

Background and Message Points on Medicaid & Deficit Reduction

Background

- I am aware that negotiators on Capitol Hill and in the Administration are looking for ways to reduce the deficit in the context of the vote to raise the debt ceiling.
- I've heard that reductions to Medicaid, including cuts to benefits, services, and eligibility for millions of Americans, or payment rates for the safety net providers who serve them could all be a part of the discussion.
- I wanted to remind the Congressman/woman/Senator that Medicaid is the single most important source of health care coverage for low-income, working families and disabled Americans, and that health centers serve as the health care home for one in seven Medicaid beneficiaries (14%) – while at the same time, providing care at a cost of only 1% of total Medicaid spending.
- Today 37% of health center patients are covered by Medicaid, making Medicaid the single largest revenue source for health centers.

Essential to the Health Center Model and Our Capacity to Meet Growing Health Needs

- Negotiators on Capitol Hill and in the Administration are looking for ways to reduce Medicaid spending by at least \$100 billion in the context of the vote to raise the debt ceiling—which must happen prior to August 2. It is likely that reductions in Medicaid spending will be included—and this could mean reductions in benefits, services, eligibility, or payment rates.
- Adequate Medicaid payment is absolutely essential to the fiscal soundness of health centers, especially since by law and by mission, health centers cannot limit the number of Medicaid or uninsured patients they serve.
- Health centers do not bill as "fee-for-service" providers in Medicaid which can drive up costs as each service is billed separately. Instead our health centers bill on a per-visit basis, with a capitated rate that covers a comprehensive set of primary and preventive services. This payment system—known as health centers' prospective payment system (PPS)—is essential to the health center model and is what allows health centers to consistently provide high quality services and the care-coordination that is integral to health centers' proven ability to keep patients out of emergency rooms and drive savings throughout the entire health care system.
- If states are forced to reduce Medicaid reimbursement rates to health centers because federal Medicaid dollars are significantly reduced, health centers will be placed on the brink of fiscal disaster and millions of health center Medicaid patients will be at risk of losing access to health care.

The Health Center Model Works- and We Need Your Help to Protect It

- Health centers are a true Medicaid success story because they produce significant cost savings for this vital program.
- ***As negotiators continue to consider Medicaid changes and cuts to the federal budget, please communicate to them the importance of not undermining the successful Health Centers program. My health center(s) is/are counting on the Congressman/woman/Senator on this critical issue to our future.***