



**PRESS STATEMENT
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The Trump Administration's Lose-Lose Medicaid Proposal

Medicaid expansion has improved access to care and saved lives, but the Trump Administration's proposal to change its financial structure would cut funding and shift risk to the states. Senior Project Director Wendy Patton released the following statement:

“The Trump Administration’s proposal to change the Medicaid financing structure to a block grant abandons the nation’s commitment to health care for low-income people. It is a lose-lose proposition both for people with Medicaid coverage, who could lose their health care, and for states, which would face added financial risk.

“Currently, Medicaid funding automatically adjusts to meet need. If more people sign up for Medicaid when a recession hits or costs rise with disease or natural disaster, federal funding automatically increases - which would be important if, for instance, the coronavirus becomes a serious public health threat in the United States.

“The Trump Administration announced states can now apply for a different financial structure: a ‘block grant.’ This would provide a pot of money up-front to pay for Medicaid expansion but would not necessarily pay for costs if enrollment soars or if people are sicker than forecast. The financial risk would fall on the state.

“Faced with rising costs and capped federal funding, states could take away coverage and cut access to care. They would be allowed to restrict prescription drugs and reduce some services. Premiums could be imposed on people with low incomes. Preventative care and care for chronic disease could be discouraged through increased co-pays and elimination of non-emergency medical transport. Already, 27 patient and consumer groups from the American Cancer Society and the American Heart Association to the March of Dimes and United Way Worldwide have expressed their deep concern about the administration’s proposal, which many had opposed previously.

“The evidence shows that Medicaid expansion has increased the number of people with health care, improved financial security, and saved lives. This is the Trump Administration’s latest effort to end the Affordable Care Act’s Medicaid expansion to low-income adults and weaken coverage for other vulnerable groups.”

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*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
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