MEDICAID MATTERS:
Protect and Expand NC Health Care

MEDICAID MATTERS to North Carolina's Most Vulnerable

Medicaid is a joint state and federal health coverage program that has helped improve the health of children, low-income adults and families, pregnant women, people with disabilities, and older adults for over 50 years.[1] The **Children's Health Insurance Program (CHIP) was established in 1997 to extend financial support to states in order to provide care to more children**.[2] Despite bipartisan support for CHIP and the great coverage gains in states that enacted Medicaid expansion, Medicaid and CHIP are both under attack in Congress.

Recently, the GOP released a plan to repeal the Affordable Care Act that would also fundamentally restructure Medicaid.[3] The plan would decrease the federal government's commitment to states by changing the Medicaid funding structure to either a block grant or per capita cap, in turn directly impacting the effectiveness of CHIP.[4] Restructuring Medicaid to either a block grant or per capita cap would also undermine the fundamental goal of Medicaid – to provide health care to the most vulnerable.

MEDICAID AND CHIP SUPPORTS CHILDREN AND FAMILIES

Across the United State, 95 percent of children have health coverage. In North Carolina only four percent of all children are uninsured, in large part thanks to Medicaid and NC Health Choice – our state's name for CHIP – which covers 1.4 million children.[5] In addition to providing coverage to over one million children, Medicaid helps ensure that low-income mothers are healthy, allowing them to give birth to healthy children.

However, Medicaid and CHIP are not just short-term investments into North Carolina's children. Studies have shown that when Medicaid-eligible children receive the care they need through the program, they have higher educational attainment in the long-term, miss fewer days of school, become employed at jobs with higher wages, in turn contributing more to the state as taxpayers.[6]

We also know that when parents, caregivers, and families have health coverage, it directly impact and promotes child health and wellbeing.[7] In North Carolina, parents are only eligible for Medicaid if their income is at or below 44 percent of the federal poverty level. This means that for a family of four, parents can have an annual income no greater than $10,824. Because North Carolina has not expanded Medicaid to more parents with incomes above this very low threshold, many children remain uninsured due to their parents' lack health coverage.[8] Thus, even if children's eligibility for Medicaid isn't lowered, the number of children without access to the care they need would be jeopardized if lawmakers reduce overall funding for Medicaid.

*Our new series, **MEDICAID MATTERS: Protect and Expand NC Health Care,** aims to highlight the success of Medicaid and the Children's Health Insurance Program (CHIP) as well as examine the proposals being set forth by Congress that threaten the very existence of these programs.*

*This **series of policy briefs** will illustrate how Medicaid and CHIP affect the health and well-being of children, older adults, people with disabilities, caregivers, as well as the North Carolina state budget. The series will be updated weekly through early April.*

*For more information about what you can do to protect and expand our health care, visit: **www.keepNCcovered.org**.*

MEDICAID HELPS PEOPLE WITH DISABILITIES REACH THEIR FULL POTENTIAL

Two out of every five people with disabilities are able to access and utilize the care they need thanks to Medicaid.[9]

As of October 2015, 1,745 North Carolinians with Medicaid coverage were blind and 286,661 enrollees were living with disabilities.[10] Medicaid helps people of all ages in all 100 counties who are determined to have a disabling condition.[11] Medicaid also helps children with complex medical needs, including intellectual and/or developmental disabilities. In North Carolina, workers with disabilities receive Medicaid coverage, helping them stay healthy enough to remain in the labor force.[12]

Recent per capita cap proposals ignore the diverse and complex health care needs of persons with disabilities. For example, someone who is hard of hearing will have different health care needs and Medicaid costs than a child with autism or a person who needs services in the home in order to maintain their independence.[13] What's more, Medicaid provided the critical care people with disabilities needed before provisions of the Affordable Care Act added protections so that members of this community no longer experience gaps in coverage because private insurance did not meet all of their health care needs.[14,15]

MEDICAID SUPPORTS NORTH CAROLINA'S OLDER ADULTS

Population trends show that in less than 20 years, 20 percent of North Carolina's population will be over age 65.[16] Even though adults ages 65 years and older qualify for Medicare, many low-income seniors are "dual eligibles," meaning that they receive additional coverage for health services through Medicaid on account of gaps in Medicare coverage.

As North Carolina's population grays, the need for long term care services increases. In fact, Medicaid helps three out of every five nursing home residents in North Carolina.[17] Block grants and per capita cap proposals would not account for the demographic changes and accompanying health care needs of North Carolina's aging population.

While there were fewer than 125,000 "aged" Medicaid enrollees, the health care costs associated with older adults and people with disabilities accounts for the majority of Medicaid spending.[18] This places policymakers in a tough position when deciding how to ration Medicaid dollars to older adults when they need care the most.

MEDICAID IS A SAFETY NET TO ALL OF NORTH CAROLINA

While 80 percent of the 1.9 million Medicaid enrollees are people with disabilities, seniors, and children,[19] Medicaid in its current structure has potential to provide safety net health services to all North Carolinians.

Block grants and per capita caps, however, do not allow Medicaid to expand when North Carolina needs resources the most. The Great Recession, which started in 2007 and ended in 2009, is an example of how Medicaid served as a safety net for adults, families, and vulnerable populations across the U.S. As people lost their jobs, homes, and private health insurance, people were able to continue utilizing health care as a result of gaining Medicaid coverage.[20] That net would be weakened due to block grants and per capita caps.

As Medicaid already offers states flexibility in the services it provides, it can also address public health crises. Last summer, the Centers for Medicare and Medicaid Services informed states that Medicaid dollars should and could be used for Zika surveillance and prevention.[21] Block grants and per capita

caps would limit North Carolina's ability to respond to residents' needs following a public health emergency or natural disaster. Particularly given the recent impact Hurricane Matthew had on North Carolina – and given the context of how Medicaid funding supported Louisianans following Hurricane Katrina – it is irresponsible to cut Medicaid's funding and irrevocably limit its capacity as a safety net to all North Carolinians in their times of need.[22]

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