

Medicaid Reform

Proposals to change Medicaid financing are being considered together with options to repeal and potentially replace the Affordable Care Act (ACA). The proposed American Health Care Act (AHCA) would tackle difficult issues related to health care coverage, work incentives and the affordability of health insurance premiums, while also fundamentally restructuring Medicaid by limiting federal Medicaid payments to a state-specific per capita amount for each client group served, including older adults and persons with a disability. This proposed restructuring of Medicaid comes at a time when the country's elderly population is growing, and an increasing number of elderly individuals are reaching the advanced ages at which their long-term service and support needs are even greater.

Wisconsin has been a national leader in redesigning its Medicaid program (which includes Family Care) for older adults. Our State has rebalanced the degree to which older persons on Medicaid receive home and community-based services versus facility-based care, expanded Family Care to eliminate waiting lists for care and services while reducing per member per month costs, and relied on managed care principles to serve individuals in the "right place, at the right time, and at the right cost." Further, despite opposition from the provider community, Wisconsin's Medicaid program has reduced nursing home Medicaid expenditures by over \$100 million dollars in the past five years and Family Care costs have been kept low, with providers seeing little to no rate increases over the same period.

LeadingAge Wisconsin members are concerned the AHCA's Medicaid provisions will penalize Wisconsin for its past efforts to control Medicaid costs. Specifically, placing a Medicaid per capita limit on federal funding for care and services for older adults and persons with a disability will effectively punish Wisconsin for successfully implementing program reforms and adopting policies to control Medicaid program costs.

The timing could not be worse for the AHCA per capita funding limits to be considered. Wisconsin is facing an unprecedented long-term care workforce crisis. The Medicaid program is the largest consumer of long-term care services, but because Medicaid provider rates are set far below the actual cost of care and services, providers are unable to offer competitive wages and benefits necessary to attract and retain caregivers to serve Wisconsin's long-term care population. Efforts are underway in our State to address the caregiver workforce crisis by increasing Medicaid nursing home reimbursement rates and provider payments under the Family Care program. However, it would appear the AHCA per capita funding limits would eliminate Wisconsin's ability to address this workforce crisis.

Request: We urge Congress to support ONLY those fundamental changes to Medicaid's structure and financing that would adequately provide for the essential long-term services and supports necessary to care for Wisconsin's long-term care population. We request that the elderly and persons with a disability in need of long-term care services be "carved out" of any per capita funding mechanism and remain under the traditional federal-state funding program.