

Republicans Again Propose Slashing Funding for Medicaid, Medicare, and Other Health Programs

On March 29, on a nearly party line vote of 228-191, the House adopted a budget proposal introduced by Budget Committee Chairman Paul Ryan (R-WI). The deficit reduction claimed in this Republican proposal is accomplished chiefly by cutting health care programs, particularly those that help low- and middle-income Americans. Like the Republican budget proposal released a year ago, this new proposal calls for extreme cuts in both Medicaid and Medicare. Cuts to these and other health care programs over the next 10 years would total \$2.75 trillion (see Table 5). Cuts of this magnitude—even deeper than those proposed last year—would decimate these vital health care programs. This proposal would end Medicaid and Medicare as they currently exist. It also repeals the Affordable Care Act, which effectively raises taxes on middle-class families by taking away the tax credit that was included in the law to help people purchase health insurance.

The Republican budget proposal would end decades of progress that we have made toward giving our nation's seniors, children, and low-income families health care security. By repealing the Affordable Care Act, it would halt this progress, denying future health care security for millions of middle-class Americans.

This special report takes a closer look at the Republican budget proposal. It focuses on what the proposed cuts in Medicaid, Medicare, and the repeal of the Affordable Care Act would mean for each state. The effects of the Medicare proposal are noted but not fully addressed in this report. For a detailed analysis of the Republican budget proposal's far-reaching changes to Medicare and how they would affect seniors and people with disabilities, see *The Republican Budget Proposal: Ending Medicare as We Know It—Again*, available online at <http://familiesusa2.org/assets/pdfs/budget-battle/Republican-Budget-and-Medicare.pdf>.

A Closer Look at the Republican Proposal

▶ Medicaid

Cuts a total of \$1.74 trillion from Medicaid over the next 10 years by doing the following:

- Cutting \$810 billion from the existing Medicaid program over the next 10 years, a one-third reduction in federal support to the program by 2022 (see Table 1)
- Repealing the Medicaid expansion in the Affordable Care Act, which would cut an additional \$932 billion from Medicaid over the next 10 years (see Table 2)
- **Cuts to the Existing Medicaid Program**

Medicaid, the health insurance program for low-income people, offers health coverage to nearly 60 million Americans, half of them children.¹ For seniors and people with disabilities, it is the main source of long-term care, which Medicare does not cover. 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 to turn to Medicaid for care, such as during an economic downturn, natural disaster, or health crisis.

The Republican budget proposal would fundamentally change the program. Under the proposal, federal Medicaid support would no longer match state spending. Instead, Medicaid would be turned 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, even during an economic downturn or other circumstance that would cause more people to need Medicaid. The proposal couples this fundamental program restructuring with an \$810 billion cut in federal support over the next 10 years, which would constitute a one-third reduction in federal funding by 2022, and an even larger reduction in federal support to the states over time. This would shift a large percentage of Medicaid costs to states, which are already facing budget challenges.

After the 10-year budget timeframe, increases in federal Medicaid spending would be capped at the rate of general inflation, which is less than historic growth in Medicaid costs.² This cap on spending increases, coupled with significant cuts in the first 10 years, ensures that, over time, federal Medicaid support will fall further and further behind what it actually costs to provide health care services to low-income people. The costs shifted to states would increase, and extremely deep Medicaid cuts would be all but inevitable.

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 over the 10-year budget timeframe.³ The calculations are based on the assumption that Medicaid funds under a block grant would be distributed across the states consistent with the distribution of federal Medicaid funding 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 Republican proposal.

What is clear from Table 1 is that the Republican budget proposal would massively cut federal support for Medicaid in every state. The cuts to states range from \$93.3 billion in New York to \$1.0 billion in Wyoming over the next 10 years. Cuts of this size would drastically reduce the ability of states to continue to provide health services and long-term care to their residents. To see how important Medicaid is to real people and how cuts to the program would affect them, see “The Real Cost of Cuts—People Helped by Medicaid” on page 14.

■ **Cuts from Repealing the Affordable Care Act**

While Medicaid provides essential health coverage to many low-income people, there are still millions of very low-income individuals who are not eligible. Today, financial 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 (\$3,981 a year for a family of four in 2012), while in another, it is 200 percent of poverty (\$46,100 a year for a family of four). Medicaid does not have to cover all low-income people. Instead, it covers only certain categories of individuals, and most states do not cover childless adults, no matter how low their income.

Starting in 2014, the Affordable Care Act expands Medicaid eligibility to 133 percent of poverty for individuals in every state. This will extend health coverage to millions of low-income people. Under the law, the federal government will pay the full cost of expanding coverage for the three years 2014 through 2016, 95 percent of the cost from 2017 through 2019, and 90 percent from 2020 onward.

By repealing the Affordable Care Act, the Republican budget proposal eliminates this Medicaid expansion, leaving the millions of adults who would gain health coverage uninsured. Table 2 estimates the Medicaid dollars that each state would lose if this expansion were repealed. These losses would be substantial, totaling \$932 billion over the next 10 years, and putting at risk between \$90.5 billion in Texas and \$1.5 billion in Vermont. That money would have allowed states to significantly reduce the number of uninsured residents.

▶ Repealing the Tax Credits in the Affordable Care Act

- Raises taxes on the middle class by \$806 billion over the next 10 years (see Table 3)

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 to help with the cost of premiums, making health coverage more affordable.⁴ The credits will follow a sliding scale based on income.⁵ Credits will be available to families with incomes up to 400 percent of poverty (\$92,200 for a family of four in 2012).

By repealing the Affordable Care Act, the Republican budget proposal takes away the help that middle-class families would have gotten 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 Republican proposal. The impact on taxpayers in the states ranges from \$115.8 billion in California to \$1.3 billion in the District of Columbia in lost tax credits between 2014 and 2022.

Table Notes

Table 1: **Assumes that the distribution of the proposed 10-year, \$810 billion cut to the existing Medicaid program begins in 2014 and follows the same distribution as the fiscal year 2012 proposal.

Table 2: **While the Medicaid expansion begins in 2014, the March 2012 CBO baseline upon which these estimates are based includes \$1 billion of spending in fiscal year 2013. This spending is not reflected in a separate column in this table, but it is included in the 2013-2022 total.

Table 3: **While the premium tax credits begin in 2014, the March 2012 CBO baseline upon which these estimates are based includes \$4 billion of spending in fiscal year 2013. This spending is not reflected in a separate column in this table, but it is included in the 2013-2022 total.

Table 1

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

State	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2022 Cuts**
Alabama	\$557	\$707	\$888	\$1,053	\$1,219	\$1,474	\$1,775	\$2,061	\$2,452	\$12,186
Alaska	\$120	\$153	\$192	\$228	\$264	\$319	\$384	\$446	\$530	\$2,636
Arizona	\$1,063	\$1,350	\$1,695	\$2,011	\$2,327	\$2,815	\$3,390	\$3,936	\$4,683	\$23,270
Arkansas	\$477	\$606	\$761	\$903	\$1,045	\$1,264	\$1,522	\$1,767	\$2,102	\$10,448
California	\$3,550	\$4,509	\$5,661	\$6,716	\$7,772	\$9,403	\$11,322	\$13,145	\$15,639	\$77,716
Colorado	\$341	\$433	\$543	\$645	\$746	\$903	\$1,087	\$1,262	\$1,501	\$7,461
Connecticut	\$466	\$592	\$743	\$882	\$1,020	\$1,234	\$1,486	\$1,725	\$2,053	\$10,202
Delaware	\$109	\$139	\$174	\$207	\$239	\$289	\$348	\$405	\$481	\$2,392
DC	\$209	\$265	\$333	\$395	\$457	\$553	\$666	\$773	\$920	\$4,570
Florida	\$1,604	\$2,038	\$2,558	\$3,035	\$3,512	\$4,249	\$5,116	\$5,940	\$7,067	\$35,120
Georgia	\$848	\$1,077	\$1,352	\$1,604	\$1,856	\$2,246	\$2,704	\$3,140	\$3,736	\$18,564
Hawaii	\$124	\$158	\$198	\$235	\$272	\$329	\$396	\$460	\$547	\$2,719
Idaho	\$158	\$200	\$251	\$298	\$345	\$417	\$502	\$583	\$694	\$3,449
Illinois	\$1,301	\$1,653	\$2,075	\$2,462	\$2,849	\$3,447	\$4,150	\$4,818	\$5,733	\$28,488
Indiana	\$654	\$831	\$1,043	\$1,237	\$1,431	\$1,732	\$2,085	\$2,421	\$2,880	\$14,314
Iowa	\$327	\$415	\$521	\$618	\$715	\$865	\$1,042	\$1,210	\$1,440	\$7,153
Kansas	\$245	\$312	\$391	\$464	\$537	\$650	\$782	\$908	\$1,080	\$5,369
Kentucky	\$662	\$841	\$1,056	\$1,252	\$1,449	\$1,753	\$2,111	\$2,451	\$2,916	\$14,492
Louisiana	\$769	\$977	\$1,227	\$1,455	\$1,684	\$2,037	\$2,453	\$2,848	\$3,389	\$16,839
Maine	\$249	\$316	\$397	\$471	\$545	\$660	\$794	\$922	\$1,097	\$5,453
Maryland	\$594	\$754	\$947	\$1,123	\$1,300	\$1,572	\$1,893	\$2,198	\$2,615	\$12,995
Massachusetts	\$980	\$1,245	\$1,562	\$1,854	\$2,145	\$2,595	\$3,125	\$3,628	\$4,316	\$21,449
Michigan	\$1,231	\$1,563	\$1,963	\$2,329	\$2,694	\$3,260	\$3,925	\$4,557	\$5,422	\$26,944
Minnesota	\$637	\$809	\$1,016	\$1,205	\$1,394	\$1,687	\$2,031	\$2,358	\$2,806	\$13,944
Mississippi	\$525	\$666	\$837	\$993	\$1,149	\$1,390	\$1,673	\$1,943	\$2,311	\$11,485
Missouri	\$873	\$1,109	\$1,392	\$1,651	\$1,911	\$2,311	\$2,783	\$3,231	\$3,845	\$19,105
Montana	\$107	\$136	\$171	\$203	\$235	\$284	\$343	\$398	\$473	\$2,351
Nebraska	\$163	\$207	\$260	\$309	\$357	\$432	\$520	\$604	\$719	\$3,571
Nevada	\$128	\$163	\$205	\$243	\$281	\$340	\$409	\$475	\$565	\$2,808
New Hampshire	\$111	\$142	\$178	\$211	\$244	\$295	\$355	\$412	\$491	\$2,439
New Jersey	\$859	\$1,091	\$1,369	\$1,624	\$1,880	\$2,274	\$2,738	\$3,179	\$3,782	\$18,796
New Mexico	\$421	\$534	\$671	\$796	\$921	\$1,114	\$1,341	\$1,557	\$1,853	\$9,208
New York	\$4,260	\$5,411	\$6,793	\$8,059	\$9,326	\$11,283	\$13,586	\$15,773	\$18,767	\$93,258
North Carolina	\$1,136	\$1,443	\$1,812	\$2,149	\$2,487	\$3,009	\$3,623	\$4,207	\$5,005	\$24,871
North Dakota	\$74	\$93	\$117	\$139	\$161	\$195	\$234	\$272	\$324	\$1,609
Ohio	\$1,613	\$2,049	\$2,572	\$3,052	\$3,531	\$4,272	\$5,144	\$5,972	\$7,106	\$35,311
Oklahoma	\$426	\$541	\$679	\$806	\$932	\$1,128	\$1,358	\$1,577	\$1,876	\$9,322
Oregon	\$423	\$537	\$674	\$800	\$925	\$1,120	\$1,348	\$1,565	\$1,862	\$9,255
Pennsylvania	\$1,727	\$2,194	\$2,754	\$3,267	\$3,781	\$4,574	\$5,508	\$6,395	\$7,608	\$37,808
Rhode Island	\$170	\$216	\$271	\$321	\$372	\$450	\$542	\$629	\$748	\$3,718
South Carolina	\$593	\$753	\$945	\$1,121	\$1,298	\$1,570	\$1,890	\$2,195	\$2,611	\$12,975
South Dakota	\$86	\$109	\$137	\$163	\$189	\$228	\$275	\$319	\$380	\$1,886
Tennessee	\$935	\$1,188	\$1,491	\$1,769	\$2,047	\$2,477	\$2,983	\$3,463	\$4,120	\$20,473
Texas	\$2,612	\$3,318	\$4,165	\$4,942	\$5,718	\$6,918	\$8,330	\$9,671	\$11,507	\$57,180
Utah	\$205	\$261	\$327	\$388	\$449	\$543	\$654	\$759	\$903	\$4,490
Vermont	\$124	\$157	\$197	\$234	\$271	\$327	\$394	\$458	\$544	\$2,705
Virginia	\$542	\$689	\$865	\$1,026	\$1,187	\$1,437	\$1,730	\$2,008	\$2,390	\$11,875
Washington	\$597	\$758	\$952	\$1,129	\$1,307	\$1,581	\$1,903	\$2,210	\$2,629	\$13,066
West Virginia	\$317	\$402	\$505	\$599	\$694	\$839	\$1,010	\$1,173	\$1,396	\$6,935
Wisconsin	\$654	\$831	\$1,044	\$1,238	\$1,433	\$1,733	\$2,087	\$2,423	\$2,883	\$14,326
Wyoming	\$46	\$58	\$73	\$87	\$100	\$121	\$146	\$170	\$202	\$1,003
United States	\$37,000	\$47,000	\$59,000	\$70,000	\$81,000	\$98,000	\$118,000	\$137,000	\$163,000	\$810,000

* Dollars may not add due to rounding.

Table 2.

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

State	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2022 Cuts**
Alabama	\$994	\$1,678	\$2,030	\$2,133	\$2,216	\$2,340	\$2,444	\$2,630	\$2,817	\$19,303
Alaska	\$86	\$146	\$176	\$185	\$192	\$203	\$212	\$228	\$244	\$1,675
Arizona	\$1,005	\$1,696	\$2,052	\$2,156	\$2,240	\$2,366	\$2,470	\$2,659	\$2,847	\$19,513
Arkansas	\$612	\$1,032	\$1,249	\$1,313	\$1,364	\$1,440	\$1,504	\$1,619	\$1,733	\$11,879
California	\$4,603	\$7,768	\$9,398	\$9,878	\$10,261	\$10,837	\$11,316	\$12,179	\$13,042	\$89,377
Colorado	\$683	\$1,153	\$1,395	\$1,466	\$1,523	\$1,609	\$1,680	\$1,808	\$1,936	\$13,269
Connecticut	\$263	\$443	\$536	\$564	\$586	\$619	\$646	\$695	\$744	\$5,102
Delaware	\$236	\$399	\$482	\$507	\$527	\$556	\$581	\$625	\$669	\$4,588
DC	\$96	\$162	\$196	\$206	\$214	\$226	\$236	\$254	\$272	\$1,866
Florida	\$4,286	\$7,233	\$8,752	\$9,198	\$9,555	\$10,091	\$10,538	\$11,341	\$12,145	\$83,229
Georgia	\$2,075	\$3,501	\$4,236	\$4,452	\$4,625	\$4,884	\$5,100	\$5,489	\$5,878	\$40,282
Hawaii	\$196	\$331	\$400	\$421	\$437	\$462	\$482	\$519	\$556	\$3,807
Idaho	\$215	\$362	\$438	\$461	\$479	\$505	\$528	\$568	\$608	\$4,169
Illinois	\$1,396	\$2,356	\$2,850	\$2,996	\$3,112	\$3,287	\$3,432	\$3,694	\$3,956	\$27,108
Indiana	\$1,117	\$1,884	\$2,280	\$2,396	\$2,489	\$2,629	\$2,745	\$2,955	\$3,164	\$21,683
Iowa	\$169	\$285	\$344	\$362	\$376	\$397	\$415	\$446	\$478	\$3,274
Kansas	\$241	\$407	\$492	\$518	\$538	\$568	\$593	\$638	\$683	\$4,683
Kentucky	\$1,018	\$1,717	\$2,078	\$2,184	\$2,269	\$2,396	\$2,502	\$2,693	\$2,883	\$19,760
Louisiana	\$1,150	\$1,941	\$2,348	\$2,468	\$2,564	\$2,707	\$2,827	\$3,043	\$3,258	\$22,330
Maine	\$245	\$414	\$500	\$526	\$546	\$577	\$603	\$649	\$694	\$4,759
Maryland	\$578	\$976	\$1,181	\$1,241	\$1,289	\$1,362	\$1,422	\$1,530	\$1,639	\$11,232
Massachusetts	\$769	\$1,297	\$1,569	\$1,649	\$1,713	\$1,810	\$1,890	\$2,034	\$2,178	\$14,925
Michigan	\$1,207	\$2,037	\$2,464	\$2,590	\$2,690	\$2,841	\$2,967	\$3,193	\$3,420	\$23,434
Minnesota	\$262	\$442	\$534	\$562	\$584	\$616	\$644	\$693	\$742	\$5,083
Mississippi	\$636	\$1,074	\$1,299	\$1,365	\$1,418	\$1,498	\$1,564	\$1,684	\$1,803	\$12,355
Missouri	\$914	\$1,542	\$1,866	\$1,961	\$2,037	\$2,151	\$2,246	\$2,418	\$2,589	\$17,742
Montana	\$131	\$222	\$268	\$282	\$293	\$309	\$323	\$348	\$372	\$2,551
Nebraska	\$196	\$331	\$400	\$421	\$437	\$462	\$482	\$519	\$556	\$3,807
Nevada	\$304	\$513	\$621	\$652	\$678	\$716	\$747	\$804	\$861	\$5,901
New Hampshire	\$153	\$258	\$312	\$328	\$341	\$360	\$376	\$405	\$433	\$2,970
New Jersey	\$1,045	\$1,764	\$2,134	\$2,243	\$2,330	\$2,460	\$2,569	\$2,765	\$2,961	\$20,293
New Mexico	\$330	\$558	\$675	\$709	\$737	\$778	\$812	\$874	\$936	\$6,415
New York	\$2,831	\$4,776	\$5,779	\$6,074	\$6,310	\$6,663	\$6,958	\$7,489	\$8,020	\$54,959
North Carolina	\$2,597	\$4,383	\$5,303	\$5,573	\$5,790	\$6,114	\$6,385	\$6,872	\$7,359	\$50,428
North Dakota	\$99	\$167	\$202	\$212	\$221	\$233	\$243	\$262	\$281	\$1,923
Ohio	\$1,942	\$3,278	\$3,965	\$4,168	\$4,330	\$4,572	\$4,775	\$5,139	\$5,503	\$37,712
Oklahoma	\$385	\$650	\$787	\$827	\$859	\$907	\$947	\$1,019	\$1,092	\$7,481
Oregon	\$624	\$1,052	\$1,273	\$1,338	\$1,390	\$1,468	\$1,533	\$1,650	\$1,767	\$12,107
Pennsylvania	\$1,940	\$3,274	\$3,961	\$4,164	\$4,325	\$4,568	\$4,770	\$5,134	\$5,497	\$37,674
Rhode Island	\$130	\$220	\$266	\$280	\$291	\$307	\$321	\$345	\$369	\$2,532
South Carolina	\$947	\$1,598	\$1,934	\$2,032	\$2,111	\$2,230	\$2,328	\$2,506	\$2,683	\$18,389
South Dakota	\$125	\$212	\$256	\$269	\$280	\$295	\$309	\$332	\$356	\$2,437
Tennessee	\$1,579	\$2,665	\$3,225	\$3,389	\$3,521	\$3,718	\$3,883	\$4,179	\$4,475	\$30,668
Texas	\$4,661	\$7,865	\$9,516	\$10,002	\$10,390	\$10,973	\$11,458	\$12,332	\$13,206	\$90,501
Utah	\$284	\$480	\$580	\$610	\$634	\$669	\$699	\$752	\$806	\$5,521
Vermont	\$79	\$134	\$162	\$170	\$177	\$187	\$195	\$210	\$225	\$1,542
Virginia	\$801	\$1,352	\$1,635	\$1,719	\$1,786	\$1,886	\$1,969	\$2,119	\$2,270	\$15,553
Washington	\$345	\$582	\$705	\$741	\$769	\$812	\$848	\$913	\$978	\$6,701
West Virginia	\$590	\$996	\$1,205	\$1,267	\$1,316	\$1,389	\$1,451	\$1,562	\$1,672	\$11,460
Wisconsin	\$743	\$1,254	\$1,517	\$1,595	\$1,657	\$1,750	\$1,827	\$1,966	\$2,106	\$14,430
Wyoming	\$85	\$144	\$174	\$183	\$190	\$201	\$210	\$226	\$242	\$1,656
United States	\$48,000	\$81,000	\$98,000	\$103,000	\$107,000	\$113,000	\$118,000	\$127,000	\$136,000	\$932,000

* Dollars may not add due to rounding.

Table 3.

**How Much Could Taxpayers in My State Lose in Tax Credit Dollars under the Republican Budget Proposal?
(Dollars in Millions)***

State	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2022 Cuts**
Alabama	\$168	\$482	\$775	\$963	\$1,068	\$1,141	\$1,194	\$1,267	\$1,330	\$8,440
Alaska	\$34	\$97	\$155	\$193	\$214	\$229	\$239	\$254	\$267	\$1,693
Arizona	\$308	\$886	\$1,425	\$1,772	\$1,965	\$2,100	\$2,196	\$2,331	\$2,446	\$15,526
Arkansas	\$172	\$495	\$797	\$991	\$1,099	\$1,174	\$1,228	\$1,303	\$1,368	\$8,682
California	\$2,298	\$6,607	\$10,629	\$13,214	\$14,650	\$15,656	\$16,374	\$17,379	\$18,241	\$115,765
Colorado	\$253	\$727	\$1,170	\$1,455	\$1,613	\$1,724	\$1,803	\$1,913	\$2,008	\$12,745
Connecticut	\$142	\$407	\$655	\$814	\$903	\$965	\$1,009	\$1,071	\$1,124	\$7,134
Delaware	\$32	\$91	\$147	\$182	\$202	\$216	\$226	\$240	\$251	\$1,596
DC	\$26	\$75	\$120	\$149	\$165	\$177	\$185	\$196	\$206	\$1,306
Florida	\$1,114	\$3,202	\$5,151	\$6,404	\$7,100	\$7,587	\$7,935	\$8,423	\$8,840	\$56,105
Georgia	\$428	\$1,231	\$1,980	\$2,462	\$2,730	\$2,917	\$3,051	\$3,238	\$3,399	\$21,571
Hawaii	\$29	\$84	\$135	\$168	\$187	\$199	\$209	\$221	\$232	\$1,475
Idaho	\$102	\$293	\$471	\$585	\$649	\$693	\$725	\$770	\$808	\$5,127
Illinois	\$617	\$1,774	\$2,853	\$3,547	\$3,933	\$4,202	\$4,395	\$4,665	\$4,896	\$31,075
Indiana	\$283	\$813	\$1,308	\$1,626	\$1,803	\$1,926	\$2,015	\$2,138	\$2,244	\$14,244
Iowa	\$132	\$381	\$613	\$762	\$845	\$903	\$944	\$1,002	\$1,052	\$6,675
Kansas	\$137	\$395	\$635	\$789	\$875	\$935	\$978	\$1,038	\$1,090	\$6,916
Kentucky	\$197	\$566	\$910	\$1,132	\$1,255	\$1,341	\$1,402	\$1,488	\$1,562	\$9,915
Louisiana	\$186	\$534	\$859	\$1,068	\$1,184	\$1,266	\$1,324	\$1,405	\$1,475	\$9,359
Maine	\$72	\$206	\$331	\$411	\$456	\$487	\$510	\$541	\$568	\$3,603
Maryland	\$193	\$553	\$890	\$1,107	\$1,227	\$1,311	\$1,372	\$1,456	\$1,528	\$9,697
Massachusetts	\$152	\$438	\$704	\$875	\$970	\$1,037	\$1,084	\$1,151	\$1,208	\$7,666
Michigan	\$506	\$1,455	\$2,340	\$2,909	\$3,226	\$3,447	\$3,605	\$3,827	\$4,016	\$25,489
Minnesota	\$262	\$754	\$1,212	\$1,507	\$1,671	\$1,786	\$1,868	\$1,982	\$2,081	\$13,204
Mississippi	\$159	\$458	\$737	\$916	\$1,016	\$1,086	\$1,136	\$1,205	\$1,265	\$8,029
Missouri	\$315	\$907	\$1,459	\$1,814	\$2,011	\$2,149	\$2,247	\$2,385	\$2,503	\$15,888
Montana	\$69	\$197	\$318	\$395	\$438	\$468	\$489	\$519	\$545	\$3,458
Nebraska	\$103	\$295	\$475	\$591	\$655	\$700	\$732	\$777	\$815	\$5,175
Nevada	\$138	\$397	\$639	\$795	\$881	\$942	\$985	\$1,046	\$1,097	\$6,965
New Hampshire	\$48	\$138	\$222	\$276	\$306	\$327	\$342	\$363	\$381	\$2,418
New Jersey	\$336	\$966	\$1,554	\$1,932	\$2,142	\$2,289	\$2,394	\$2,541	\$2,667	\$16,928
New Mexico	\$169	\$484	\$779	\$969	\$1,074	\$1,148	\$1,201	\$1,274	\$1,337	\$8,488
New York	\$973	\$2,798	\$4,501	\$5,595	\$6,203	\$6,629	\$6,933	\$7,359	\$7,724	\$49,019
North Carolina	\$500	\$1,437	\$2,311	\$2,874	\$3,186	\$3,405	\$3,561	\$3,779	\$3,967	\$25,175
North Dakota	\$38	\$109	\$175	\$218	\$242	\$258	\$270	\$287	\$301	\$1,910
Ohio	\$640	\$1,841	\$2,962	\$3,682	\$4,083	\$4,363	\$4,563	\$4,843	\$5,083	\$32,260
Oklahoma	\$191	\$548	\$881	\$1,096	\$1,215	\$1,298	\$1,358	\$1,441	\$1,513	\$9,601
Oregon	\$226	\$649	\$1,044	\$1,297	\$1,438	\$1,537	\$1,608	\$1,706	\$1,791	\$11,366
Pennsylvania	\$668	\$1,920	\$3,088	\$3,840	\$4,257	\$4,549	\$4,758	\$5,050	\$5,300	\$33,639
Rhode Island	\$55	\$157	\$253	\$315	\$349	\$373	\$390	\$414	\$434	\$2,757
South Carolina	\$191	\$548	\$881	\$1,096	\$1,215	\$1,298	\$1,358	\$1,441	\$1,513	\$9,601
South Dakota	\$50	\$144	\$231	\$287	\$318	\$340	\$356	\$378	\$396	\$2,515
Tennessee	\$344	\$990	\$1,592	\$1,979	\$2,194	\$2,345	\$2,452	\$2,603	\$2,732	\$17,339
Texas	\$1,642	\$4,722	\$7,596	\$9,443	\$10,470	\$11,188	\$11,701	\$12,420	\$13,036	\$82,731
Utah	\$139	\$399	\$642	\$798	\$884	\$945	\$989	\$1,049	\$1,101	\$6,989
Vermont	\$30	\$87	\$140	\$174	\$193	\$206	\$215	\$229	\$240	\$1,524
Virginia	\$354	\$1,017	\$1,636	\$2,034	\$2,256	\$2,410	\$2,521	\$2,676	\$2,808	\$17,823
Washington	\$326	\$939	\$1,510	\$1,877	\$2,081	\$2,224	\$2,326	\$2,469	\$2,591	\$16,445
West Virginia	\$65	\$188	\$302	\$375	\$416	\$445	\$465	\$494	\$518	\$3,289
Wisconsin	\$346	\$994	\$1,599	\$1,987	\$2,203	\$2,355	\$2,463	\$2,614	\$2,744	\$17,412
Wyoming	\$45	\$130	\$209	\$259	\$288	\$307	\$322	\$341	\$358	\$2,273
United States	\$16,000	\$46,000	\$74,000	\$92,000	\$102,000	\$109,000	\$114,000	\$121,000	\$127,000	\$806,000

* Dollars may not add due to rounding.

Medicare

- Cuts \$205 billion from the program over the next 10 years (see Table 4)
- Puts people in Medicare at risk of paying up to an additional \$6,000 in drug costs per year by 2020
- Fundamentally restructures the program

The Republican budget proposal cuts Medicare by \$205 billion over the next 10 years and then fundamentally transforms the program in the years following this. Today, Medicare offers a guaranteed set of health benefits to all eligible seniors and people with disabilities. Under the proposal, Medicare would become a “premium support” or voucher system. Seniors and people with disabilities would receive a fixed amount of money to purchase health insurance through private plans or traditional Medicare. The portion of premium costs covered by the voucher would get smaller and smaller over time, passing more and more costs on to seniors and people with disabilities.

By repealing the Affordable Care Act, the proposal also does away with the law’s improvements to Medicare’s prescription drug benefit. The Republican plan would re-open Medicare’s gap in prescription drug coverage known as the “doughnut hole.” This would expose beneficiaries with Medicare drug coverage to up to \$6,000 more every year in out-of-pocket prescription drug costs by 2020.⁶

We discuss the Republican proposal’s changes to Medicare and the implications of those changes for seniors and people with disabilities more fully in *The Republican Budget Proposal: Ending Medicare as We Know It—Again*.

Adding It All Together

The cumulative impact of the Medicaid and Medicare cuts and the repeal of the Affordable Care Act’s tax credits for every state is shown in Table 5. Under these proposals alone, by 2022, the Republican budget provisions outlined above would total \$2.75 trillion in cuts and tax increases for the middle class by 2022.

Table 4.

**How Much Could Taxpayers in My State Lose in Medicare Spending under the Republican Budget Proposal?
(Dollars in Millions)***

State	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2022 Cuts
Alabama	\$272	\$363	\$272	\$290	\$327	\$363	\$436	\$490	\$508	\$381	\$3,721
Alaska	\$21	\$28	\$21	\$22	\$25	\$28	\$33	\$38	\$39	\$29	\$285
Arizona	\$298	\$397	\$298	\$318	\$358	\$397	\$477	\$536	\$556	\$417	\$4,073
Arkansas	\$171	\$229	\$171	\$183	\$206	\$229	\$274	\$308	\$320	\$240	\$2,342
California	\$1,534	\$2,046	\$1,534	\$1,637	\$1,841	\$2,046	\$2,455	\$2,762	\$2,864	\$2,148	\$20,971
Colorado	\$202	\$269	\$202	\$215	\$242	\$269	\$323	\$363	\$376	\$282	\$2,755
Connecticut	\$182	\$243	\$182	\$194	\$219	\$243	\$292	\$328	\$340	\$255	\$2,491
Delaware	\$48	\$64	\$48	\$51	\$58	\$64	\$77	\$87	\$90	\$68	\$659
DC	\$25	\$34	\$25	\$27	\$30	\$34	\$40	\$45	\$47	\$35	\$344
Florida	\$1,083	\$1,443	\$1,083	\$1,155	\$1,299	\$1,443	\$1,732	\$1,949	\$2,021	\$1,516	\$14,795
Georgia	\$401	\$535	\$401	\$428	\$481	\$535	\$642	\$722	\$749	\$561	\$5,480
Hawaii	\$67	\$89	\$67	\$72	\$80	\$89	\$107	\$121	\$125	\$94	\$916
Idaho	\$74	\$99	\$74	\$79	\$89	\$99	\$119	\$134	\$139	\$104	\$1,014
Illinois	\$592	\$789	\$592	\$631	\$710	\$789	\$947	\$1,066	\$1,105	\$829	\$8,091
Indiana	\$324	\$432	\$324	\$345	\$389	\$432	\$518	\$583	\$605	\$453	\$4,426
Iowa	\$166	\$221	\$166	\$177	\$199	\$221	\$265	\$299	\$310	\$232	\$2,268
Kansas	\$139	\$186	\$139	\$148	\$167	\$186	\$223	\$250	\$260	\$195	\$1,901
Kentucky	\$245	\$327	\$245	\$261	\$294	\$327	\$392	\$441	\$458	\$343	\$3,350
Louisiana	\$221	\$295	\$221	\$236	\$265	\$295	\$354	\$398	\$413	\$310	\$3,022
Maine	\$85	\$114	\$85	\$91	\$102	\$114	\$136	\$153	\$159	\$119	\$1,165
Maryland	\$254	\$338	\$254	\$270	\$304	\$338	\$406	\$456	\$473	\$355	\$3,465
Massachusetts	\$341	\$455	\$341	\$364	\$409	\$455	\$546	\$614	\$636	\$477	\$4,660
Michigan	\$533	\$711	\$533	\$568	\$640	\$711	\$853	\$959	\$995	\$746	\$7,284
Minnesota	\$253	\$337	\$253	\$270	\$303	\$337	\$404	\$455	\$472	\$354	\$3,454
Mississippi	\$160	\$213	\$160	\$171	\$192	\$213	\$256	\$288	\$299	\$224	\$2,187
Missouri	\$322	\$430	\$322	\$344	\$387	\$430	\$516	\$580	\$602	\$451	\$4,405
Montana	\$55	\$73	\$55	\$58	\$66	\$73	\$88	\$99	\$102	\$77	\$748
Nebraska	\$90	\$119	\$90	\$96	\$107	\$119	\$143	\$161	\$167	\$125	\$1,224
Nevada	\$115	\$153	\$115	\$123	\$138	\$153	\$184	\$207	\$215	\$161	\$1,571
New Hampshire	\$71	\$94	\$71	\$75	\$85	\$94	\$113	\$127	\$132	\$99	\$965
New Jersey	\$427	\$569	\$427	\$455	\$512	\$569	\$683	\$768	\$797	\$598	\$5,833
New Mexico	\$101	\$135	\$101	\$108	\$121	\$135	\$162	\$182	\$189	\$142	\$1,383
New York	\$961	\$1,281	\$961	\$1,025	\$1,153	\$1,281	\$1,537	\$1,730	\$1,794	\$1,345	\$13,132
North Carolina	\$481	\$641	\$481	\$513	\$577	\$641	\$769	\$865	\$897	\$673	\$6,571
North Dakota	\$35	\$46	\$35	\$37	\$42	\$46	\$56	\$63	\$65	\$49	\$475
Ohio	\$610	\$813	\$610	\$650	\$732	\$813	\$975	\$1,097	\$1,138	\$853	\$8,331
Oklahoma	\$194	\$259	\$194	\$207	\$233	\$259	\$310	\$349	\$362	\$272	\$2,650
Oregon	\$200	\$266	\$200	\$213	\$240	\$266	\$320	\$360	\$373	\$280	\$2,730
Pennsylvania	\$731	\$975	\$731	\$780	\$878	\$975	\$1,170	\$1,316	\$1,365	\$1,024	\$9,994
Rhode Island	\$59	\$78	\$59	\$62	\$70	\$78	\$94	\$105	\$109	\$82	\$800
South Carolina	\$250	\$334	\$250	\$267	\$300	\$334	\$400	\$450	\$467	\$350	\$3,420
South Dakota	\$44	\$58	\$44	\$47	\$53	\$58	\$70	\$79	\$82	\$61	\$599
Tennessee	\$341	\$454	\$341	\$364	\$409	\$454	\$545	\$613	\$636	\$477	\$4,658
Texas	\$972	\$1,296	\$972	\$1,037	\$1,167	\$1,296	\$1,555	\$1,750	\$1,815	\$1,361	\$13,286
Utah	\$92	\$122	\$92	\$98	\$110	\$122	\$146	\$165	\$171	\$128	\$1,251
Vermont	\$36	\$48	\$36	\$38	\$43	\$48	\$58	\$65	\$67	\$50	\$492
Virginia	\$369	\$492	\$369	\$393	\$443	\$492	\$590	\$664	\$689	\$516	\$5,041
Washington	\$314	\$419	\$314	\$335	\$377	\$419	\$502	\$565	\$586	\$439	\$4,290
West Virginia	\$122	\$163	\$122	\$130	\$147	\$163	\$196	\$220	\$228	\$171	\$1,671
Wisconsin	\$293	\$391	\$293	\$313	\$352	\$391	\$469	\$528	\$547	\$410	\$4,007
Wyoming	\$26	\$34	\$26	\$28	\$31	\$34	\$41	\$47	\$48	\$36	\$353
United States	\$15,000	\$20,000	\$15,000	\$16,000	\$18,000	\$20,000	\$24,000	\$27,000	\$28,000	\$21,000	\$205,000

* Dollars may not add due to rounding.

Table 5.

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

State	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2022 Cuts
Alabama	\$335	\$2,081	\$3,139	\$3,983	\$4,476	\$4,866	\$5,392	\$5,903	\$6,467	\$6,980	\$43,650
Alaska	\$31	\$268	\$416	\$546	\$631	\$698	\$784	\$873	\$967	\$1,071	\$6,289
Arizona	\$396	\$2,773	\$4,230	\$5,490	\$6,297	\$6,929	\$7,758	\$8,593	\$9,482	\$10,394	\$62,381
Arkansas	\$227	\$1,490	\$2,305	\$2,990	\$3,412	\$3,736	\$4,153	\$4,562	\$5,009	\$5,444	\$33,350
California	\$2,205	\$12,497	\$20,419	\$27,324	\$31,649	\$34,729	\$38,350	\$41,773	\$45,567	\$49,070	\$303,830
Colorado	\$279	\$1,546	\$2,515	\$3,324	\$3,808	\$4,151	\$4,557	\$4,932	\$5,360	\$5,728	\$36,229
Connecticut	\$223	\$1,113	\$1,625	\$2,129	\$2,479	\$2,752	\$3,109	\$3,469	\$3,832	\$4,177	\$24,929
Delaware	\$61	\$442	\$677	\$855	\$954	\$1,032	\$1,139	\$1,242	\$1,359	\$1,470	\$9,235
DC	\$34	\$364	\$527	\$676	\$780	\$870	\$996	\$1,132	\$1,270	\$1,433	\$8,086
Florida	\$1,450	\$8,448	\$13,556	\$17,615	\$19,936	\$21,611	\$23,660	\$25,538	\$27,725	\$29,568	\$189,248
Georgia	\$551	\$3,885	\$6,210	\$7,996	\$8,999	\$9,746	\$10,689	\$11,577	\$12,616	\$13,574	\$85,898
Hawaii	\$78	\$439	\$640	\$805	\$905	\$985	\$1,097	\$1,207	\$1,325	\$1,429	\$8,918
Idaho	\$104	\$573	\$929	\$1,239	\$1,433	\$1,571	\$1,735	\$1,889	\$2,060	\$2,214	\$13,759
Illinois	\$775	\$4,104	\$6,375	\$8,410	\$9,715	\$10,683	\$11,883	\$13,043	\$14,283	\$15,414	\$94,763
Indiana	\$418	\$2,485	\$3,852	\$4,976	\$5,648	\$6,155	\$6,805	\$7,428	\$8,118	\$8,742	\$54,666
Iowa	\$203	\$849	\$1,247	\$1,655	\$1,941	\$2,157	\$2,431	\$2,699	\$2,968	\$3,201	\$19,370
Kansas	\$178	\$809	\$1,252	\$1,667	\$1,938	\$2,135	\$2,375	\$2,604	\$2,844	\$3,048	\$18,870
Kentucky	\$316	\$2,203	\$3,369	\$4,305	\$4,862	\$5,299	\$5,882	\$6,457	\$7,090	\$7,705	\$47,518
Louisiana	\$292	\$2,400	\$3,673	\$4,670	\$5,257	\$5,727	\$6,364	\$7,002	\$7,709	\$8,431	\$51,550
Maine	\$108	\$679	\$1,021	\$1,319	\$1,511	\$1,661	\$1,860	\$2,060	\$2,271	\$2,479	\$14,980
Maryland	\$314	\$1,703	\$2,537	\$3,288	\$3,775	\$4,154	\$4,651	\$5,143	\$5,657	\$6,137	\$37,389
Massachusetts	\$395	\$2,355	\$3,320	\$4,199	\$4,787	\$5,283	\$5,987	\$6,712	\$7,449	\$8,179	\$48,699
Michigan	\$685	\$3,654	\$5,588	\$7,335	\$8,467	\$9,321	\$10,401	\$11,457	\$12,572	\$13,604	\$83,151
Minnesota	\$324	\$1,498	\$2,257	\$3,032	\$3,577	\$3,986	\$4,493	\$4,997	\$5,505	\$5,982	\$35,685
Mississippi	\$213	\$1,534	\$2,358	\$3,043	\$3,466	\$3,796	\$4,229	\$4,661	\$5,130	\$5,603	\$34,055
Missouri	\$420	\$2,532	\$3,880	\$5,060	\$5,812	\$6,388	\$7,127	\$7,857	\$8,636	\$9,388	\$57,141
Montana	\$75	\$380	\$610	\$815	\$946	\$1,039	\$1,149	\$1,253	\$1,367	\$1,467	\$9,109
Nebraska	\$119	\$581	\$923	\$1,231	\$1,427	\$1,568	\$1,737	\$1,895	\$2,067	\$2,215	\$13,777
Nevada	\$156	\$724	\$1,188	\$1,587	\$1,828	\$1,993	\$2,181	\$2,348	\$2,539	\$2,685	\$17,245
New Hampshire	\$86	\$407	\$608	\$787	\$900	\$985	\$1,095	\$1,200	\$1,312	\$1,404	\$8,792
New Jersey	\$533	\$2,809	\$4,247	\$5,512	\$6,311	\$6,921	\$7,707	\$8,470	\$9,282	\$10,009	\$61,851
New Mexico	\$150	\$1,054	\$1,677	\$2,233	\$2,595	\$2,866	\$3,202	\$3,536	\$3,895	\$4,268	\$25,494
New York	\$1,263	\$9,345	\$13,946	\$18,097	\$20,881	\$23,120	\$26,113	\$29,207	\$32,415	\$35,856	\$210,369
North Carolina	\$660	\$4,874	\$7,743	\$9,938	\$11,173	\$12,104	\$13,297	\$14,434	\$15,755	\$17,003	\$107,045
North Dakota	\$46	\$257	\$404	\$532	\$611	\$670	\$742	\$811	\$886	\$954	\$5,917
Ohio	\$810	\$5,008	\$7,777	\$10,150	\$11,633	\$12,756	\$14,183	\$15,579	\$17,092	\$18,545	\$113,614
Oklahoma	\$250	\$1,260	\$1,933	\$2,554	\$2,961	\$3,265	\$3,644	\$4,012	\$4,399	\$4,752	\$29,054
Oregon	\$269	\$1,538	\$2,438	\$3,204	\$3,675	\$4,020	\$4,444	\$4,848	\$5,294	\$5,700	\$35,458
Pennsylvania	\$939	\$5,310	\$8,119	\$10,584	\$12,148	\$13,338	\$14,861	\$16,352	\$17,943	\$19,430	\$119,115
Rhode Island	\$75	\$433	\$652	\$853	\$986	\$1,089	\$1,223	\$1,358	\$1,497	\$1,634	\$9,807
South Carolina	\$318	\$2,064	\$3,149	\$4,027	\$4,550	\$4,957	\$5,498	\$6,027	\$6,609	\$7,158	\$44,386
South Dakota	\$59	\$320	\$509	\$671	\$772	\$845	\$934	\$1,018	\$1,110	\$1,193	\$7,437
Tennessee	\$460	\$3,313	\$5,184	\$6,672	\$7,547	\$8,217	\$9,086	\$9,931	\$10,881	\$11,804	\$73,138
Texas	\$1,480	\$10,211	\$16,877	\$22,314	\$25,553	\$27,874	\$30,634	\$33,239	\$36,238	\$39,109	\$243,697
Utah	\$132	\$750	\$1,231	\$1,647	\$1,906	\$2,089	\$2,304	\$2,506	\$2,732	\$2,938	\$18,250
Vermont	\$45	\$281	\$414	\$537	\$621	\$688	\$778	\$870	\$964	\$1,060	\$6,263
Virginia	\$474	\$2,189	\$3,427	\$4,530	\$5,222	\$5,720	\$6,323	\$6,884	\$7,492	\$7,984	\$50,292
Washington	\$403	\$1,687	\$2,593	\$3,501	\$4,123	\$4,575	\$5,119	\$5,643	\$6,178	\$6,638	\$40,501
West Virginia	\$151	\$1,135	\$1,708	\$2,143	\$2,388	\$2,588	\$2,869	\$3,147	\$3,457	\$3,757	\$23,355
Wisconsin	\$395	\$2,134	\$3,372	\$4,472	\$5,172	\$5,684	\$6,307	\$6,904	\$7,551	\$8,143	\$50,175
Wyoming	\$39	\$211	\$358	\$483	\$560	\$613	\$671	\$724	\$785	\$838	\$5,285
United States	\$20,000	\$121,000	\$189,000	\$247,000	\$283,000	\$310,000	\$344,000	\$377,000	\$413,000	\$447,000	\$2,753,000

* Dollars may not add due to rounding.

Putting the Republican Budget Proposal in Perspective

Regardless of what terminology the Republicans use—“reform,” “constraining the rate of growth,” or “giving states flexibility”—spending reductions of this magnitude will take health care away from millions. In addition, repealing the Affordable Care Act would drastically increase the numbers of uninsured residents in every state.

According to a March 2012 analysis by the nonpartisan Congressional Budget Office, the Affordable Care Act will result in a net decrease of 33 million in the number of uninsured people by 2022.⁹ By repealing the law, the Republican budget proposal leaves those 33 million Americans uninsured. Table 6 shows how the proposed repeal of the Affordable Care Act would affect the number of uninsured in each state in 2022. The calculations assume that the distribution of the reduction in the uninsured under the Affordable Care Act follows the current distribution of the uninsured across the states.

The estimates in Table 6 look only at the increase in the uninsured that would result from repealing the Affordable Care Act. They do not take into consideration the effects of the proposal’s substantial cuts to the existing Medicaid program. If the effects of those cuts were taken into consideration, the increase in the number of uninsured would be much greater. Repealing the Affordable Care Act would increase the number of uninsured for multiple reasons. Eliminating the premium tax credit means that millions will continue to be unable to afford insurance, and eliminating the Medicaid expansion means that millions who would have received Medicaid coverage will remain uninsured. In addition, repealing the Affordable Care Act would eliminate a host of programs and consumer protections that are designed to make health insurance more affordable and available for everyone. These include numerous insurance market reforms (many of which are already in place), such as prohibiting insurance companies from denying coverage or charging higher rates to people with pre-existing conditions, prohibiting insurers from canceling coverage when people become ill, providing tax credits to encourage more small businesses to offer health coverage to their employees, and offering other incentives for businesses to continue providing coverage. Without those market reforms, health insurance will become increasingly unavailable and unaffordable for middle-class families.

Far-Reaching Impact

The Republican budget proposal lays out extreme cuts in health coverage programs in the name of reducing the deficit and providing a path to a secure future. In reality, it is a path that destroys health care security for middle- and lower-income people and for seniors at 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, all while extending additional tax cuts to the wealthy.

Table 6.

How Many More People Will Be Uninsured in My State in 2022 Due to the 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	496,500	Montana	108,600
Alaska	81,100	Nebraska	145,500
Arizona	831,400	Nevada	369,000
Arkansas	356,400	New Hampshire	88,600
California	4,755,300	New Jersey	861,400
Colorado	465,000	New Mexico	282,400
Connecticut	255,900	New York	1,848,400
Delaware	70,800	North Carolina	1,086,300
District of Columbia	49,400	North Dakota	50,000
Florida	2,613,400	Ohio	1,050,000
Georgia	1,302,300	Oklahoma	430,800
Hawaii	61,600	Oregon	428,700
Idaho	176,200	Pennsylvania	910,100
Illinois	1,245,300	Rhode Island	80,600
Indiana	579,400	South Carolina	567,600
Iowa	231,100	South Dakota	70,800
Kansas	237,100	Tennessee	628,300
Kentucky	443,600	Texas	4,153,800
Louisiana	514,000	Utah	263,000
Maine	84,400	Vermont	39,100
Maryland	499,200	Virginia	697,500
Massachusetts	216,700	Washington	596,100
Michigan	851,200	West Virginia	164,200
Minnesota	310,900	Wisconsin	341,200
Mississippi	372,900	Wyoming	59,200
Missouri	577,400	United States	33,000,000

*Numbers may not add due to rounding.

While the exact way any given state would deal with such radical changes in Medicaid funding would vary, states would likely reduce Medicaid eligibility, cut long-term care services for seniors and people with disabilities, cut health care for children, and reduce provider payments. Because the proposed cuts are so drastic, states' responses would need to be equally drastic. This section outlines some of the implications of likely state actions in the face of massive Medicaid cuts.

■ **Increased Health Care Costs for Families**

By slashing Medicaid funding and repealing the Affordable Care Act, the Republican budget proposal would increase the number of uninsured. That does not mean that the health care needs of those who lose insurance disappear. It does mean that more people would be unable to pay for the health care they receive, increasing the amount of uncompensated care—care that hospitals and other health care providers write off as losses or charity care. Hospitals and providers make up those losses by charging more to insurers. In turn, insurers pass those costs on in the form of higher premiums for families and businesses. In 2008, uncompensated care increased family insurance premiums by an average of \$1,017.¹⁰ Under the Republican budget proposal, the predictable rise in uncompensated care would mean more costs would be shifted to insurers. The end result would be higher insurance premiums for families and businesses.

■ **Weakened Health Care Infrastructure**

Medicaid pays for 15 percent of all U.S. health care costs, and the federal contribution accounts for two-thirds of this Medicaid payment.¹¹ The extreme cuts in federal Medicaid spending in the Republican proposal would lead to an increase in uncompensated care and to cuts in Medicaid provider payments. This would put a strain on all health care providers that rely on Medicaid as a source of revenue, including hospitals, nursing homes, doctors, home health providers, and community health centers. It would become more difficult for those providers to maintain adequate staffing, to upgrade equipment, and to keep up with necessary facility maintenance. The proposed cuts would strain our health care infrastructure, making it less able to serve all of us.¹²

■ **Less Access to Long-Term Care for Seniors and People With Disabilities**

Medicaid is the primary payer for all long-term care, paying for home- and community-based care for more than 3 million seniors and people with disabilities.¹³ More than 60 percent of nursing home residents rely on Medicaid.¹⁴ The proposed cuts in Medicaid would put that care at risk. Cuts in services, reductions in the number of hours of home care, and reductions in nursing home payments would be likely outcomes. That would jeopardize the health and well-being of many who need long-term care, and it would pass more costs on to their families.

The Real Cost of Cuts—People Helped by Medicaid

Medicaid helps people through all stages of life. These are two stories of people who live in different states and who are in different stages of life. Both rely on Medicaid.



Javier's Story

Javier is a young man who lives in North Carolina with his mother, Linda. Javier has autism and a severe joint-tissue disease that limits his mobility. He receives home- and community-based care through Medicaid.

He also takes multiple medications and has had several surgeries due to complications of his disease. Medicaid has made it possible for him to get the care he needs. It has paid for his medical care and for care in his home, including training to help him learn some basic life skills. His mother says that she is lucky that Medicaid makes it possible to have home care workers stay with him. That's especially important because Javier has started to have some uncontrollable bleeding issues that people with less training wouldn't have been able to manage. If Javier lost the home care that Medicaid provides, he would have to live in an institution, and that would be even more expensive. Without Medicaid, his mother says, "I would have been bankrupt 10 years ago." Javier is always going to need some kind of medical care, but because Medicaid provides him with care at home, he can live in the community. He's also learning skills that will make it less expensive to care him for as he gets older.



Diane's Story

Diane, who lives in New York, says that her mom Florence always worked hard to take care of her. "Now, I'm going to do everything I can to take care of her." Her mother was diagnosed with Parkinson's disease in

1999. Diane and her family paid for her mother's care in the community—Diane didn't want to put her mother in a nursing home because she was afraid it would confuse and agitate her. To help take care of her mother, Diane gave up her teaching job and took a job in real estate that had more flexible hours. Then in 2006, just as the money was running out, her mother qualified for Medicaid. Now, Florence gets home care through Medicaid, and she can stay in the community surrounded by her family.

Stories like these are repeated every day, literally millions of times over, across the country. Deep cuts to Medicaid, such as those in the Republican budget proposal, would put Javier and Florence's care at risk. They would make their families' financial situations more precarious. And they would hurt real people in every state.

■ **Greater Burden for Families of Those Who Need Long-Term Care**

For the families of those who rely on Medicaid for long-term care, Medicaid cuts that would likely result from the Republican budget proposal would increase both their caregiving and their financial burdens. Of the estimated 42.1 million Americans who are informal caregivers, many rely on Medicaid to help with their caregiving responsibilities.¹⁵ Medicaid covers things like home health aides, adult day programs, and respite care so that caregivers can take a break. For many caregivers, Medicaid's home- and community-based services make it possible for them to remain in the workforce. By helping working caregivers, Medicaid also helps businesses. Nationally, businesses lose an estimated \$33 billion each year due to employee caregiving responsibilities.¹⁶ Cuts to Medicaid would hurt the families of those who need long-term care and the businesses they work for.

■ **Fewer Opportunities for Children**

Children with health insurance are generally healthier throughout childhood and into their teens.¹⁷ Better health leads to better school performance and greater success later in life.¹⁸ Medicaid is the sole form of health insurance for nearly 30 million children. The Medicaid cuts proposed in the Republican budget put their health care—and their long-term opportunities—at risk.

■ **Less Help for Families in Tough Economic Times**

Medicaid helps people maintain their health coverage during tough economic times, such as when they lose a job, or when an employer cuts health benefits. During the most recent recession, it has done just that. Enrollment has increased substantially since the recession began. Enrollment should decrease as the recovery proceeds, people find jobs, and their financial circumstances improve.¹⁹ That's how Medicaid is supposed to work. And, by being there to help people in tough times, Medicaid ensures that fewer people lose access to health care and incur medical debt. Medical debt is one of the leading causes of bankruptcy,²⁰ and it can affect people's credit scores, which can limit their ability to find housing or get a job and get back on their feet again.²¹

■ **Lost Jobs and Lost Business Activity in Every State**

Reduced Medicaid funding will 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 a state's economy. Those new dollars create jobs and stimulate business activity.²² The level of federal Medicaid cuts in the Republican budget proposal would lead to job losses and reduced business activity in every state, putting the recovery from the most recent recession in jeopardy.

Conclusion

Rather than being a “path to prosperity,” the 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 reduction.

The cuts in federal Medicaid spending laid out in the Republican budget proposal would have a catastrophic effect on every state’s fiscal well-being, as well as the health and well-being of their residents. It is a prescription that will end up hurting millions of low-income and middle-class families and denying others promised help in the future.

A full methodology is available upon request.

Endnotes

- ¹ Kaiser Family Foundation, statehealthfacts.org, *Total Medicaid Enrollment FY 2008*, available online at <http://www.statehealthfacts.org/comparemaptable.jsp?ind=198&cat=4>, accessed on March 23, 2012.
- ² Medicaid costs per enrollee have historically risen faster than general inflation but less than overall medical inflation. However, the rate of overall Medicaid program growth (as opposed to growth in per-person costs) depends on the overall economic conditions at any given time. During economic downturns like the most recent recession, more people need the program, and the overall rate of spending (total program costs, as opposed to per-person costs) increases much faster. John Holahan et al., *Medicaid Spending Growth over the Last Decade and the Great Recession: 2000-2009* (Washington: Kaiser Commission on Medicaid and the Uninsured, February 2011).
- ³ The Republican proposal specifies that the 10-year cumulative cut to Medicaid would be \$810 billion, but it does not include much detail on how this block grant proposal would function. To estimate year-to-year Medicaid cuts over the 10-year timeframe, we assumed that the fiscal year 2013 block grant proposal would remain functionally the same as the fiscal year 2012 proposal and that funding cuts would follow the same pattern that we observed in the fiscal year 2012 proposal.
- ⁴ The tax credits will be available to families with incomes between 133 and 400 percent of poverty. The federal poverty level in 2012 is \$23,050 for a family of four. At today's poverty level, the tax credit would be available to a family of four with annual incomes between \$31,809 and \$92,200. Starting in 2014, individuals with incomes at or below 133 percent of poverty who do not have health coverage will be eligible for Medicaid.
- ⁵ 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>.
- ⁶ Kaiser Family Foundation, *Explaining Health Reform: Key Changes to the Medicare Part D Drug Benefit Coverage Gap* (Washington: Kaiser Family Foundation, March 2010).
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- ¹⁰ Kathleen Stoll and Kim Bailey (with data analysis by Milliman, Inc.), *Hidden Health Tax: Americans Pay a Premium* (Washington: Families USA, 2009).
- ¹¹ Centers for Medicare and Medicaid Services, *National Health Expenditures by Type of Service and Source of Funds, CY 1960-2010* (Washington: Centers for Medicare and Medicaid Services), available online at https://www.cms.gov/NationalHealthExpendData/02_NationalHealthAccountsHistorical.asp, accessed on March 23, 2012.
- ¹² For information on the importance of Medicaid to hospital operations in the states, see Families USA's series *Medicaid: Essential to America's Hospitals and Communities*, available online at <http://www.familiesusa.org/resources/publications/reports/medicaid/essential-for-hospitals.html>.
- ¹³ Kaiser Commission on Medicaid and the Uninsured, *Medicaid and Home- and Community-Based Service Programs: Data Update* (Washington: Kaiser Family Foundation, December 2011), available online at <http://www.kff.org/medicaid/upload/7720-05.pdf>.
- ¹⁴ Kaiser Family Foundation, statehealthfacts.org, *Distribution of Certified Nursing Facility Residents by Primary Payer Source, 2010*, available online at <http://statehealthfacts.org/comparebar.jsp?ind=410&cat=8&sub=97>, accessed on March 23, 2012.
- ¹⁵ Lynn Feinberg et al., *Valuing the Invaluable: 2011 Update, The Growing Contributions and Costs of Family Caregiving* (Washington: AARP Public Policy Institute, July 2011), available online at <http://assets.aarp.org/rgcenter/ppi/ltc/i51-caregiving.pdf>.
- ¹⁶ 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>.
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¹⁸ Anne Case and Christina Paxson, "Children's Health and Social Mobility," *The Future of Children* 16, no. 2 (2006): 151-173.

¹⁹ John Holahan et al, op. cit.

²⁰ John Billings and Robin Weinick, *Monitoring the Health Care Safety Net, Book 1: A Data Book for Metropolitan Areas* (Washington: Agency for Healthcare Research and Quality and the Health Resources and Services Administration, August 2003).

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²² Kathleen Stoll and Kim Bailey, *Jobs at Risk: Federal Medicaid Cuts Would Harm State Economies* (Washington: Families USA, June 2011), available online at <http://www.familiesusa.org/resources/publications/reports/medicaid-cuts-hurt-states.html>.



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