



The Senate Healthcare Bill: *Florida Coverage and Spending Implications*

Background: On June 22nd, Senate leaders released the Better Care Reconciliation Act of 2017 (BCRA) and stated an intent to vote after the July 4th recess. While there are some variations between the House and Senate bills, the Congressional Budget Office (CBO) confirmed that the overall impact is the same:

- Both plans will significantly reduce federal funding for Medicaid and the ACA Marketplace;
- Both plans will increase the number of Florida's uninsured children and adults significantly.

What are the risks to Florida's federal Medicaid funding? The Senate's proposal contains essentially the same per capita cap on Medicaid spending as the House bill. This *fundamental* and *permanent* change eliminates the guarantee that the federal government will pay 61% of health care costs for Floridians on Medicaid. Instead, federal dollars will be capped based on Florida's prior average expenditures. While the Senate bill contains a provision allowing for some equalization between states that spend significantly more or less than average, Florida would still be disadvantaged as it ranks 48th in average per-enrollee spending.ⁱ Moreover, because the specified growth rate under a cap could be "dialed" down at any time by the current or any future Congress; the potential long term impact on state budgets, Medicaid beneficiaries, and providers should be considered *before* a vote. The CBO predicts a 35% reduction in federal Medicaid funding.ⁱⁱ

What are the risks to Florida's children? Under the BCRA, the number of uninsured children in Florida will more than double--from 5% --to 11.5%.ⁱⁱⁱ In addition, 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.^{iv}

What are the risks to disabled Floridians who rely on Medicaid? Changing Medicaid to a capped funding program particularly threatens approximately 100,000 Floridians with severe disabilities who rely on home and community based services (HCBS) in order to avoid institutionalization and remain in their own homes. Unlike most Medicaid services required by law, HCBS services are optional. Thus, when capped funding becomes insufficient to cover costs, optional services like HCBS are especially vulnerable to being reduced or even eliminated.^v

What are the risks to older Floridians on Medicaid? Florida's rapid growth rate for this group 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.^{vi}

What are the risks to Floridians in the Marketplace? Under the BCRA, the federal funding that helps make ACA Marketplace insurance affordable for low and moderate income Floridians will decrease by approximately 35% ^{vii}, and by 2022 approximately 1.2 million more adults will be uninsured.^{viii}

ⁱ <http://www.statenetwork.org/wp-content/uploads/2017/04/FL-Fact-Sheet-revised-4.4.17-1.pdf>

ⁱⁱ <https://www.cbo.gov/system/files/115th-congress-2017-2018/reports/52859-medicaid.pdf>

ⁱⁱⁱ http://www.urban.org/sites/default/files/effects_of_bcra.pdf. Note: The 5% uninsured rate for children is projected based on continuation of current law; the present uninsured rate is 7%. <https://ccf.georgetown.edu/location/florida/>

^{iv} <http://ccf.georgetown.edu/wp-content/uploads/2017/02/Florida-Medicaid-CHIP-new-v2.pdf>.

^v <http://www.cbpp.org/research/health/medicaid-cuts-in-house-aca-repeal-bill-would-limit-availability-of-home-and>

^{vi} "Data Points to Consider When Assessing Proposals to Cap Federal Medicaid Funding: A Toolkit for States," RWJF (Feb. 13, 2017).

^{vii} <http://www.urban.org/research/publication/state-state-coverage-and-government-spending-implications-better-care-reconciliation-act>.

^{viii} http://www.urban.org/sites/default/files/effects_of_bcra.pdf.