

NRHA Talking Points: Medicaid Cuts



What is Medicaid?

Medicaid is a joint federal-state program that provides comprehensive coverage of health care and long-term services and support to more than 90 million low-income adults and children in the United States. Medicaid provides essential health coverage for residents of small towns and rural communities, playing a significantly larger role in these areas than in urban regions. This trend is especially evident among children.

Rural Talking Points

The House passed its reconciliation package, [H.R. 1](#), that includes substantial cuts to Medicaid which would result in major coverage losses for rural populations. Use these talking points to educate your Senators on the importance of Medicaid in rural communities:

- Many of your constituents rely on Medicaid for health coverage. Nationwide, **almost 20% of adults and 40% of children are covered by Medicaid and CHIP.**
- Addressing waste, fraud, and abuse in Medicaid is a goal for all stakeholders. However, proposals in the House bill - such as freezing provider taxes and limiting future state-directed payments - are not weeding out waste, fraud, and abuse. **Instead these proposals will severely limit states' ability to adequately fund their Medicaid programs.**
 - State budgets are already strained. Restricting legitimate funding mechanisms will mean cuts elsewhere in state budgets, reductions to Medicaid services, and/or increases in state and local taxes.
- **Enrollees losing Medicaid coverage is a cut to Medicaid**, especially for rural providers like hospitals and long-term care facilities that need Medicaid reimbursement to stay open. On average, Medicaid makes up about 20% of rural hospitals' payer mix.
- Historically, work requirements have not led to more people working. Instead they, add more red tape and bureaucratic rules that would make it harder for enrollees to work. **Rural Americans are more likely to be low-wage workers, more likely to be unemployed, and have fewer job options** than urban Americans, making rural Medicaid enrollees more susceptible to lose coverage under work requirement policies for paperwork reasons rather than true ineligibility.
- Medicaid cuts, coupled with proposed Marketplace changes will lead to 10 million+ uninsured individuals. Non-Medicaid expansion states will suffer the most from Marketplace changes and associated coverage losses.

NRHA Stance

- NRHA opposes any reductions in federal Medicaid funding that would shift costs to rural families and providers, jeopardize rural health care systems, and worsen rural health outcomes. NRHA believes that Medicaid cuts would disproportionately impact rural areas, forcing families to delay or forgo necessary care and placing additional financial burdens on rural health care systems that already operate on thin margins.
- NRHA advocates evidence-based, thoughtful Medicaid reforms that: improve access to high quality health care; assure equitable treatment of rural beneficiaries, providers, and communities; and save money by focusing reform on promoting increasing coordination of care and sustaining rural health care delivery systems.
- Medicaid funding reform initiatives, particularly those addressing the allocation of funding responsibility between federal and state governments, must recognize the limited ability of many states to generate state revenue to support Medicaid programs.