderly individuals in Vermont.<sup>11</sup>

- Medicaid pays for personal aides, rehabilitation services, nursing home care and other long-term care services that Medicare does not cover, as well as providing cost sharing for Medicare-covered services.
- Nationally, Medicaid paid nearly half of all nursing home expenditures (45%), and 50% of those who benefitted from these expenditures were elderly women, compared to 17% elderly men, in 2004.<sup>12</sup> If Medicaid funding is cut, many mothers and grandmothers will lose access to nursing home care or be faced with crushing medical debt if they are able to obtain services at all.

*Women comprise a majority of individuals who receive Medicaid on the basis of disability in Vermont.* 42% of Vermont's federal and state Medicaid dollars supported services for non-elderly individuals with disabilities in 2007.<sup>13</sup> Women made up 53% of these individuals in Vermont.<sup>14</sup>

- In addition to basic health care services, Medicaid pays for essential supports for women with disabilities such as home health aides, medical supplies and prescription drugs.
- Nationally, Medicaid paid for 22% of home health care services in 2007. Overall, women constituted 64% of individuals' receiving home health services – funded by Medicaid and other funding sources -- in 2007.<sup>15</sup> If Medicaid funding is cut, elderly women and women with disabilities will have fewer resources available to help them stay in their homes and communities, which could also increase the need for more expensive institutional care.

*Women comprise a majority of non-elderly adults' receiving Medicaid in Vermont.* 13% of Vermont's federal and state Medicaid dollars support services for other non-elderly adults in 2007.<sup>16</sup> In Vermont, 60% of these adults were women,<sup>17</sup> many of them mothers struggling to raise their children in difficult economic times.<sup>18</sup>

- Medicaid supports women's health by paying for regular pap smears, mammograms and other vital preventive health care services.
- Medicaid supports women of childbearing age with funding for family planning services, prenatal care (including visits and vitamins, ultrasound and amniocentesis screenings), deliveries and 60 days of postpartum care. In Vermont, Medicaid spending represented 85% of the public funding for family planning in 2006, or \$3 million.<sup>19</sup> Medicaid also paid for 44% of births in Vermont in 2009.<sup>20</sup>

If Medicaid funding is cut, Vermont women could find it harder to access family planning services, making it more difficult to avoid unintended pregnancies. Women who get pregnant could have less access to prenatal care and supports for safe deliveries, making pregnancy and childbirth riskier for mothers and babies.

**Don't discount women– Demand fair change, not spare change.**

**Learn more about attacks to the Federal Budget, in general, and Medicaid, specifically, please visit our website at [www.nwlc.org](http://www.nwlc.org).**

## Sources:

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- <sup>1</sup> Kaiser Family Foundation, *Medicaid's Role for Women* (Oct. 2007)
- <sup>2</sup> The House Budget proposal would also repeal the Medicaid expansions under the new health care law.
- <sup>3</sup> Congressional Budget Office, *Long-Term Analysis of a Budget Proposal by Chairman Ryan* (Apr. 5, 2011).
- <sup>4</sup> Kaiser Family Foundation, *House Republican Budget Plan: State-by-State Impact of Changes in Medicaid Financing* (May 2011)
- <sup>5</sup> *Id.* This Kaiser estimate assumes that cuts are distributed proportionately among all enrollee groups and that spending per enrollee increases at the same rate as the CBO baseline. The Kaiser report provides other estimates of enrollment decreases based on different assumptions about caseload composition and per enrollee spending.
- <sup>6</sup> Edwin Park, Kathy Ruffing, and Paul N. Van de Water, Center on Budget and Policy Priorities, *Proposed Cap on Federal Spending Would Force Deep Cuts in Medicare, Medicaid, and Social Security: Would Likely Require Radical Changes Such as Medicare Privatization, a Medicaid Block Grant, and Repeal of Health Reform* (Apr. 2011). The cap is assumed to go into effect in FY 2013, thus resulting in a nine year estimate.
- <sup>7</sup> National Women's Law Center calculations assuming same distribution of cuts as under the block grant proposal. See Kaiser, *supra* note 4 & CBBP report, *supra* note 6.
- <sup>8</sup> A companion measure has also been introduced in the Senate – S 868.
- <sup>9</sup> Congressional Budget Office, *Cost Estimate: H.R. 1683, State Flexibility Act* (May 11, 2011). CBO estimates that 2/3 of those losing coverage would be children and that 75% of those losing coverage would become uninsured.
- <sup>10</sup> Kaiser Family Foundation, *State Health Facts*, “Distribution of Medicaid Payments by Enrollment Group (in millions), FY2007,” available at: [www.statehealthfacts.org](http://www.statehealthfacts.org) (Date Accessed May 5, 2011). Elderly women are ages 65 and older. Non-elderly adults are generally ages 18 through 64, although some 18 year olds may be classified by adults and others as children depending on why they qualify for the program and each state's practices.
- <sup>11</sup> National Women's Law Center calculations based on data from The Medicaid Statistical Information System (MSIS) State Summary Datamart (2007), <http://msis.cms.hhs.gov> (Date Accessed June 22, 2011). Elderly women are ages 65 and older. Non-elderly adults are ages 19 through 64. Individuals with disabilities are non-elderly adults who qualify for Medicaid on the basis of a disability. There are other adults who could still struggle with mental or physical disabilities but do not receive Medicaid on that basis because they do not meet the stringent Medicaid standard for eligibility. There are also elderly individuals who receive Medicaid on the basis of being disabled who are captured in the data for the elderly population.
- <sup>12</sup> Centers for Medicare and Medicaid Services, National Health Expenditure Data, *Nursing Home Care Spending by Gender, Age Group and Source of Payment* (2004). An additional 13 % of those receiving nursing home services paid for by Medicaid were non-elderly women between the ages of 19 and 64.
- <sup>13</sup> Kaiser Family Foundation, *State Health Facts*, *supra* note 10.
- <sup>14</sup> National Women's Law Center calculations based on data from The Medicaid Statistical Information System (MSIS) State Summary Datamart (2007), *supra* note 11.
- <sup>15</sup> National Center for Health Statistics, National Health Statistics Report, *Home Health Care and Discharged Hospice Care Patients: United States, 2000 and 2007* (April 27, 2011) at Table 2.
- <sup>16</sup> Kaiser Family Foundation, *State Health Facts*, *supra* note 10. Remaining dollars go to children.
- <sup>17</sup> National Women's Law Center calculations based on data from The Medicaid Statistical Information System (MSIS) State Summary Datamart (2007), *supra* note 11.
- <sup>18</sup> Kaiser, *supra* note 1.
- <sup>19</sup> Adam Sonfield, Casey Alrich and Rachel Benson Gold, Alan Guttmacher Institute Occasional Report No. 38, *Public Funding for Family Planning, Sterilization and Abortion Services, FY 1980-2006* (Jan. 2008).
- <sup>20</sup> Kaiser Family Foundation, *State Health Facts*, “Number of Births Financed by Medicaid, 2009,” available at [www.statehealthfacts.org](http://www.statehealthfacts.org) (Date Accessed May 5, 2011).