

February 22, 2017

Dear President Trump, Speaker Ryan, Senators Johnson and Baldwin, and Representatives Sensenbrenner, Duffy, Grothman, Gallagher, Kind, Moore, and Pocan:

Our organizations represent the nearly 1.2 million Wisconsinites who could be affected by Medicaid block grants, and the many more family members, friends and neighbors that are also deeply concerned about proposed changes to Medicaid. We urge you to oppose proposals that would block grant federal Medicaid funding or would otherwise place caps on Medicaid spending. Such changes are a severe threat to the fundamental guarantee of Medicaid coverage for our nation's most vulnerable citizens, including seniors, people with disabilities, low-income children and families, and pregnant women.

We oppose Medicaid block grants or caps for a number of reasons:

1. Put simply, a Medicaid block grant is a Medicaid funding cut.¹
2. Funding cuts that are not replaced by state revenue could lead to major cuts to eligibility, benefits, and covered services, and would almost certainly undermine progress Wisconsin has made and is attempting to build upon in areas like mental health services, opioid treatment, and long-term care for seniors and people with disabilities.
3. Medicaid funding cuts would increase the number of uninsured and underinsured Wisconsinites. An earlier House block grant plan was estimated to cause 14 million to 20 million Americans to lose their Medicaid coverage, with most of them becoming uninsured.²
4. Funding cuts would raise the uncompensated care costs that health care providers and consumers with health insurance coverage must absorb.
5. When the economy is less robust and employment suffers, the need for Medicaid increases significantly. If Medicaid is block-granted, it won't respond to the increased need for coverage during economic downturns.
6. Low-income Wisconsinites who are out of work and want to work need access to health coverage to enter the labor market as a healthy worker.
7. Many parents in the workforce have income below the poverty level and need Medicaid coverage to enable them to remain healthy and employed. 80 percent of adult and child Medicaid enrollees in Wisconsin are in families with a worker.³
8. Determining a formula for block grants is extremely challenging given rapid rises in health costs driven by numerous variables, including demographic factors and rising costs for prescriptions drugs and health services.
9. Block grants would put state taxpayers at risk of paying a much larger portion of Medicaid costs, especially when economic downturns increase the need for Medicaid.
10. States already have significant flexibility to design a Medicaid program. Block grants would actually decrease flexibility because of funding cuts.

¹ Robin Rudowitz. "5 Key Questions: Medicaid Block Grants & Per Capita Caps." Kaiser Family Foundation. January 31, 2017. <http://kff.org/medicaid/issue-brief/5-key-questions-medicaid-block-grants-per-capita-caps/>

² John Holahan, Matthew Buettgens, Caitlin Carroll and Vicki Chen, "National and State-by-State Impact of the 2012 House Republican Budget Plan for Medicaid," The Urban Institute, October 2012. <https://kaiserfamilyfoundation.files.wordpress.com/2013/01/8185-02.pdf>

³ Kaiser Family Foundation. "Medicaid in Wisconsin." January 2017. <http://files.kff.org/attachment/fact-sheet-medicaid-state-WI>

Wisconsin has creatively used the existing flexibility to become a national leader in tailoring programs and innovations to meet the needs of Wisconsin citizens. By using waivers, Wisconsin has been able to drive down costs through strategies like medical home initiatives, as well as a variety of home and community-based programs to keep people who need long-term care from ending up in expensive Medicaid-funded institutions.

Wisconsinites rely on Medicaid programs to afford life-saving health care and long-term care. We urge you to oppose efforts to implement block grants for Medicaid.

Sincerely,

ABC for Health

The Arc Wisconsin

Center for Patient Partnerships

Community Advocates Public Policy Institute

Disability Rights Wisconsin

End Domestic Abuse WI

Family Voices of Wisconsin

Greater Wisconsin Agency on Aging Resource

Milwaukee Mental Health Task Force

Planned Parenthood of Wisconsin

Survival Coalition of Disability Organizations

Wisconsin Alliance for Women's Health

Wisconsin Board for the People with Developmental Disabilities

Wisconsin Coalition of Independent Living Centers

Wisconsin Council on Children and Families

Wisconsin Faith Voices for Justice

Wisconsin Family Ties

Wisconsin Physicians for a National Health Program (PNHP)

Wisconsin Students for a National Health Program (SNaHP)