

Health Care for the Homeless Mobilizer

The National Health Care for the Homeless Council

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Vol.X No.1

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1/06/05

Signs of National Unity in Support of Medicaid

"I certainly understand the need to balance the federal budget, but people need to remember that to balance the federal budget off the backs of the poorest people in the country is simply unacceptable. You don't pull feeding tubes from people. You don't pull the wheelchair out from under the child with muscular dystrophy."

- Governor Mike Huckabee (R-AR)

Governors Agree to Protect Medicaid

In the wake of the November elections, the Administration has issued frequent calls for national unity. That call has at last been answered with bipartisan vigor in the most unlikely of places – the National Governors Association (NGA). Ordinarily divided sharply along party lines, the States' chief executives recently reached a passionate consensus on the issue of Medicaid reform. Their analysis of the growing threat to this important Federal/State entitlement program culminated with a letter to Senate and House leadership last month, imploring them not to reduce Medicaid spending in the FY2006 budget. Such cuts, they rightly argue, would simply transfer the burdens of the Federal government back onto the already beleaguered States. As the threat to Medicaid increases, the NGA's letter is a significant development in a growing campaign to ensure continued access to care for over 53 million beneficiaries.

Dissecting the Threat

Massive tax cuts and unchecked defense spending make it unlikely that the Administration can achieve its stated commitment to halve the Federal deficit without eviscerating certain public programs. Due to the program's rapidly rising costs (63% over the past five years) Medicaid is a highly probable target for cuts in the coming year. Three developments are especially ominous:

- **The End of Fiscal Relief:** The previous Congress allowed a \$10 billion fiscal relief package for the States to expire six months ago, and chose to provide no additional relief despite the States' fiscal crisis.
- **Block Grant Proposals:** In 2003, the Administration attempted unsuccessfully to cap Medicaid spending by transforming federal matching funds into a block grant. Any new Administration proposal will be considered by a Congress with a larger majority from the President's own party. Should block grants gain support over the objections of both parties' governors, Medicaid stands to lose its status as an entitlement program, thus jeopardizing the health of millions of eligible low-income and disabled individuals.
- **The Attack on Entitlements:** The recent nomination of Michael Leavitt as Secretary of Health and Human Services suggests a renewed focus on Medicaid reform, which is touted as his most noteworthy accomplishment as the Governor of Utah. While lobbying for a block grant proposal that was eventually vetoed by President Clinton, Leavitt was openly

“opposed to inclusion of individual entitlements” in Medicaid. This mindset will no doubt shape HHS policy in the coming months and years.

A Growing Consensus to Protect Medicaid

The National Governors Association isn't alone in opposing the erosion of Medicaid. On December 14, 48 U.S. Senators issued a similar communication to the White House. The National Association of Community Health Centers, Families USA, the National Mental Health Association, the National HCH Council, the leaders of national health plans, and dozens of other national organizations are also asking the Administration not to impose caps and restrictions on the Medicaid program.

This resounding call in defense of Medicaid has put significant pressure on the Congress, but does not yet ensure a happy ending. As billions of dollars flow into the occupation of Iraq, another war is being quietly waged against the largest insurer of poor and low-income people. The Administration promotes its plan for Medicaid as a way to give the states increased freedom to tailor their programs while cutting costs, but this rhetoric is merely a means by which to achieve the desired end – capped Federal funding. Such limits, regardless of the “flexibility” that accompanies them, will force the States to carry the entire weight of any increase in costs and will necessarily result in benefit cuts and eligibility restrictions.

At the heart of this matter is the fundamental guarantee of health coverage to many of our nation's most vulnerable citizens. Those working toward health care for all Americans should act now to prevent reductions in the nation's largest health-related program for the poor and disabled.

ACTION:

- **Sign the letter to President Bush by January 11.** The National Council has joined other organizations in an appeal to Mr. Bush. Read the letter and add your organization's endorsement on our website, www.nhchc.org.
- **Contact your Governor** (see <http://www.nga.org/governors>) to express your thanks for the NGA's letter to the House and Senate leadership, and encourage him or her in the continued fight for Medicaid. The NGA website explores the Governors' concerns thoroughly.
- **Contact your Members of Congress** (<http://www.house.gov> and <http://www.senate.gov>) to voice your concern about Medicaid and your unwavering agreement with the NGA's bipartisan assessment of the current crisis. If your Senator co-signed the December 14 letter to the White House, express your thanks. If not, then please encourage him or her to carefully consider the potentially devastating effects of Medicaid cuts.
- **Visit the Medicaid Action Center** of Families USA – <http://www.familiesusa.org> – follow the link on the upper-right hand side. You will find State-specific Medicaid information sheets for use in your advocacy work and other useful materials.

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