

Dear Senator Toomey:

As leaders representing faith-based organizations, congregations, and religious traditions from across the spectrum, we urge you to protect Medicaid. We are united in a shared commitment to prioritize low-income, sick, elderly, disabled, and vulnerable populations in the health care decisions before Congress. Our scriptures affirm our moral responsibility to ensure all may live with dignity and the opportunity to recognize their full potential. Access to affordable, quality health care should not and cannot be a privilege; it is a requirement rooted in faith to protect the life and dignity of every person.

We have grave concerns about the future of the Medicaid program under current proposals to repeal and replace the Affordable Care Act. **We strongly oppose any legislation that repeals or rolls back the Medicaid expansion or converts Medicaid's financing through a block grant or per capita cap.**

Medicaid enables over 2.5 million Pennsylvanians to access quality health care.¹ Approximately 46.5 percent of Pennsylvania's Medicaid population are children.² Medicaid covers populations our scriptures and faith traditions call on us to prioritize and care for: low-income children, seniors, and people with disabilities. Through the Medicaid expansion, approximately 664,100 low-income individuals in Pennsylvania have gained access to quality, affordable coverage.³

But proposals to eliminate the Medicaid expansion and to institute a per capita cap would make individuals often in most need of medical care the least likely to get it. The nonpartisan Congressional Budget Office estimates that by eliminating the Medicaid expansion and instituting a per capita cap, the House-passed bill, the American Health Care Act, would cause 14 million people around the country to lose their Medicaid coverage within the decade. The newly introduced Senate bill would essentially have the same impact.

Medicaid is a lean and efficient program: its costs per beneficiary are lower than for private insurance, while providing a more comprehensive benefits package to vulnerable populations. When adjusting for the greater health needs, Medicaid spending per person is an estimated 25% lower than in the private market.⁴

Medicaid's Role in Fighting the Opioid Epidemic

Medicaid, especially through improvements in the ACA, is increasingly a powerful and timely tool in addressing the tragic opioid epidemic around the country. Medicaid and CHIP cover a third of people with opioid addictions, and Medicaid covers a variety of treatment services, including inpatient services and detoxification, partial hospitalization, intensive outpatient, and case management, depending upon the state.⁵ The U.S. Surgeon General found that the Medicaid expansion enabled many people with

1 Center on Budget and Policy Priorities, http://www.cbpp.org/sites/default/files/atoms/files/medicaid_pennsylvania_7-9-15.pdf

2 American Academy of Pediatrics, https://www.aap.org/en-us/Documents/federaladvocacy_medicaidfactsheet_pennsylvania.pdf

3 Center on Budget and Policy Priorities, <http://www.cbpp.org/sites/default/files/atoms/files/4-13-17health-factsheets-pa.pdf>

4 Kaiser Family Foundation, <http://kff.org/medicaid/issue-brief/10-things-to-know-about-medicaid-setting-the-facts-straight/>

5 Kaiser Family Foundation, <http://kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>

substance use disorders to access health coverage and treatment services.⁶ In states that took the Medicaid expansion, the percentage of people with substance use or mental health disorders who were hospitalized but uninsured dropped from about 20 percent in 2013 to 5 percent by mid-2015.⁷ Repealing the Medicaid expansion and capping the program would reverse and severely restrict states' ability to respond to the opioid crisis.

Medicaid's Role in Underserved Communities

Medicaid is especially important to rural communities and in Indian country. People in rural areas are more likely to be covered by Medicaid, and Medicaid cuts would disproportionately affect these communities. Furthermore, the Medicaid expansion has been an enormous assistance to rural hospitals' financial stability. Between 2013 and 2015, uncompensated care costs as a share of hospital operating budgets fell by about *half* in Medicaid expansion states.⁸

American Indians and Alaskan Natives have some of the worst health disparities and poorest access to health services in the nation, due partially to decades long underfunding of Indian Health Services. Given the disproportionately high rates of poverty among American Indians and Alaskan Natives, the Medicaid expansion provides arguably for the biggest opportunity to improve the health of Native Americans and Alaska Natives in a generation.⁹ Repealing the Medicaid expansion would reverse these gains. Furthermore, instituting a per capita cap could jeopardize Tribes' access to Medicaid funding as they would become dependent on states identifying and passing through the funding. Tribes often have difficulty in getting states to pass through block grant funds to them.¹⁰

The Danger of Per Capita Caps and Block Grants

Instituting a per capita cap or block grant would dismantle the federal guarantee and undermine the program in a way it would not recover from. A per capita cap would prevent states from adequately addressing to spikes in need or health care costs, such as the next opioid epidemic or Zika outbreak. Without addressing the underlying causes of growing health care costs, a per capita cap simply cuts federal funding for the program, compounding dramatically over time. Lower federal contributions shift costs to states which are then forced to cut services, eligibility, and/or provider payments. Pennsylvania would have to spend an additional \$18 billion over ten years to cover the cuts from the AHCA per capita cap and rollback of the Medicaid expansion.¹¹ The only added flexibility given to states through a per capita cap is the flexibility to cut more people and more services from the program. **No formula or indexing calculation solves these problems. A vote to institute a per capita cap is a vote to dismantle the program and shift billions of dollars of health care costs to states, leading to rationing care, weaker benefits, and even causing some to lose coverage altogether.**

6 U.S. Department of Health and Human Services, <https://addiction.surgeongeneral.gov/executive-summary.pdf>.

7 Center on Budget and Policy Priorities, <http://www.cbpp.org/research/health/aca-repeal-would-jeopardize-treatment-for-millions-with-substance-use-disorders>.

8 Center on Budget and Policy Priorities, <http://www.cbpp.org/research/health/house-passed-bill-would-devastate-health-care-in-rural-america>.

9 <http://files.constantcontact.com/a3c45cb9201/38e0f51f-647b-4ed6-a79b-2e55f2afa6d6.pdf>

10 <http://files.constantcontact.com/a3c45cb9201/38e0f51f-647b-4ed6-a79b-2e55f2afa6d6.pdf>

11 Urban Institute, http://www.urban.org/sites/default/files/publication/89061/2001186-the_impact-of-per-capita-caps-on-federal-spending-and-state-medicaid-spending_2.pdf

America's health care system faces real challenges, but the Medicaid program is not one of them. It should remain off the table in any negotiations to repeal and replace the Affordable Care Act. The Medicaid cuts in the AHCA and the newly introduced Better Care Reconciliation Act in the Senate would make health care less accessible and less affordable for our country's most vulnerable populations. Both bills would dramatically turn our country farther away from health, farther away from our values, and farther away from a just society. Our faiths call us to expand life-giving health care to all, not to take it away. **We call on you to prioritize Pennsylvania's most vulnerable populations and oppose any legislation that rolls back or eliminates the Medicaid expansion and institutes a Medicaid per capita cap.**

Sincerely,