



The Amended Senate Healthcare Bill: *Implications for Florida Still Problematic*

Background: The Senate’s healthcare bill has changed a number of times in the past two weeks and plans for a vote in the coming days or weeks are unclear. Under all proposed bills so far, the nonpartisan Congressional Budget Office (CBO) confirmed that the House bill and the Senate proposal:

- significantly cut federal Medicaid funding;
- significantly reduce subsidies and consumer protections for the marketplace and increase the number of uninsured.ⁱ

Estimates of the Senate’s Better Care Reconciliation Act (BCRA), the repeal *with* replacement plan, show:

More than 1.4 million more Floridians will be uninsured by 2022 than under the current law.ⁱⁱ

Adequate coverage for low and moderate income Floridians will become unaffordable, particularly for older people. According to CBO “few low-income individuals would purchase any plan.”

Florida’s federal Medicaid funding will be fundamentally changed and decrease over time. The current guarantee that the federal government will cover over 60% of the state’s Medicaid costs will be eliminated. In its place, payments will be “capped” based on Florida’s prior expenditures, and federal savings (state cuts) would accrue by limiting the rate of increase to less than the projected per beneficiary spending. These cuts would grow each year, leaving the state with a choice between: raising billions in new revenue to maintain the program, scaling back services for the most vulnerable Floridians, or cutting already low reimbursement rates.

There are no adequate “fixes” for the proposed Medicaid per capita cap. The Senate bill provides for minor adjustments (.5- 2%) between states that spend significantly more or less than average. While Florida currently is eligible for an upward adjustment as the cap is implemented, going forward we will not know if Florida qualifies for an adjustment until *after* a fiscal year ends.ⁱⁱⁱ This major uncertainty will diminish, if not eliminate, any benefit. Also, while Senator Rubio has worked hard for a temporary increase in funding for safety net providers in states that did not expand Medicaid, the amount of savings^{iv} is minor compared to the loss of federal funding. These are not “fixes” as they do not change the underlying problems with the bill-- the removal of a federal commitment to help meet the health needs of Floridians when unexpected events create increased health costs. **Florida is still projected to lose over \$7.5 billion in federal funds by 2029.**^v The risk to Florida is especially severe after 2026 as CBO predicts a 35 percent reduction in federal Medicaid funding by 2036.^{vi} Moreover, the specified growth rate under a cap could be “dialed” down at any time by Congress to extract savings from the already-lean Medicaid program.

Florida’s children and elderly are at risk: Under the Medicaid per capita caps, there will be insufficient funding to cover the costs of care for the over 2.4 million Florida children on Medicaid, particularly for children with disabilities, most of whom rely on Medicaid.^{vii} Florida’s rapid growth rate for the elderly, coupled with the composition of our “aging” elderly, puts Florida at risk as the costs of care increase with age. The cap will hit hardest as Florida’s demographic trends create a collision course for the state’s budget.^{viii}

Disabled Floridians who rely on home services are at risk. Capped funding particularly threatens approximately 100,000 Floridians whose disabilities are so severe that they need home and community-based services (HCBS) in order to avoid institutionalization. Unlike most Medicaid services required by law, HCBS services are optional, and therefore, especially vulnerable to cuts.^{ix} Significantly, there are tens of thousands of Floridians on the waiting list for HCBS; funding should be increased for this group, rather than put at risk.

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- i Congressional Budget Office, "H.R. 1628: Better Care Reconciliation Act of 2017: An Amendment in the Nature of a Substitute," July 20,
- ii http://www.urban.org/sites/default/files/2017.07.18_revisedbcratables2_finalized.pdf at Table 3.
- iii <https://www.manatt.com/Insights/Newsletters/Medicaid-Update/The-Senates-New-Per-Capita-Cap-Redistribution-Pol>
- iv <https://www.macpac.gov/wp-content/uploads/2017/07/DSH-Allotments-How-Could-Funding-for-Safety-Net-Hospitals-Change-in-2018-and-Beyond.pdf>
- v <http://files.kff.org/attachment/Issue-Brief-BCRA-State-by-State-Estimates-of-Reductions-in-Federal-Medicaid-Funding>
- vi <https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/52859-medicaid.pdf>
- vii <http://ccf.georgetown.edu/wp-content/uploads/2017/02/Florida-Medicaid-CHIP-new-v2.pdf>.
- viii ["Data Points to Consider When Assessing Proposals to Cap Federal Medicaid Funding: A Toolkit for States," RWJF \(Feb. 13, 2017\).](#)
- ix <http://www.cbpp.org/research/health/medicaid-cuts-in-house-aca-repeal-bill-would-limit-availability-of-home-and>