

Children's Defense Fund



Ten Ways the Senate's "Better Care Reconciliation Act" Harms Children and Offers Worse Care

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1. **Ends Medicaid as we know it, jeopardizing the health of 40 percent of America's children.**

Medicaid currently ensures comprehensive, affordable health coverage for 37 million low-income and disabled children, including 40 percent of all children with special needs and covers more than 40 percent of all births. The Better Care Reconciliation Act (BCRA) would fundamentally restructure Medicaid, eliminating its 50 year guarantee of health coverage for the most vulnerable.

2. **Makes 22 million more Americans uninsured by 2026, 15 million from Medicaid alone, according to the non-partisan Congressional Budget Office (CBO).**

Under the BCRA spending on Medicaid would decline by \$772 billion, 26 percent by 2026, with even greater losses in subsequent years.

3. **Imposes a per capita cap on Medicaid.**

This new federal cap on Medicaid spending over time will result in a massive cost shift to states, requiring them to substantially increase state funding, reduce eligibility, enrollment, and/or benefits and/or increase cost sharing. The rate of growth in the BCRA is far below health care inflation so cuts will grow steeper over time. The BCRA exempts disabled children who qualify for the Supplemental Security Income Program (SSI) from the cap, a clear admission of the harms the cap will cause, but still leaves these children at risk of reduced services as fiscal pressures on states grow. States are also given an option to choose a block grant rather than a per capita cap for some low-income adults, but not for children. Both per capita caps and block grants jeopardize care for all enrollees.

4. **Effectively ends the Affordable Care Act's (ACA) Medicaid expansion for low-income adults in 31 states and the District of Columbia.**

Since 2014, 11 million low-income adults, including millions of parents, have been able to get Medicaid for the first time so they can get needed health care and better be able to care for their children. Under the BCRA, federal funding for the expansion population will be reduced over time, requiring states to spend several times more per individual to maintain coverage, effectively ending the expansion. Additionally eight states have triggers in their own laws requiring Medicaid expansion coverage to stop when the current federal match (90%) begins to decline, so coverage will end in those states in 2021.

5. Dramatically cuts substance use and mental health treatment for millions, jeopardizing their own futures and their families in the midst of the opioid crisis.

Currently Medicaid pays for an estimated 21 percent of all substance use disorder treatment. While the BCRA adds \$2 billion over ten years in grants to states for opioid treatment, it falls far short of what is needed to fight the growing epidemic. The bill also guts the ACA's Prevention and Public Health Fund jeopardizing the youth suicide prevention and education programs established in every state.

6. Restricts the Medicaid dollars available to help children and adults with serious disabilities remain at home, in communities and out of institutions and to help schools, child protection agencies and other child serving agencies better meet the needs of children.

As fiscal pressures grow on states due to budget gaps caused by the massive Medicaid cost shift to states, they will be much less likely to choose to continue offering home and community-based waivers for children and adults with disabilities. Similarly, states are less likely to be able to provide the match needed for Medicaid payments to schools and child protection agencies, resources that now help them better provide services and specialized staff to serve children while in their care.

7. Uses the \$772 billion in cuts to Medicaid to pay for increases in tax benefits for wealthy individuals and corporations.

The BCRA cuts taxes more than \$50,000 per year for millionaires. The 400 highest income taxpayers alone would receive tax cuts worth about \$33 billion over ten years. It would also cut \$100 billion in taxes for drug companies and insurers.

8. Allows states broad new latitude to waive important ACA protections including coverage of essential health benefits such as maternity, pediatric and substance abuse treatment and mental health care.

In states that take the option, pregnant women, children and adults, including those with pre-existing conditions, would no longer have access to critical services and could again see annual and lifetime limits imposed. The CBO estimates that about half of the population would be affected by this new waiver authority.

9. Ends the coverage mandate but penalizes those who experience a gap in coverage.

Imposes a six month lock-out period from health coverage for people in the individual market who had more than a 63 day break in coverage.

10. Restricts parents' access to health coverage, and in turn children's, by increasing premiums, deductibles or both, while offering much skimpier coverage.

People would pay significantly more for less, with older and sicker Americans being hit the hardest.