

## **House Republicans Propose to Slash Funding For Medicaid, Medicare, and Other Health Coverage Programs**

On April 5, 2011, Budget Committee Chairman Paul Ryan (R-WI) unveiled the House Republican budget proposal for 2012. The proposal is extreme in the scope of cuts and program restructuring that are proposed for Medicaid and Medicare, two federal health care programs that have for decades provided health security to millions of Americans. It lays out massive cuts to Medicaid that would cripple the program. It proposes ending Medicaid and Medicare as they currently exist. It would also repeal the Affordable Care Act, which would effectively raise taxes on middle-class families by taking away the tax credit that was included in the law to help people purchase health insurance. With this proposal, House Republicans take a step backwards, abandoning the progress that we have made giving seniors, children, and low-income families a measure of health care security.

Over the next 10 years, the proposal will have cut Medicaid by \$1.4 trillion; by 2021, these cuts equal about a one-third reduction in federal support, slashing a program that provides health care for nearly 60 million low-income seniors, children, and families. In 2022, it would end Medicare as it exists today. The repeal of the tax credits in the Affordable Care Act equates to a \$777 billion tax increase on middle-class families through 2021. Seniors, who rely on Medicare and Medicaid for their health and long-term care coverage, would be particularly hard hit under the House Republican proposal.

## A Closer Look at the Impact of the House Republican Budget Proposal

This special report takes a closer look at how the House Republican budget proposal would affect Medicaid, Medicare, and middle-class families who would be eligible for a tax credit under the Affordable Care Act. These are all programs that provide federal support for health coverage. All would be dramatically changed, and in some cases eliminated, under the House Republican budget proposal. For Medicaid and the tax credit, we take a look at what the cuts would mean for each state. The proposal would end the existing Medicare program in 2022, but it does not include budget impacts past 2021. While this would clearly have a dramatic effect on seniors in every state, we are unable to model the impact it might have by state.



### Medicaid

- \$1.4 trillion in cuts over 10 years
- About a one-third reduction in federal support by 2021
- Fundamental program restructuring

Medicaid, the health insurance program for low-income people, offers essential health coverage to nearly 60 million Americans, nearly half of them children.<sup>1</sup> For seniors and people with disabilities, it is the main source of long-term care, which Medicare does not cover. It is the primary payer for 64 percent of all nursing home residents.<sup>2</sup> It also provides home-based care to millions of seniors and people with disabilities, making it possible for them to continue living in their communities.

The federal government and states jointly fund Medicaid. The federal government pays between \$1 and \$3 for every \$1 a state puts into Medicaid. On average, of every dollar spent on the program today, the federal government pays 57 cents, and states pay 43 cents. This structure ensures that states have reliable federal assistance, as well as increased support at times when more state residents need Medicaid, such as during an economic downturn, a natural disaster, or a health crisis.

The House Republican budget proposal would fundamentally change the program. It proposes turning Medicaid into a block grant—a program with a federal spending cap. Under a block grant or cap, the federal government would provide states with a set amount of money, and that amount would not change when state economies contract, for example, and the number of people needing Medicaid rises. The proposal couples this fundamental program restructuring with massive cuts in federal support. This means that more costs would shift to states, which are already facing budget challenges.

### ■ **Cuts to the Existing Medicaid Program**

Table 1 illustrates the magnitude of the proposed cuts and what they might mean for states in terms of lost federal support for their existing Medicaid programs. The calculations are based on the assumption that Medicaid funds under a block grant would be distributed consistent with the distribution of Medicaid spending today. While the details of any block grant or funding cap proposal might alter this distribution, Table 1 provides a good illustration of the level of cuts in federal funding that the states could expect under the House Republican proposal.

What is clear from Table 1 is that the health care program reductions in the House Republican budget proposal would massively cut federal support for Medicaid in every state. The cuts to states total \$771 billion over 10 years. Cuts of this size would drastically reduce states' ability to continue to provide health and long-term care to their residents.

### ■ **Medicaid Cuts from Proposed Repeal of the Affordable Care Act**

The House Republican budget proposal would also leave millions in the ranks of the uninsured who would otherwise have gained Medicaid coverage. It does this by wiping out the expansion of the Medicaid program that is part of the Affordable Care Act, an expansion that was designed to make Medicaid work better for low-income people.

Today, income eligibility for Medicaid varies widely across states. For example, in one state, the upper income limit for parents' eligibility is 17 percent of the federal poverty level (\$3,150 a year for a family of three in 2011) and in another it is 200 percent of poverty (\$37,060 a year for a family of three). The program does not have to cover all low-income people, but only certain categories of individuals. For example, most states do not cover childless adults, no matter how low their income. Starting in 2014, the Affordable Care Act extends Medicaid eligibility to 133 percent of poverty for all individuals in all states. Under the law, the federal government pays all of the cost of expanding coverage for three years, 95 percent of the cost from 2017 to 2019 and 90 percent from 2019 onward. Table 2 estimates the Medicaid dollars each state would lose if this expansion were repealed, assuming that the Medicaid expansion dollars would be distributed consistent with predicted patterns of expenditures. These losses are substantial—totaling \$627 billion by 2021—and these dollars would have allowed states to significantly reduce the number of uninsured residents.

Table 1.

### How Much Federal Funding Could My Existing State Medicaid Program Lose under The House Republican Budget Proposal? (Dollars in Millions)\*

State	2012	2013	2014	2015	2016	2017-2021	2012-2021 Cuts
Alabama	\$12.1	\$156.6	\$542.2	\$759.1	\$879.6	\$6,952.6	\$9,290.2
Alaska	\$2.9	\$37.9	\$131.3	\$183.9	\$213.1	\$1,684.1	\$2,250.3
Arizona	\$23.6	\$307.4	\$1,064.0	\$1,489.6	\$1,726.1	\$13,643.3	\$18,230.4
Arkansas	\$9.4	\$122.4	\$423.8	\$593.4	\$687.5	\$5,434.3	\$7,261.5
California	\$113.7	\$1,478.7	\$5,118.4	\$7,165.8	\$8,303.2	\$65,629.6	\$87,695.7
Colorado	\$9.7	\$126.1	\$436.5	\$611.2	\$708.2	\$5,597.5	\$7,479.5
Connecticut	\$16.5	\$214.1	\$741.1	\$1,037.5	\$1,202.2	\$9,502.4	\$12,697.3
Delaware	\$3.3	\$43.0	\$148.8	\$208.3	\$241.4	\$1,908.0	\$2,549.5
District of Columbia	\$4.4	\$57.7	\$199.7	\$279.5	\$323.9	\$2,560.3	\$3,421.2
Florida	\$41.2	\$535.2	\$1,852.8	\$2,593.9	\$3,005.6	\$23,756.6	\$31,744.1
Georgia	\$21.0	\$272.9	\$944.7	\$1,322.6	\$1,532.5	\$12,113.0	\$16,185.6
Hawaii	\$3.6	\$46.4	\$160.6	\$224.9	\$260.6	\$2,059.7	\$2,752.3
Idaho	\$3.5	\$45.3	\$156.7	\$219.4	\$254.3	\$2,009.9	\$2,685.6
Illinois	\$35.9	\$466.1	\$1,613.5	\$2,259.0	\$2,617.5	\$20,689.2	\$27,645.4
Indiana	\$16.1	\$209.5	\$725.3	\$1,015.4	\$1,176.6	\$9,299.6	\$12,426.4
Iowa	\$8.1	\$105.0	\$363.5	\$508.9	\$589.6	\$4,660.6	\$6,227.6
Kansas	\$6.7	\$86.7	\$300.1	\$420.1	\$486.8	\$3,847.5	\$5,141.1
Kentucky	\$14.7	\$191.6	\$663.2	\$928.5	\$1,075.8	\$8,503.6	\$11,362.7
Louisiana	\$17.8	\$231.0	\$799.8	\$1,119.7	\$1,297.4	\$10,254.9	\$13,702.8
Maine	\$6.9	\$89.3	\$309.2	\$432.9	\$501.6	\$3,964.5	\$5,297.5
Maryland	\$17.8	\$231.4	\$801.1	\$1,121.5	\$1,299.6	\$10,271.8	\$13,725.4
Massachusetts	\$34.1	\$442.7	\$1,532.5	\$2,145.5	\$2,486.1	\$19,650.5	\$26,257.4
Michigan	\$28.9	\$375.4	\$1,299.5	\$1,819.4	\$2,108.1	\$16,663.0	\$22,265.5
Minnesota	\$20.2	\$262.1	\$907.1	\$1,270.0	\$1,471.6	\$11,631.3	\$15,542.0
Mississippi	\$10.8	\$140.0	\$484.8	\$678.7	\$786.4	\$6,215.7	\$8,305.6
Missouri	\$21.1	\$274.8	\$951.4	\$1,331.9	\$1,543.3	\$12,198.5	\$16,299.9
Montana	\$2.4	\$31.1	\$107.5	\$150.6	\$174.5	\$1,378.9	\$1,842.5
Nebraska	\$4.4	\$57.3	\$198.5	\$277.9	\$322.0	\$2,544.8	\$3,400.4
Nevada	\$3.8	\$49.1	\$169.8	\$237.8	\$275.5	\$2,177.5	\$2,909.6
New Hampshire	\$3.6	\$47.1	\$163.0	\$228.2	\$264.4	\$2,089.6	\$2,792.2
New Jersey	\$26.4	\$342.9	\$1,187.1	\$1,661.9	\$1,925.7	\$15,220.8	\$20,338.4
New Mexico	\$9.0	\$116.7	\$404.0	\$565.6	\$655.4	\$5,180.6	\$6,922.5
New York	\$134.7	\$1,751.3	\$6,062.1	\$8,486.9	\$9,834.1	\$77,729.6	\$103,863.9
North Carolina	\$31.4	\$408.2	\$1,412.9	\$1,978.0	\$2,292.0	\$18,116.1	\$24,207.1
North Dakota	\$1.6	\$20.3	\$70.3	\$98.4	\$114.0	\$900.8	\$1,203.6
Ohio	\$38.4	\$498.6	\$1,726.1	\$2,416.5	\$2,800.1	\$22,132.1	\$29,573.4
Oklahoma	\$10.7	\$139.7	\$483.5	\$676.9	\$784.4	\$6,199.7	\$8,284.1
Oregon	\$10.0	\$130.5	\$451.6	\$632.3	\$732.6	\$5,790.9	\$7,737.9
Pennsylvania	\$47.0	\$611.3	\$2,115.9	\$2,962.3	\$3,432.5	\$27,130.7	\$36,252.6
Rhode Island	\$5.2	\$67.2	\$232.5	\$325.5	\$377.1	\$2,980.9	\$3,983.2
South Carolina	\$13.9	\$180.9	\$626.1	\$876.5	\$1,015.6	\$8,027.5	\$10,726.5
South Dakota	\$1.9	\$25.3	\$87.6	\$122.6	\$142.1	\$1,123.2	\$1,500.8
Tennessee	\$19.9	\$258.6	\$895.2	\$1,253.3	\$1,452.2	\$11,478.3	\$15,337.6
Texas	\$64.7	\$840.9	\$2,910.8	\$4,075.1	\$4,721.9	\$37,322.7	\$49,871.4
Utah	\$4.4	\$57.8	\$200.1	\$280.1	\$324.5	\$2,565.2	\$3,427.7
Vermont	\$2.7	\$34.6	\$119.7	\$167.5	\$194.1	\$1,534.3	\$2,050.1
Virginia	\$15.8	\$204.9	\$709.1	\$992.8	\$1,150.4	\$9,092.6	\$12,149.7
Washington	\$18.0	\$234.2	\$810.8	\$1,135.1	\$1,315.3	\$10,396.4	\$13,891.9
West Virginia	\$6.6	\$86.3	\$298.9	\$418.4	\$484.9	\$3,832.4	\$5,120.9
Wisconsin	\$18.2	\$237.1	\$820.8	\$1,149.1	\$1,331.5	\$10,523.9	\$14,062.3
Wyoming	\$1.4	\$18.7	\$64.6	\$90.5	\$104.8	\$828.5	\$1,107.1
<b>United States</b>	<b>\$1,000</b>	<b>\$13,000</b>	<b>\$45,000</b>	<b>\$63,000</b>	<b>\$73,000</b>	<b>\$577,000</b>	<b>\$771,000</b>

\* Dollars may not add due to rounding.

Table 2.

**How Much Could My State Lose in Federal Funding for the Medicaid Expansion under The House Republican Budget Proposal?**  
**(Dollars in Millions)\***

State	2012	2013	2014	2015	2016	2017-2021	2012-2021 Cuts
Alabama	\$0	\$0	\$621.3	\$1,139.1	\$1,594.8	\$9,651.6	\$12,986.2
Alaska	\$0	\$0	\$53.9	\$98.9	\$138.4	\$837.6	\$1,127.0
Arizona	\$0	\$0	\$628.1	\$1,151.5	\$1,612.1	\$9,756.3	\$13,127.1
Arkansas	\$0	\$0	\$382.4	\$701.0	\$981.4	\$5,939.5	\$7,991.5
California	\$0	\$0	\$2,877.0	\$5,274.4	\$7,384.2	\$44,688.7	\$60,128.4
Colorado	\$0	\$0	\$427.1	\$783.0	\$1,096.2	\$6,634.3	\$8,926.4
Connecticut	\$0	\$0	\$164.2	\$301.1	\$421.5	\$2,550.9	\$3,432.2
Delaware	\$0	\$0	\$147.7	\$270.7	\$379.0	\$2,293.9	\$3,086.5
District of Columbia	\$0	\$0	\$60.1	\$110.1	\$154.1	\$932.8	\$1,255.1
Florida	\$0	\$0	\$2,679.0	\$4,911.6	\$6,876.2	\$41,614.3	\$55,991.7
Georgia	\$0	\$0	\$1,296.6	\$2,377.1	\$3,328.0	\$20,140.9	\$27,099.4
Hawaii	\$0	\$0	\$122.6	\$224.7	\$314.6	\$1,903.7	\$2,561.4
Idaho	\$0	\$0	\$134.2	\$246.0	\$344.4	\$2,084.5	\$2,804.7
Illinois	\$0	\$0	\$872.6	\$1,599.7	\$2,239.6	\$13,554.1	\$18,237.0
Indiana	\$0	\$0	\$697.9	\$1,279.6	\$1,791.4	\$10,841.4	\$14,587.1
Iowa	\$0	\$0	\$105.4	\$193.2	\$270.5	\$1,637.2	\$2,202.8
Kansas	\$0	\$0	\$150.7	\$276.4	\$386.9	\$2,341.5	\$3,150.5
Kentucky	\$0	\$0	\$636.1	\$1,166.1	\$1,632.5	\$9,880.1	\$13,293.6
Louisiana	\$0	\$0	\$718.8	\$1,317.8	\$1,844.9	\$11,165.0	\$15,022.5
Maine	\$0	\$0	\$153.2	\$280.9	\$393.2	\$2,379.6	\$3,201.7
Maryland	\$0	\$0	\$361.5	\$662.8	\$927.9	\$5,615.8	\$7,556.1
Massachusetts	\$0	\$0	\$480.4	\$880.8	\$1,233.1	\$7,462.4	\$10,040.6
Michigan	\$0	\$0	\$754.3	\$1,382.9	\$1,936.1	\$11,717.1	\$15,765.3
Minnesota	\$0	\$0	\$163.6	\$300.0	\$419.9	\$2,541.4	\$3,419.4
Mississippi	\$0	\$0	\$397.7	\$729.1	\$1,020.7	\$6,177.4	\$8,311.7
Missouri	\$0	\$0	\$571.1	\$1,047.0	\$1,465.8	\$8,871.1	\$11,936.0
Montana	\$0	\$0	\$82.1	\$150.5	\$210.8	\$1,275.5	\$1,716.1
Nebraska	\$0	\$0	\$122.6	\$224.7	\$314.6	\$1,903.7	\$2,561.4
Nevada	\$0	\$0	\$190.0	\$348.3	\$487.6	\$2,950.7	\$3,970.1
New Hampshire	\$0	\$0	\$95.6	\$175.3	\$245.4	\$1,484.9	\$1,997.9
New Jersey	\$0	\$0	\$653.2	\$1,197.6	\$1,676.6	\$10,146.6	\$13,652.2
New Mexico	\$0	\$0	\$206.5	\$378.6	\$530.0	\$3,207.7	\$4,315.9
New York	\$0	\$0	\$1,769.1	\$3,243.3	\$4,540.6	\$27,479.5	\$36,973.5
North Carolina	\$0	\$0	\$1,623.2	\$2,975.9	\$4,166.3	\$25,214.1	\$33,925.5
North Dakota	\$0	\$0	\$61.9	\$113.5	\$158.9	\$961.4	\$1,293.5
Ohio	\$0	\$0	\$1,213.9	\$2,225.5	\$3,115.7	\$18,855.9	\$25,370.5
Oklahoma	\$0	\$0	\$240.8	\$441.5	\$618.1	\$3,740.7	\$5,033.1
Oregon	\$0	\$0	\$389.7	\$714.5	\$1,000.3	\$6,053.7	\$8,145.2
Pennsylvania	\$0	\$0	\$1,212.7	\$2,223.2	\$3,112.5	\$18,836.8	\$25,344.8
Rhode Island	\$0	\$0	\$81.5	\$149.4	\$209.2	\$1,265.9	\$1,703.3
South Carolina	\$0	\$0	\$591.9	\$1,085.2	\$1,519.3	\$9,194.7	\$12,371.5
South Dakota	\$0	\$0	\$78.4	\$143.8	\$201.3	\$1,218.4	\$1,639.3
Tennessee	\$0	\$0	\$987.2	\$1,809.8	\$2,533.7	\$15,334.1	\$20,631.9
Texas	\$0	\$0	\$2,913.1	\$5,340.7	\$7,477.0	\$45,250.3	\$60,884.0
Utah	\$0	\$0	\$177.7	\$325.8	\$456.1	\$2,760.3	\$3,714.0
Vermont	\$0	\$0	\$49.6	\$91.0	\$127.4	\$771.0	\$1,037.4
Virginia	\$0	\$0	\$500.6	\$917.8	\$1,285.0	\$7,776.5	\$10,463.2
Washington	\$0	\$0	\$215.7	\$395.4	\$553.6	\$3,350.5	\$4,508.0
West Virginia	\$0	\$0	\$368.9	\$676.3	\$946.8	\$5,730.1	\$7,709.8
Wisconsin	\$0	\$0	\$464.5	\$851.5	\$1,192.2	\$7,214.9	\$9,707.6
Wyoming	\$0	\$0	\$53.3	\$97.7	\$136.8	\$828.1	\$1,114.2
<b>United States</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$55,000</b>	<b>\$77,000</b>	<b>\$466,000</b>	<b>\$627,000</b>

\* Dollars may not add due to rounding.



## Medicare

- \$30 billion in cuts over 10 years
- Re-opens the Medicare doughnut hole
- Fundamental program restructuring

Medicare today provides a guarantee of health coverage for 47 million seniors and people with disabilities. The program provides beneficiaries with a set of hospital, outpatient, and prescription drug benefits. It is administered by the federal Department of Health and Human Services and through private health care plans. Medicare is funded by a combination of the payroll taxes that workers pay during their working years, employer contributions to those payroll taxes, general federal funds, and beneficiary premiums.

The House Republican budget proposal would cut \$30 billion from Medicare over 10 years. It would also repeal the Affordable Care Act, which would mean re-opening the prescription drug coverage gap (the “doughnut hole”). This would expose beneficiaries to up to \$6,000 in additional out-of-pocket prescription drug costs by 2020. While cuts of that magnitude are substantial, the greatest harm to seniors’ health care security is in the proposal to do away with the existing Medicare program in 2022. By taking that step, House Republicans would break the promise of guaranteed health care benefits that Medicare has made to seniors and people with disabilities.

The House Republican budget proposal goes beyond cutting the program. Starting in 2022, the proposal would fundamentally change Medicare as we know it by converting it to a “premium support” model—basically, a modified, privatized voucher system. People joining Medicare starting in 2022 would no longer be guaranteed a set of health care benefits. Instead, the government would make a flat payment on their behalf to private insurers. The effects of such a radical change are deeply troubling. In particular:

- **Skyrocketing out-of-pocket costs**  
The value of the voucher would likely be inadequate to obtain high-quality coverage. Seniors and people with disabilities would face huge out-of-pocket costs. According to the Congressional Budget Office, average 65-year-olds in 2030 would have to pay about 68 percent of their health care costs (through premiums and copayments), compared with 25 percent under current rules.<sup>3</sup>
- **Inadequate protection for low-income beneficiaries**  
*Nearly half of all people* with Medicare have incomes below 200 percent of the federal poverty level (\$21,780 for an individual)<sup>4</sup> and live on fixed incomes. They cannot afford to bear additional health care costs. They would be driven to low-cost, low-quality plans, or they would be forced to skimp on other necessities,

such as food and shelter, in order to afford their health care. Although the proposal says lower-income people would receive additional assistance, the simultaneous massive cuts to Medicaid would further undermine the secondary coverage that Medicaid currently provides to many of these beneficiaries.

- **Less protection for older and sicker beneficiaries**

The budget proposal does not explain whether sicker beneficiaries could be charged higher premiums based on health status. In the past, Medicare has provided security to seniors and people with disabilities throughout their lives because it charges the same premiums to everyone who qualifies. Private insurers, however, prefer to cover younger and healthier people. Unless the voucher is very generous (which would undermine the potential for savings), older and sicker beneficiaries could face unaffordable premiums.

- **Dubious expectations of savings**

The budget proposal claims that the voucher model would save taxpayers money through private market competition. Such “private competition” has existed in Medicare for many years, however—most recently, in the Medicare Advantage program. But Medicare Advantage plans have always, on average, cost taxpayers considerably more, not less, than traditional Medicare. That is because private plans spend more on marketing, advertising, and administration than traditional Medicare—and, unlike traditional Medicare, these private plans make profits. As the Congressional Budget Office analysis shows, this budget proposal could save money for the government only by paying plans less than it costs to provide care, and then passing additional costs on to the beneficiaries who can least afford them.

- **More confusion for beneficiaries**

The Medicare Part D program is sometimes cited as a model for a premium support-type voucher program. But beneficiaries have overwhelmingly found choosing a Part D plan to be confusing, and studies show that many beneficiaries have not chosen plans that best suit their needs. Forcing all Medicare beneficiaries into private plans for all of their health care needs would increase this confusion exponentially.



## Repealing the Tax Credits in the Affordable Care Act

- \$777 billion increase in taxes on the middle class

Under one of the provisions of the Affordable Care Act, starting in 2014, middle-class families who buy health insurance on their own will receive tax credits that will help with the cost of premiums, making health coverage more affordable.<sup>5</sup> The credits will apply on a sliding scale based on income.<sup>6</sup> Credits would be available to families with incomes up to 400 percent of poverty (\$89,400 for a family of four in 2011).

By repealing the Affordable Care Act, the House Republican budget proposal would take away the help that middle-class families would get to purchase insurance. That effectively increases taxes on these families and leaves them with no assistance to purchase health insurance.

Assuming that the tax credit dollars would be distributed consistent with projected patterns of expenditures for the credit, Table 3 shows how much taxpayers in each state would lose under the House Republican budget proposal. The impact on taxpayers totals \$777 billion in lost tax credits by 2021.

### Adding It All Together

The cumulative impact of the cuts in Medicaid, Medicare, and the repeal of tax credits is shown in Table 4. By 2021, the House Republican budget proposal provisions outlined in this Special Report would total \$2.2 trillion in cuts and tax increases for the middle class and low-income people.



Table 3.

### How Much Could My State Lose in Tax Credit Dollars under the House Republican Budget Proposal?

(Dollars in Millions)\*

State	2012	2013	2014	2015	2016	2017-2021	2012-2021 Cuts
Alabama	\$20.9	\$20.9	\$240.8	\$575.9	\$911.0	\$6,377.1	\$8,136.2
Alaska	\$4.2	\$4.2	\$48.3	\$115.5	\$182.7	\$1,279.1	\$1,631.9
Arizona	\$38.5	\$38.5	\$443.0	\$1,059.4	\$1,675.8	\$11,730.9	\$14,967.0
Arkansas	\$21.5	\$21.5	\$247.7	\$592.4	\$937.1	\$6,559.8	\$8,369.4
California	\$287.3	\$287.3	\$3,303.5	\$7,899.6	\$12,495.7	\$87,469.9	\$111,599.5
Colorado	\$31.6	\$31.6	\$363.7	\$869.7	\$1,375.6	\$9,629.5	\$12,286.0
Connecticut	\$17.7	\$17.7	\$203.6	\$486.8	\$770.1	\$5,390.4	\$6,877.3
Delaware	\$4.0	\$4.0	\$45.5	\$108.9	\$172.3	\$1,206.0	\$1,538.7
District of Columbia	\$3.2	\$3.2	\$37.3	\$89.1	\$141.0	\$986.7	\$1,258.9
Florida	\$139.2	\$139.2	\$1,601.0	\$3,828.5	\$6,056.0	\$42,391.9	\$54,086.2
Georgia	\$53.5	\$53.5	\$615.6	\$1,472.0	\$2,328.4	\$16,299.0	\$20,795.2
Hawaii	\$3.7	\$3.7	\$42.1	\$100.7	\$159.2	\$1,114.6	\$1,422.1
Idaho	\$12.7	\$12.7	\$146.3	\$349.8	\$553.4	\$3,873.7	\$4,942.4
Illinois	\$77.1	\$77.1	\$886.8	\$2,120.5	\$3,354.3	\$23,480.0	\$29,957.2
Indiana	\$35.3	\$35.3	\$406.5	\$972.0	\$1,537.5	\$10,762.4	\$13,731.4
Iowa	\$16.6	\$16.6	\$190.5	\$455.5	\$720.5	\$5,043.2	\$6,434.4
Kansas	\$17.2	\$17.2	\$197.4	\$472.0	\$746.6	\$5,225.9	\$6,667.5
Kentucky	\$24.6	\$24.6	\$282.9	\$676.6	\$1,070.2	\$7,491.7	\$9,558.3
Louisiana	\$23.2	\$23.2	\$267.1	\$638.6	\$1,010.2	\$7,071.4	\$9,022.1
Maine	\$8.9	\$8.9	\$102.8	\$245.9	\$388.9	\$2,722.6	\$3,473.6
Maryland	\$24.1	\$24.1	\$276.7	\$661.7	\$1,046.7	\$7,327.2	\$9,348.5
Massachusetts	\$19.0	\$19.0	\$218.8	\$523.1	\$827.5	\$5,792.3	\$7,390.2
Michigan	\$63.2	\$63.2	\$727.4	\$1,739.3	\$2,751.3	\$19,259.1	\$24,571.9
Minnesota	\$32.8	\$32.8	\$376.8	\$901.0	\$1,425.2	\$9,976.7	\$12,728.9
Mississippi	\$19.9	\$19.9	\$229.1	\$547.9	\$866.6	\$6,066.4	\$7,739.9
Missouri	\$39.4	\$39.4	\$453.4	\$1,084.2	\$1,715.0	\$12,005.0	\$15,316.7
Montana	\$8.6	\$8.6	\$98.7	\$236.0	\$373.3	\$2,613.0	\$3,333.8
Nebraska	\$12.8	\$12.8	\$147.7	\$353.1	\$558.6	\$3,910.3	\$4,989.0
Nevada	\$17.3	\$17.3	\$198.7	\$475.3	\$751.8	\$5,262.4	\$6,714.2
New Hampshire	\$6.0	\$6.0	\$69.0	\$165.0	\$261.0	\$1,827.2	\$2,331.3
New Jersey	\$42.0	\$42.0	\$483.1	\$1,155.2	\$1,827.2	\$12,790.7	\$16,319.1
New Mexico	\$21.1	\$21.1	\$242.2	\$579.2	\$916.2	\$6,413.6	\$8,182.9
New York	\$121.6	\$121.6	\$1,398.8	\$3,345.0	\$5,291.2	\$37,038.1	\$47,255.5
North Carolina	\$62.5	\$62.5	\$718.4	\$1,717.9	\$2,717.4	\$19,021.5	\$24,268.9
North Dakota	\$4.7	\$4.7	\$54.5	\$130.4	\$206.2	\$1,443.5	\$1,841.7
Ohio	\$80.1	\$80.1	\$920.6	\$2,201.4	\$3,482.2	\$24,375.3	\$31,099.6
Oklahoma	\$23.8	\$23.8	\$274.0	\$655.1	\$1,036.3	\$7,254.1	\$9,255.3
Oregon	\$28.2	\$28.2	\$324.3	\$775.6	\$1,226.9	\$8,588.0	\$10,957.1
Pennsylvania	\$83.5	\$83.5	\$959.9	\$2,295.4	\$3,631.0	\$25,416.9	\$32,428.4
Rhode Island	\$6.8	\$6.8	\$78.7	\$188.1	\$297.6	\$2,083.1	\$2,657.7
South Carolina	\$23.8	\$23.8	\$274.0	\$655.1	\$1,036.3	\$7,254.1	\$9,255.3
South Dakota	\$6.2	\$6.2	\$71.8	\$171.6	\$271.5	\$1,900.3	\$2,424.6
Tennessee	\$43.0	\$43.0	\$494.8	\$1,183.2	\$1,871.6	\$13,101.3	\$16,715.4
Texas	\$205.3	\$205.3	\$2,360.8	\$5,645.4	\$8,930.0	\$62,509.8	\$79,753.9
Utah	\$17.3	\$17.3	\$199.4	\$476.9	\$754.4	\$5,280.7	\$6,737.5
Vermont	\$3.8	\$3.8	\$43.5	\$104.0	\$164.5	\$1,151.2	\$1,468.7
Virginia	\$44.2	\$44.2	\$508.6	\$1,216.2	\$1,923.8	\$13,466.7	\$17,181.7
Washington	\$40.8	\$40.8	\$469.3	\$1,122.1	\$1,775.0	\$12,425.2	\$15,852.9
West Virginia	\$8.2	\$8.2	\$93.9	\$224.4	\$355.0	\$2,485.0	\$3,170.6
Wisconsin	\$43.2	\$43.2	\$496.9	\$1,188.2	\$1,879.4	\$13,156.1	\$16,785.4
Wyoming	\$5.6	\$5.6	\$64.9	\$155.1	\$245.4	\$1,717.6	\$2,191.4
<b>United States</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$23,000</b>	<b>\$55,000</b>	<b>\$87,000</b>	<b>\$609,000</b>	<b>\$777,000</b>

\* Although the tax credits do not begin until 2014, the Congressional Budget Office estimates show expenditures of \$2 billion each year in 2012 and 2013. Dollars may not add due to rounding.

Table 4.

### How Much Could My State Lose in Federal Funding for Medicaid, Medicare, and Premium Tax Credits under the House Republican Budget Proposal? (Dollars in Millions)\*

State	2012	2013	2014	2015	2016	2017-2021	Federal Funding Cuts, 2012-2021
Alabama	\$33.0	\$160.1	\$1,351.9	\$2,404.1	\$3,332.9	\$23,734.5	\$30,938.2
Alaska	\$7.1	\$41.0	\$230.1	\$393.6	\$530.7	\$3,851.2	\$5,044.4
Arizona	\$62.2	\$329.4	\$2,085.6	\$3,634.6	\$4,964.5	\$35,840.2	\$46,819.6
Arkansas	\$31.0	\$134.1	\$1,024.2	\$1,847.2	\$2,576.3	\$18,359.4	\$23,919.5
California	\$401.0	\$1,660.9	\$10,983.8	\$19,919.7	\$27,868.0	\$202,304.1	\$262,574.2
Colorado	\$41.3	\$146.8	\$1,194.4	\$2,219.9	\$3,147.1	\$22,333.6	\$29,021.3
Connecticut	\$34.2	\$217.6	\$1,066.4	\$1,768.8	\$2,351.3	\$18,052.2	\$23,431.5
Delaware	\$7.3	\$43.8	\$332.6	\$575.5	\$783.3	\$5,542.4	\$7,268.4
District of Columbia	\$7.7	\$58.7	\$290.3	\$469.9	\$612.3	\$4,575.3	\$6,001.8
Florida	\$180.4	\$591.3	\$5,883.5	\$11,001.5	\$15,688.4	\$111,336.8	\$144,315.6
Georgia	\$74.5	\$303.3	\$2,787.6	\$5,079.3	\$7,119.6	\$49,545.7	\$64,773.0
Hawaii	\$7.2	\$46.7	\$315.3	\$536.9	\$724.4	\$5,221.7	\$6,836.0
Idaho	\$16.2	\$54.5	\$426.8	\$801.4	\$1,141.7	\$8,118.1	\$10,537.3
Illinois	\$113.0	\$501.2	\$3,246.8	\$5,811.1	\$8,085.3	\$59,530.9	\$77,100.7
Indiana	\$51.5	\$224.4	\$1,768.4	\$3,185.2	\$4,444.1	\$31,782.4	\$41,358.0
Iowa	\$24.6	\$112.3	\$631.6	\$1,120.6	\$1,552.9	\$11,737.9	\$15,141.8
Kansas	\$23.8	\$94.8	\$621.1	\$1,132.3	\$1,593.1	\$11,803.5	\$15,230.3
Kentucky	\$39.3	\$201.4	\$1,537.7	\$2,711.9	\$3,734.2	\$26,512.4	\$34,659.0
Louisiana	\$41.0	\$236.3	\$1,731.8	\$3,004.4	\$4,098.7	\$29,262.4	\$38,285.4
Maine	\$15.8	\$93.7	\$551.5	\$941.3	\$1,270.0	\$9,263.7	\$12,110.3
Maryland	\$41.9	\$236.2	\$1,381.5	\$2,369.0	\$3,216.4	\$24,043.5	\$31,208.1
Massachusetts	\$53.1	\$435.7	\$2,153.5	\$3,445.1	\$4,468.4	\$34,026.6	\$44,470.6
Michigan	\$92.1	\$400.7	\$2,667.3	\$4,789.8	\$6,681.7	\$49,271.4	\$63,741.4
Minnesota	\$52.9	\$280.3	\$1,403.8	\$2,412.7	\$3,273.0	\$24,775.6	\$32,127.2
Mississippi	\$30.7	\$148.7	\$1,077.9	\$1,910.7	\$2,640.1	\$18,942.4	\$24,694.1
Missouri	\$60.6	\$293.5	\$1,913.6	\$3,380.1	\$4,661.9	\$33,967.3	\$44,175.4
Montana	\$11.0	\$36.9	\$280.2	\$526.3	\$750.4	\$5,383.4	\$6,973.4
Nebraska	\$17.3	\$64.6	\$452.0	\$833.4	\$1,178.4	\$8,598.4	\$11,117.9
Nevada	\$21.1	\$59.5	\$538.0	\$1,033.9	\$1,494.3	\$10,685.1	\$13,799.4
New Hampshire	\$9.6	\$49.2	\$315.9	\$552.9	\$759.1	\$5,568.4	\$7,237.6
New Jersey	\$68.4	\$350.5	\$2,220.2	\$3,877.0	\$5,326.3	\$39,637.0	\$51,341.5
New Mexico	\$30.0	\$133.0	\$838.4	\$1,504.3	\$2,087.3	\$15,007.6	\$19,564.7
New York	\$256.3	\$1,797.6	\$9,004.1	\$14,774.0	\$19,440.0	\$145,484.8	\$190,351.7
North Carolina	\$93.9	\$442.8	\$3,671.0	\$6,560.5	\$9,092.2	\$63,548.1	\$83,236.1
North Dakota	\$6.3	\$23.0	\$180.7	\$334.2	\$473.1	\$3,391.1	\$4,398.5
Ohio	\$118.4	\$536.6	\$3,734.2	\$6,675.0	\$9,271.6	\$67,173.8	\$87,306.5
Oklahoma	\$34.6	\$150.6	\$959.5	\$1,721.8	\$2,400.0	\$17,750.6	\$22,960.5
Oregon	\$38.2	\$148.1	\$1,134.0	\$2,080.1	\$2,928.1	\$20,887.1	\$27,157.3
Pennsylvania	\$130.5	\$642.2	\$4,130.9	\$7,270.8	\$10,018.4	\$73,643.4	\$95,601.9
Rhode Island	\$12.0	\$70.1	\$380.8	\$647.2	\$872.1	\$6,499.6	\$8,462.6
South Carolina	\$37.7	\$190.5	\$1,449.3	\$2,560.0	\$3,528.6	\$25,087.8	\$32,779.8
South Dakota	\$8.2	\$29.3	\$230.9	\$428.9	\$608.0	\$4,340.2	\$5,633.2
Tennessee	\$62.9	\$281.0	\$2,315.1	\$4,163.6	\$5,795.5	\$40,802.5	\$53,305.0
Texas	\$270.0	\$979.2	\$7,983.8	\$14,793.4	\$20,928.0	\$147,961.7	\$192,517.8
Utah	\$21.8	\$70.6	\$563.4	\$1,064.4	\$1,521.3	\$10,803.4	\$14,016.7
Vermont	\$6.4	\$36.5	\$207.1	\$355.0	\$480.3	\$3,537.1	\$4,612.5
Virginia	\$60.0	\$228.8	\$1,657.5	\$3,045.6	\$4,298.3	\$31,208.5	\$40,403.5
Washington	\$58.8	\$258.8	\$1,447.0	\$2,587.7	\$3,595.2	\$26,870.6	\$34,740.1
West Virginia	\$14.8	\$86.6	\$737.8	\$1,287.4	\$1,762.9	\$12,388.6	\$16,239.2
Wisconsin	\$61.4	\$263.7	\$1,732.2	\$3,122.2	\$4,353.2	\$31,610.1	\$41,054.2
Wyoming	\$7.1	\$22.9	\$178.6	\$337.8	\$482.9	\$3,433.8	\$4,454.3
<b>United States</b>	<b>\$3,000</b>	<b>\$14,000</b>	<b>\$95,000</b>	<b>\$169,000</b>	<b>\$234,000</b>	<b>\$1,695,000</b>	<b>\$2,205,000</b>

\* Dollars may not add due to rounding.

## Putting the House Republican Budget Proposal in Perspective

Regardless of what terminology the House Republicans use—“reform,” “slowing the rate of growth,” or “giving states flexibility”—spending reductions of this magnitude equate to massive cuts that would take health care away from millions. However, when dealing with such large numbers, it is often difficult to gain perspective on what the impact might be in human terms. This section of the report takes a closer look at what the proposed Medicaid cuts and the repeal of the Affordable Care Act might mean for the states.

### Cuts to Existing Medicaid

For illustrative purposes only, Tables 5 and 6 show how many people in specific eligibility groups could be covered in each state’s **existing** Medicaid program with the federal funding the House Republican proposal would cut in 2021 alone (the final year in the House Republican budget proposal timeframe). These tables do not include the federal dollars that would be lost by repeal of the Affordable Care Act’s Medicaid expansion.

These tables do not reflect how any given state might respond to such cuts in federal Medicaid support—which groups would be cut, which services would be cut or reduced, or which providers would be paid less. Rather, for illustration, each table looks at a specific group and estimates how many people in that group could be covered in each state’s Medicaid program with the total amount of federal dollars that would be cut from Medicaid in 2021.

Table 5 focuses on the number of seniors that could be covered by each state in 2021 with the federal dollars cut from Medicaid under the House Republican block grant proposal. Table 6 focuses on the number of children. We focused on those two groups because they would be disproportionately affected by Medicaid cuts. Medicaid helps nearly 6 million seniors pay for services that Medicare does not cover, like long-term care.<sup>7</sup> Medicaid is also the largest provider of children’s health insurance, covering approximately 29 million children.<sup>8</sup> Our calculations are based on annual Medicaid costs, by state, for seniors and for children, trended forward to 2021. Because they are more costly to insure, fewer seniors could be covered by the federal dollars that would be lost.

As these tables illustrate, the cuts proposed are staggering. In 2021, the federal cuts could provide health coverage to an estimated 45.6 million children or 7.6 million seniors nationally. As noted above, no state would apply all of the proposed federal cuts to a single group, as we do in Tables 5 and 6. However, the tables show the extreme nature of the cuts proposed: The federal dollars that would be lost in 2021 are of such magnitude that they would cover more seniors or children than are currently in the Medicaid program.

Table 5.

### How Many Seniors Could Be Covered in 2021 with the Federal Dollars Cut from My State's Existing Medicaid Program?

State	Federal Dollars Lost (In Millions)*	Seniors Who Could Be Covered
Alabama	\$1,807.4	132,100
Alaska	\$437.8	14,300
Arizona	\$3,546.8	**
Arkansas	\$1,412.7	69,900
California	\$17,061.4	1,124,700
Colorado	\$1,455.2	60,500
Connecticut	\$2,470.3	71,700
Delaware	\$496.0	20,200
District of Columbia	\$665.6	21,600
Florida	\$6,175.9	456,200
Georgia	\$3,149.0	270,900
Hawaii	\$535.5	29,600
Idaho	\$522.5	26,300
Illinois	\$5,378.5	350,800
Indiana	\$2,417.6	123,100
Iowa	\$1,211.6	54,900
Kansas	\$1,000.2	44,200
Kentucky	\$2,210.6	148,300
Louisiana	\$2,665.9	219,600
Maine	\$1,030.6	64,500
Maryland	\$2,670.3	102,300
Massachusetts	\$5,108.4	176,400
Michigan	\$4,331.8	161,300
Minnesota	\$3,023.7	116,800
Mississippi	\$1,615.9	110,300
Missouri	\$3,171.2	152,900
Montana	\$358.5	10,500
Nebraska	\$661.5	26,400
Nevada	\$566.1	37,400
New Hampshire	\$543.2	18,900
New Jersey	\$3,956.9	153,700
New Mexico	\$1,346.8	73,400
New York	\$20,207.0	569,100
North Carolina	\$4,709.6	301,200
North Dakota	\$234.2	7,500
Ohio	\$5,753.6	198,500
Oklahoma	\$1,611.7	102,900
Oregon	\$1,505.4	65,200
Pennsylvania	\$7,053.0	212,600
Rhode Island	\$774.9	28,200
South Carolina	\$2,086.9	135,700
South Dakota	\$292.0	16,000
Tennessee	\$2,984.0	232,000
Texas	\$9,702.6	717,700
Utah	\$666.9	38,000
Vermont	\$398.9	20,300
Virginia	\$2,363.8	129,500
Washington	\$2,702.7	121,200
West Virginia	\$996.3	52,000
Wisconsin	\$2,735.9	162,200
Wyoming	\$215.4	7,500
<b>United States</b>	<b>\$150,000</b>	<b>7,560,800</b>

\*Dollars may not add due to rounding.

\*\*Due to limitations of available data at the state level, data for Arizona are not reportable.

Table 6.

### How Many Children Could Be Covered in 2021 with the Federal Dollars Cut from My State's Existing Medicaid Program?

State	Federal Dollars Lost (In Millions)*	Children Who Could Be Covered
Alabama	\$1,807.4	533,900
Alaska	\$437.8	65,400
Arizona	\$3,546.8	**
Arkansas	\$1,412.7	487,300
California	\$17,061.4	7,517,800
Colorado	\$1,455.2	537,800
Connecticut	\$2,470.3	622,400
Delaware	\$496.0	141,900
District of Columbia	\$665.6	154,600
Florida	\$6,175.9	2,361,900
Georgia	\$3,149.0	1,002,200
Hawaii	\$535.5	161,500
Idaho	\$522.5	192,500
Illinois	\$5,378.5	1,315,800
Indiana	\$2,417.6	810,300
Iowa	\$1,211.6	460,400
Kansas	\$1,000.2	285,000
Kentucky	\$2,210.6	586,700
Louisiana	\$2,665.9	1,424,200
Maine	\$1,030.6	243,200
Maryland	\$2,670.3	656,200
Massachusetts	\$5,108.4	800,200
Michigan	\$4,331.8	1,700,300
Minnesota	\$3,023.7	709,300
Mississippi	\$1,615.9	620,100
Missouri	\$3,171.2	719,300
Montana	\$358.5	94,900
Nebraska	\$661.5	163,300
Nevada	\$566.1	186,000
New Hampshire	\$543.2	122,800
New Jersey	\$3,956.9	1,092,900
New Mexico	\$1,346.8	321,800
New York	\$20,207.0	5,488,600
North Carolina	\$4,709.6	1,187,100
North Dakota	\$234.2	78,100
Ohio	\$5,753.6	2,190,200
Oklahoma	\$1,611.7	455,900
Oregon	\$1,505.4	465,100
Pennsylvania	\$7,053.0	1,690,800
Rhode Island	\$774.9	139,300
South Carolina	\$2,086.9	652,400
South Dakota	\$292.0	85,200
Tennessee	\$2,984.0	877,300
Texas	\$9,702.6	2,573,600
Utah	\$666.9	174,400
Vermont	\$398.9	114,900
Virginia	\$2,363.8	746,600
Washington	\$2,702.7	892,700
West Virginia	\$996.3	270,200
Wisconsin	\$2,735.9	1,372,200
Wyoming	\$215.4	67,300
<b>United States</b>	<b>\$150,000</b>	<b>45,613,700</b>

\*Dollars may not add due to rounding.

\*\* Due to limitations of available data at the state level, data for Arizona are not reportable.

The House Republicans present these cuts and a proposed block grant in the guise of giving states “flexibility” in Medicaid. In fact, cuts of this magnitude would cripple state Medicaid programs. The only “flexibility” states would have would be to decide which services or groups to cut.

## Increasing the Number of Uninsured

According to a March 2011 analysis by the Congressional Budget Office, the Affordable Care Act will result in a net decrease in the number of uninsured of 34 million by 2021.<sup>9</sup> By repealing that law, the House Republican budget proposal would leave those 34 million Americans uninsured. Table 7 shows how the proposed repeal of the Affordable Care Act would affect the number of uninsured in each state in 2021. The calculations assume that the distribution of the reduction in the uninsured under the Affordable Care Act follows the current distribution of non-elderly uninsured across the states.

Repealing the Affordable Care Act would increase the number of uninsured in several ways. Eliminating the tax credit would mean that millions will continue to be unable to afford insurance; and eliminating the Medicaid expansion would mean millions who would have received Medicaid coverage will remain uninsured. Furthermore, the proposal repeals the Act’s small business tax credits and other incentives for employers to offer insurance.

The estimates in Table 7 focus on the increase in the uninsured that would result from the proposed repeal of the Affordable Care Act only. They do not include any who would lose Medicaid coverage because of the substantial cuts to that program. If the effects of the proposed Medicaid cuts were taken into consideration, the increase in the uninsured under the House Republican budget proposal would likely be much greater.

Table 7.

### How Many More People Will Be Uninsured in My State in 2021 Due to the House Republican Budget Proposal's Repeal of the Affordable Care Act?

State	Increase in the Number of Uninsured	State	Increase in the Number of Uninsured
Alabama	477,700	Montana	108,900
Alaska	89,400	Nebraska	147,300
Arizona	884,500	Nevada	361,700
Arkansas	368,900	New Hampshire	95,000
California	4,951,300	New Jersey	899,400
Colorado	543,000	New Mexico	312,900
Connecticut	267,900	New York	1,930,900
Delaware	74,000	North Carolina	1,091,100
District of Columbia	46,600	North Dakota	50,300
Florida	2,707,400	Ohio	1,042,900
Georgia	1,292,500	Oklahoma	406,700
Hawaii	68,800	Oregon	457,800
Idaho	164,900	Pennsylvania	914,400
Illinois	1,239,800	Rhode Island	87,200
Indiana	590,000	South Carolina	520,000
Iowa	220,000	South Dakota	73,700
Kansas	246,000	Tennessee	671,400
Kentucky	484,300	Texas	4,379,800
Louisiana	554,400	Utah	275,100
Maine	94,800	Vermont	41,100
Maryland	511,100	Virginia	692,400
Massachusetts	226,600	Washington	587,000
Michigan	877,500	West Virginia	183,300
Minnesota	316,900	Wisconsin	373,300
Mississippi	357,500	Wyoming	55,800
Missouri	584,800	<b>United States</b>	<b>34,000,000</b>

## Far-Reaching Impact

The House Republican budget proposal lays out these extreme cuts in the name of deficit reduction and providing a path to a secure future. It is, however, a path that would destroy health care security for middle- and lower-income people and for seniors of all income levels. What's worse, beyond hurting those who depend on these programs, it would hurt state economies, cost jobs, and take our economic recovery backwards.

### ■ Hurting our health care infrastructure

Cuts at this level would weaken our health care infrastructure. Medicaid pays for 15 percent of all U.S. health care costs and nearly 18 percent of hospital costs.<sup>10</sup> The extreme Medicaid cuts that Republicans propose would force states to reduce funding to a wide range of health care providers who rely on Medicaid as a source of revenue, including hospitals, nursing homes, doctors, home health providers, and community health centers. The cuts proposed would result in job losses and would strain our health infrastructure, making it less able to serve all of us.

### ■ Hurting states' ability to meet long-term care needs

Reduced federal Medicaid funding would mean more costs will fall on states at a time when more seniors will be needing long-term care and turning to Medicaid to help pay for their long-term care costs. With less federal funding, states will not be able to meet this growing demand for services.

### ■ Hurting families of those who need long-term care

The massive reductions in federal Medicaid funding would affect the families of those who rely on Medicaid for nursing home or home-based care. An estimated 52 million Americans are informal caregivers, taking care of family members, friends, or loved ones.<sup>11</sup> Many of them rely on Medicaid to help them with caregiving responsibilities. For caregivers who work, Medicaid's support can mean reduced absenteeism and improved productivity. Nationally, businesses lose an estimated \$33 billion each year due to employee caregiving responsibilities.<sup>12</sup>

### ■ Hurting state economies

Reduced funding would cost states jobs and hurt state and local economies. The federal contribution to a state's Medicaid program is new federal dollars that flow into the state's economy. Those new dollars create jobs and stimulate business activity.<sup>13</sup> By cutting federal funding, the House Republican budget proposal would mean job losses and would hurt state economies, putting the still-fragile recovery from the most recent recession in jeopardy.



## Conclusion

Rather than being a “path to prosperity,” the House Republican budget proposal is an extreme step backwards that would slash health care for millions of Americans, including seniors (especially those needing long-term care) and children. It would shift health care costs to states, to families, to our most vulnerable citizens, and to health care providers. And, unlike the Affordable Care Act, it would not address health care spending in any rational, thoughtful way that would lead to long-term, sustainable deficit reductions. It is a prescription that would end up hurting millions of low-income and middle-class families and denying millions more promised help in the future.

*A full methodology is available upon request.*



## Endnotes

- <sup>1</sup> Kaiser Family Foundation, [statehealthfacts.org](http://www.statehealthfacts.org), *Total Medicaid Enrollment FY 2007*, available online at <http://www.statehealthfacts.org/comparemactable.jsp?ind=198&cat=4>, accessed on April 4, 2011.
- <sup>2</sup> Kaiser Family Foundation, [statehealthfacts.org](http://www.statehealthfacts.org), *Distribution of Certified Nursing Facility Residents by Primary Payer Source, 2009*, available online at <http://www.statehealthfacts.org/comparebar.jsp?ind=410&cat=8&sub=97>, accessed on April 6, 2011.
- <sup>3</sup> Congressional Budget Office, *Long-Term Analysis of a Budget Proposal by Chairman Ryan* (Washington: Congressional Budget Office, April 5, 2011).
- <sup>4</sup> Ben Umans and K. Lynn Nonnemaker, *The Medicare Beneficiary Population Fact Sheet* (Washington: AARP, January 2009), available online at [http://assets.aarp.org/rgcenter/health/fs149\\_medicare.pdf](http://assets.aarp.org/rgcenter/health/fs149_medicare.pdf).
- <sup>5</sup> The tax credits will be available to families with incomes between 133 and 400 percent of poverty. The federal poverty level in 2011 is \$22,350 for a family of four. At today's poverty level, the tax credit would be available to families of four with annual incomes between \$29,726 and \$89,400. Starting in 2014, individuals with incomes below 133 percent of poverty who do not have health coverage would be eligible for Medicaid.
- <sup>6</sup> Families USA, *A Summary of the Health Reform Law* (Washington: Families USA, April 2010), available online at <http://www.familiesusa.org/assets/pdfs/health-reform/summary-of-the-health-reform-law.pdf>.
- <sup>7</sup> Kaiser Family Foundation, [statehealthfacts.org](http://www.statehealthfacts.org), *Distribution of Medicaid Enrollees by Enrollment Group, FY2007*, available online at <http://www.statehealthfacts.org/comparemactable.jsp?typ=1&ind=200&cat=4&sub=52>, accessed on April 6, 2011.
- <sup>8</sup> Kaiser Commission on Medicaid and the Uninsured, *Medicaid Matters: Understanding Medicaid's Role in Our Health Care System* (Washington: Kaiser Family Foundation, March 2011), available online at <http://www.kff.org/medicaid/upload/8165.pdf>.
- <sup>9</sup> Congressional Budget Office, *CBO's March 2011 Estimate of the Effects of the Insurance Coverage Provisions Contained in the Patient Protection and Affordable Care Act (Public Law 111-148) and the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152)* (Washington: Congressional Budget Office, March 18, 2011), available online at <http://www.cbo.gov/budget/factsheets/2011b/HealthInsuranceProvisions.pdf>.
- <sup>10</sup> Centers for Medicare and Medicaid Services, *National Health Expenditures, Table 4: National Health Expenditures, by Source of Funds and Type of Expenditure: Calendar Years 2003-2009* (Washington: Centers for Medicare and Medicaid Services), available online at <https://www.cms.gov/NationalHealthExpendData/>, accessed on March 25, 2011.
- <sup>11</sup> Ari Houser and Mary Jo Gibson, *Valuing the Invaluable: The Economic Value of Family Caregiving, 2008 Update* (Washington: AARP Public Policy Institute, November 2008), available online at [http://assets.aarp.org/rgcenter/il/i13\\_cargiving.pdf](http://assets.aarp.org/rgcenter/il/i13_cargiving.pdf).
- <sup>12</sup> MetLife Mature Market Institute and National Alliance for Caregiving, *The MetLife Caregiving Cost Study: Productivity Losses to U.S. Business* (New York: MetLife Mature Market Institute, July 2006), available online at <http://www.caregiving.org/data/Caregiver%20Cost%20Study.pdf>.
- <sup>13</sup> Rachel Klein, Kathleen Stoll, and Adele Bruce, *Medicaid: Good Medicine for State Economies—2004 Update* (Washington: Families USA, May 2004).



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Families USA

1201 New York Avenue NW, Suite 1100 ■ Washington, DC 20005

Phone: 202-628-3030 ■ Email: [info@familiesusa.org](mailto:info@familiesusa.org)

[www.familiesusa.org](http://www.familiesusa.org)

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