



Health Care on the Ballot:

Protecting Medicaid

The future of our nation's health and health care is at stake in this election — across the states, for the 119th Congress, and in the White House. Critical priorities are on the line, including protecting, improving, and expanding the Medicaid program for the more than 75 million Americans who rely on Medicaid coverage for their health.

Medicaid is a cornerstone of the U.S. health care system, boosting state economies and providing essential economic stability for states during recessions.¹ Medicaid and Medicaid expansion creates net savings for state governments because of federal government offsets², while providing high-quality coverage for people with low incomes, working families, children, older adults, and people with disabilities.

Medicaid expansion is providing key benefits to states through:

- » **Creating jobs and economic growth:** People who gained coverage through Medicaid expansion reported being able to do a better job at work or experiencing an easier time finding new or better employment in the first year of enrollment — 44% of those who rely on Medicaid were employed compared to 37% in non-expansion states.³
- » **Reducing state budget spending on Medicaid:** Between 2014 to 2017, Medicaid expansion was associated with a 4.4 to 4.7% reduction in state spending on traditional Medicaid.⁴ For example, the Louisiana Department of Health has found expansion has saved the state \$317 million as of 2023.⁵
- » **Protecting rural hospitals:** States with Medicaid expansion see a decrease in rural hospital closures by 62%,⁶ and they have half the cost of uncompensated care costs of non-expanded states (2.7 to 7.3%)⁷ with uncompensated care being highest among rural hospitals.⁸

Medicaid enables affordable access to critical health care services including preventive care, check-ups for kids, prenatal visits, mental and behavioral health, home health care, emergency room care, chemotherapy, and prescription drugs. It also provides an essential bridge connecting families to broader services that help keep them and their communities healthier — things like nutrition support, housing, transportation to doctor's visits, intimate partner violence prevention, and smoking cessation.

Medicaid is a lifeline for people in every community across the country:

» **Medicaid supports families.**

- Medicaid pays for more than 40% of all births, including prenatal and postpartum care, and covers roughly half of all children.⁹
- Medicaid helps ensure kids show up to school healthy and ready to learn: Research shows children covered by Medicaid are more likely to graduate high school, earn a college degree, and have higher lifetime earnings. Children covered by Medicaid during childhood have better health as adults, with fewer hospitalizations and emergency room visits.¹⁰

» **Medicaid is a key tool in reducing racial and ethnic disparities in health.**

- 6 in 10 non-elderly adults in the program are people of color.¹¹
- Medicaid is increasingly utilized to address the social drivers of health that have a disproportionate impact on marginalized communities

» **Medicaid is the single largest payer for mental health services.**

- 13.9 million of adults that rely on Medicaid had mental or substance use disorder¹²
- Medicaid pays about \$4 billion a year in school-based mental health services, helping connect children in public school to mental health resources¹³

» **Medicaid is the primary payer for a range of institutional and community-based long-term services and supports (LTSS).**

- 30% of total Medicaid spending in 2020 was on LTSS services¹⁴
- Medicare doesn't cover LTSS and private payers cover minimal services, making Medicaid the only affordable access to some of these services. Medicaid paid more than half (61%) of total US spending on all LTSS in 2022.¹⁵

» **Medicaid provides essential dental benefits to kids and adults.**

- Dental services must be covered for all children on Medicaid and nearly half of children covered by Medicaid or CHIP receive at least one dental service within the year.¹⁶
- Medicaid dental coverage for adults is optional, but currently adult dental services are covered in 47 states.¹⁷ 5.4 million adults gained access to dental benefits as part of the Medicaid expansion under the Affordable Care Act.¹⁸

Despite its proven track record of success, Medicaid is frequently under attack. Opponents propose repealing Medicaid expansion, adding work requirements, restructuring the program under block grants, and other foundational changes to the program designed to save money by kicking people off their health coverage or preventing them from accessing the services they use and depend on every day.

In 2017, Republican Congressional majorities and the Trump administration proposed major cuts to Medicaid, including repealing Medicaid expansion, which would have had devastating impacts for millions of families.

» Reversing Medicaid expansion would lead to a rise in preventable deaths.

- Mortality among low-income adults decreased by 2.5% after expansion.¹⁹
- Research shows that Medicaid expansion is also associated with reductions in rates of food insecurity, poverty, and home evictions; and improvements in measures of self-reported health and healthy behaviors²⁰

» Cutting federal Medicaid funding would force states to cut coverage for essential services and prescriptions, leading to worse health outcomes.

- Key services like dental, vision, and prescription drug coverage are optional benefits under Medicaid. If states faced large cuts to their federal Medicaid funding, millions of Medicaid enrollees could see their coverage scaled back or have a harder time getting their prescriptions because of extra red tape.

» Ending Medicaid expansion would increase debt.²¹

- Up to 24 million people could lose protection against catastrophic medical bills.
- Within the first two years of the ACA's expansion of Medicaid, medical debt sent to collection agencies dropped by \$3.4 billion, and there were 50,000 fewer medical bankruptcies. Among people gaining coverage through expansion, medical debt fell by an average of over \$1,000. Expansion states also saw significant drops in evictions compared to non-expansion states.

Under the Trump Administration, states were granted waivers to pursue implementing work requirements for their Medicaid programs,²² and House Republicans passed legislation in 2023 that required states to implement work requirements.²³

» Medicaid work reporting requirements create barriers to care for recipients – the vast majority of whom are already working.²⁴

- 15.2 million, or 61%, of those who rely on Medicaid currently work full-time or part-time. And those who are not working usually have a good reason: 13% are caregiving, 11% are disabled or ill, and 6% are attending school.
- Veterans in particular struggle to maintain employment but need the access to care that Medicaid provides: 54% of veterans have a disability, 11% with severe mental illness, 12% with substance use disorder - and these veterans will likely have trouble qualifying for an exemption due to bureaucratic obstacles like increased paperwork.²⁵

» Work requirements don't increase or change employment status.

- Arkansas' work requirement - the only state that implemented a Medicaid work requirement – failed to increase employment in the target population.²⁶
- CBO also reported that employment status and hours worked by Medicaid recipients would be unchanged under the requirements of H.R.2811, and lead to an increase in uninsured people.²⁷

» Work requirements result in coverage losses and higher uninsured rates.

- The Congressional Budget Office (CBO) found that a national Medicaid work requirement in H.R. 2811 would result in 2.2 million adults losing Medicaid coverage per year.²⁸

In 2023, the Republican Study Committee, which included three quarters of House Republicans, released a budget plan that included dramatic cuts to Medicaid and required block grants for Medicaid.²⁹

» Block granting Medicaid would fundamentally change the nature of the program and would put the health and welfare of millions in jeopardy.

If a state's Medicaid costs exceed the amount of the block grant, it would have to use state funds to make up the difference or, more likely, cut provider reimbursement rates and/or services for low-income people, or take away Medicaid coverage entirely.³⁰

Endnotes

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