

Broken Health Care Promises: Medicaid

President Trump's Broken Promise: “The Republicans who want to cut SS & Medicaid are wrong.”¹

Trump Administration's Track Record

During his presidential campaign, Trump made multiple promises never to cut Medicaid, but in his first months in office, he began pushing to slash federal Medicaid funding and create barriers to Medicaid enrollment. Those efforts have not stopped and have caused real damage. Medicaid is one of the most important sources of health coverage in our nation with almost half of all births covered by Medicaid² and sixty percent of nursing home care for seniors and people with disabilities.³ It covers forty percent all children in the United States.⁴ The administration's attacks on Medicaid have cost millions of families their health coverage and led to an increased number of uninsured Americans.

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The administration's first proposal that attacked Medicaid began in early 2017 with its push to repeal the Affordable Care Act and drastically cut federal Medicaid funding. The health care repeal bills that the Trump administration tried to pass in 2017 all included massive cuts to Medicaid.⁵ The nonpartisan Congressional Budget Office estimated that the president's repeal proposal would result in hundreds of billions in cuts to federal Medicaid funding, which would increase over time, and 22 million Americans losing health coverage.⁶ Medicaid cuts were a principal reason health care bills failed on a bipartisan basis.⁷ But the Trump administration has continued to propose trillion-dollar Medicaid cuts to Congress in every budget since 2017.⁸

Second, the Trump administration has proposed undoing the Medicaid expansion to low-income adults.⁹ Every Trump budget proposes to repeal the Medicaid expansion. To date, 37 states have expanded Medicaid, which has resulted in coverage for 17 million newly eligible adults. Repealing Medicaid expansion would eliminate Medicaid coverage for these consumers, putting their health and insurance coverage in jeopardy.

When Trump failed to get Congress to slash funding for the Medicaid program, the Trump administration turned to illegal administrative efforts to make it harder for families to get coverage.

Third, the Trump administration has proposed a mandate that all states impose new administrative requirements that make it harder for people to get coverage. This includes so-called Medicaid “work requirements” and new documentation barriers to Medicaid enrollment.

Taken together, using the Trump administration’s own numbers, these proposals would result in cuts of nearly \$1 trillion to Medicaid over the next 10 years — a massive 20% cut by 2030.¹⁰

When Trump failed to get Congress to slash funding for the Medicaid program, the Trump administration turned to illegal administrative efforts to make it harder for families to get coverage. These illegal administrative moves already have caused millions of families to lose coverage, even while they are being struck down in federal court.

The Trump administration’s first administrative approach to cutting Medicaid involved new documentation requirements for families to get or keep coverage. These new enrollment barriers included requirements for people to document

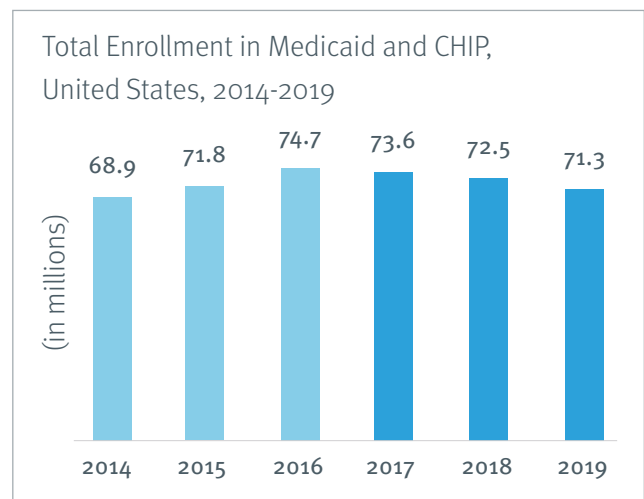
work or “community engagement,” and eligibility lockouts for families who don’t keep up with new paperwork requirements related to annual eligibility determinations and other requirements.¹¹ By 2019, there were more than 20 states pursuing these barriers, and in the first state to implement them, Arkansas, almost 20,000 people lost coverage in just four months.¹² None of these new barriers are legal. All Medicaid work documentation requirements and similar Trump programs have now been blocked in the federal courts as administrative overreach and a violation of the core statutory requirements of the Department of Health and Human Services in administering the Medicaid program.

Another major Trump administration approach to cutting Medicaid was to make it difficult to meet income and residency requirements. In 2018 and 2019, the Trump administration first allowed — and then actively and openly encouraged — states to require additional income and residency documentation for families to get or keep Medicaid.¹³ States placed these new paperwork burdens on families applying for Medicaid for the first time, those submitting renewal applications, and worst of all, by requiring families to recertify their income eligibility or residency every few months.¹⁴

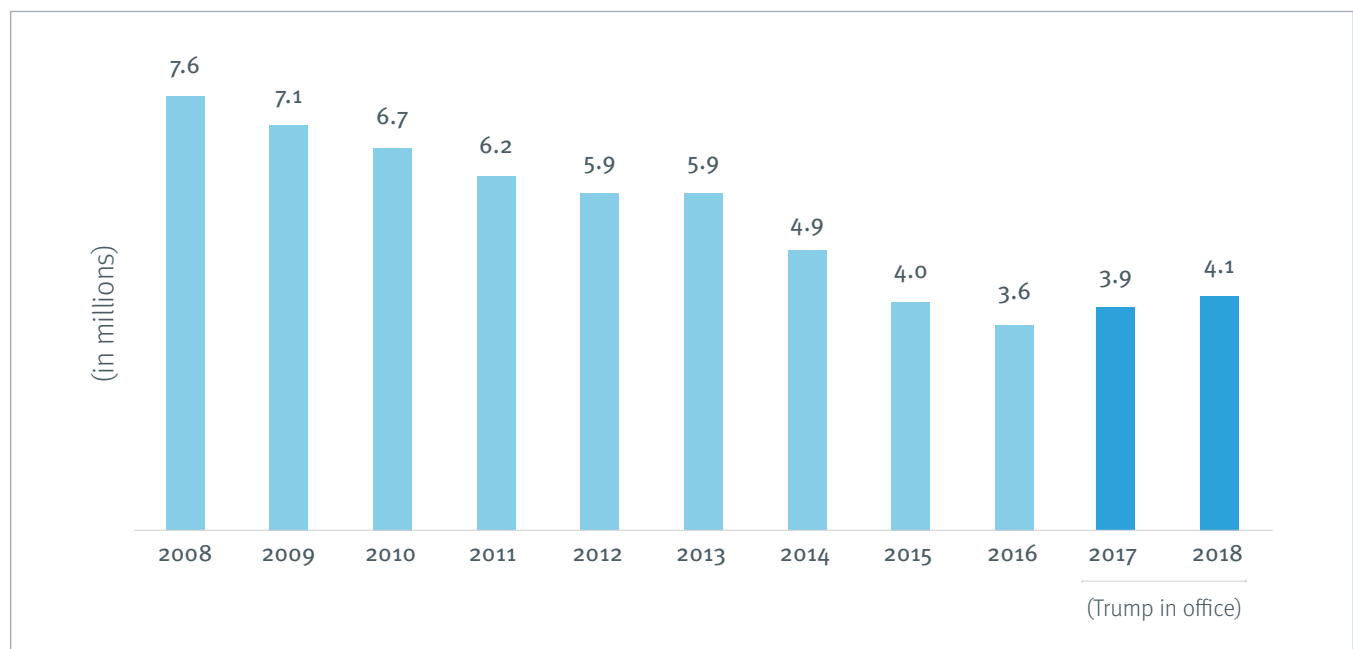
The number of uninsured children has increased for each of the last two years for the first time in more than 20 years.

These barriers have had a devastating impact. In total about 1 million children have lost Medicaid under the Trump administration.¹⁵ In 2018 alone, enrollment in Medicaid and the Children’s Health Insurance Program (CHIP) decreased by about 1.6 million enrollees, 744,000 of which were children.¹⁶ This is the first increase in uninsured U.S. children since the late 1990s.¹⁷ Total Medicaid enrollment fell an additional 800,000 in the first 10 months of 2019, the most recent data available.¹⁸ These drops are largely driven by state decisions, supported and pushed by the Trump administration, to put paperwork barriers in front of families enrolled in Medicaid.

Enrollment down 2 Million in Last Two Years



Child Uninsured Rate up: Total Uninsured Children by Year in Millions, United States



Source: Joan Alker and Lauren Roygardner, The Number of Uninsured Children Is on the Rise (Washington, DC: Georgetown University Center for Children and Families, October 2019), <https://ccf.georgetown.edu/wp-content/uploads/2019/10/Uninsured-Kids-Report.pdf>.

Medicaid block grants are a major threat to tens of millions of families who rely on Medicaid.

The latest and potentially most damaging Trump administration effort to use administrative authority to make Medicaid cuts involves Medicaid block grants. On January 30, 2020, the Trump administration announced that it wanted states to pursue Medicaid block grants.¹⁹ The proposal represents a major threat to tens of millions of families who rely on Medicaid. Although this announcement was presented as voluntary for states, the Trump administration is also trying to mandate block grants for states in Congress as a way to make dramatic Medicaid cuts.

Block grants in Medicaid involve artificially low caps to federal funds in Medicaid.²⁰ Medicaid's financing is based on federal matching of state Medicaid costs. As states spend money paying for Medicaid services, the federal government pays for a portion of their costs ranging from 50% to 90%, depending on the nature

of the cost and the state. If a state's Medicaid costs exceed the amount of the block grant being proposed by Trump, the state will have to use its own funds to make up the difference or, more likely, cut provider rates and/or services for low-income people or take away their Medicaid coverage. The risk to the state and its Medicaid beneficiaries would compound year over year as the block grant amount fails to keep up with the real cost of health care.

Nowhere are Trump's broken health care promises as dramatic or as damaging as they are for Medicaid, with millions of families and children newly uninsured. If the administration continues its plans for the Medicaid program, tens of millions more are at risk.

Endnotes

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- ⁷ Richard Sorian, “Is Medicaid the New ‘Third Rail?’ History Suggests It Has Been for Some Time,” *Health Affairs Blog*, July 20, 2017, <https://www.healthaffairs.org/doi/10.1377/hblog20170720.061122/full/>.
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- ¹⁰ Office of Management and Budget, *A Budget*, tables S-4 and S-6.
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