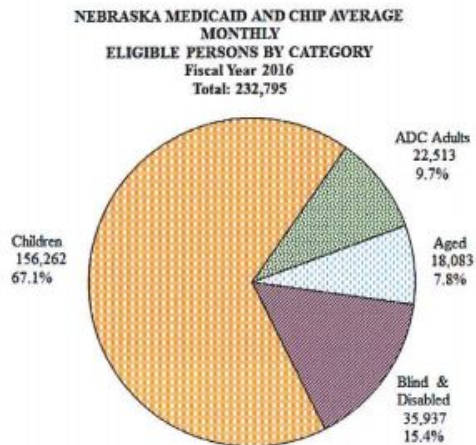


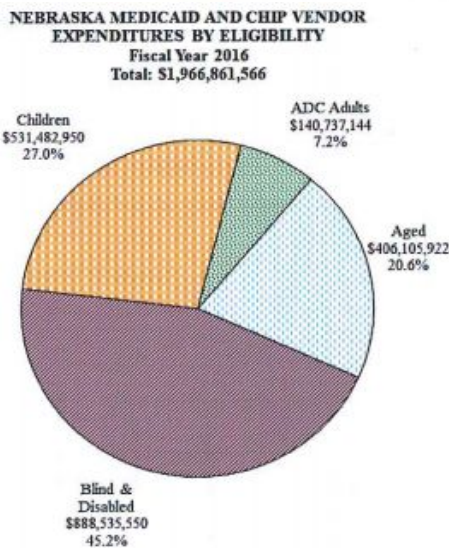
The Impact of the AHCA's Per Capita Caps on Nebraska

Nebraska Medicaid Now

For the last 50 years, Medicaid has provided vital services to people with disabilities, the elderly, children, families, and pregnant women. Medicaid achieves this goal through an open-ended state-federal funding partnership that guarantees coverage for all who qualify.



Around 230,000 Nebraskans are served by the Medicaid program, the vast majority of whom (67.1%) are children.¹



While children comprise the majority of Medicaid enrollees, they only make up about one-fourth of Medicaid expenditures. The highest amount of Medicaid expenditures is for Nebraskans with disabilities.

¹ Nebraska Dept. of Health & Human Servs., Div. of Medicaid & Long-Term Care, "Nebraska Medicaid Reform Annual Report for State Fiscal Year 2015-2016," Dec. 1, 2016, p. 12, http://nebraskalegislature.gov/FloorDocs/104/PDF/Agencies/Health_and_Human_Services__Department_of/107_20161202-114102.pdf

The American Health Care Act (AHCA) Proposal

The AHCA proposes to break Medicaid's partnership between the federal government and the states. It would cut hundreds of billions of dollars of federal funding to states by implementing per capita caps. Medicaid caps limit the total amount of federal Medicaid funds states can receive, locking in historic spending trends without regard to future needs or predicted growth. Caps would make it harder to respond to an aging population, natural disasters, costly new treatments, and public health emergencies.

How Medicaid Caps Will Harm Nebraska

1. Cuts to Medicaid will jeopardize Nebraska's ability to provide health care to children, seniors, and people with disabilities. The AHCA's proposed caps would effectively cut \$1 billion of federal funding for Nebraska over a ten-year period, shifting these costs to the state.²

2. Caps on Medicaid funding would blow a hole in Nebraska's budget. Federal Medicaid funding frees up state funds for schools, transportation, and public safety.

3. Medicaid caps would strip Nebraska's flexibility to address health care needs that change over time. Nebraska spends \$2,688 per child Medicaid enrollee, the 20th lowest rate in the country.³ Medicaid caps would lock in this low spending permanently, stripping the state's ability to get increased federal support to address future needs.

4. Priority health initiatives in Nebraska are at risk if Medicaid funding is capped. These include:

- *Early childhood and education services*, including home visiting programs, school readiness services, public schools special education services, school-based health care, and school nurses.
- *Long-Term Care*. Medicaid funding helps people who need long-term care, like seniors and people with disabilities, stay in their homes and communities and out of nursing facilities.
- *Behavioral Health*. Medicaid is the primary source of funding for treatment services for people with mental illness and substance abuse disorders.
- *Health Care in Rural Areas*. People living in rural areas are more likely to be enrolled in Medicaid due to lower access to job-based coverage, lower incomes, and a greater share of the population with a disability. Medicaid is also a critical source of income for rural hospitals.

² John Holahan, et.al., "The Impact of Per Capita Caps on Federal and State Medicaid Spending," Urban Institute and Robert Wood Johnson Foundation, March 2017, http://www.rwjf.org/content/dam/farm/reports/issue_briefs/2017/rwjf436077.

³ Medicaid and CHIP Payment and Access Commission (MACPAC), *MACStats*, December 2016, Exhibit 22, <https://www.macpac.gov/macstats/>. Estimates reflect Medicaid per beneficiary spending in 2013 and are the most recent available.