

La. faces major losses under health bill

U.S. Senate plan's Medicaid changes worry state officials

BY REBEKAH ALLEN

Before Medicaid expansion was signed into law by Gov. John Bel Edwards last year, 49-year-old William Spencer had to make difficult and sometimes dangerous choices about his health.

Spencer, of Iberville Parish, said he simply could not afford all the medicine he has been prescribed for a host of ailments, including bipolar disorder, painful arthritis, heart problems and high blood pressure. So he would fill only what he could afford at any given time, and oftentimes, that meant he'd put his heart medication on the back burner.

After Louisiana became the 31st state to embrace Medicaid expansion last year, a move that extended the publicly funded coverage to any adult with income up to 138 percent of the poverty level - \$33,600 per year for a family of four Spencer suddenly got insurance coverage. Now he doesn't have to pay for his medication, and other health services are either free to him or at low-cost.

"It's the best care I've ever had," he said. "Suddenly, I was able to see my doctor, I got to see a cardiologist, and they gave me an oxygen tank at my house."

But Spencer and roughly 430,000 other low-income adults in Louisiana who qualified for Medicaid under the expansion would lose their insurance by 2021 under the latest version of a federal health care overhaul, intended to repeal and replace the Affordable Care Act. Commonly called "Obamacare," the 7-year-old federal program allowed states to expand sign-up criteria, making Medicaid available to many people who made too much money to qualify but too little to buy adequate insurance in the private market.

U.S. Senate leadership unveiled their GOP-driven version of the bill called the Better Care Reconciliation Act. A large focus of the measure is curbing Medicaid, the health insurance program for the poor, paid for with state and federal dollars. Medicaid is an entitlement program, so everyone who is eligible receives coverage, resulting in ballooning costs for the federal government.

The most recent version of the bill both rolls back federal funds for Medicaid expansion and eventually puts caps on how much each state

will receive for the traditional Medicaid program based on a per-capita formula. Federal Medicaid spending would be more than one-third lower over the next two decades, under the bill, according to the latest Congressional Budget Office review.

Those proposed cuts have sounded alarms across Louisiana, a state that is deeply dependent on Medicaid funding. Both state leaders and health care analysts say Louisiana would be one of the hardest-hit states to be affected by cuts to Medicaid, largely because Louisiana is both one of the poorest and unhealthiest states in the nation.

Medicaid dollars make up almost half of the Louisiana's \$28 billion budget. About 38 percent of residents in Louisiana are on Medicaid, a proportion that outpaces every other state. Its Medicaid population is almost twice the national average of 22 percent.

Six out of every 10 children in Louisiana receive health insurance through the program, and more than half of the mothers who gave birth last year were on Medicaid at the time. Medicaid in Louisiana supports 242,000 people with disabilities and more than 20,000 people living in the state's nursing homes.

Louisiana Department of Health officials estimate that the end of Medicaid expansion dollars would result in the loss of \$12.1 billion over seven years. The caps on Medicaid would reduce the state's federal allocation by another \$2.1 billion over the same time period.

"People will die. It sounds like a scare tactic, but it's just a fact," Edwards told reporters this week. "There are not a lot of redeeming qualities with the bill. I hope they throw it out and start over."

The proposed cuts in the Senate bill would roll out in twoways.

First, it would reduce the number of people who receive the coverage. Medicaid expansion would be reversed if the federal dollars were cut off in 2020, meaning close to half a million people would be kicked off the rolls, of which only about 30,000 are expected to regain coverage with private insurance. The reduction in Medicaid coverage nationally would, in part, fund tax cuts included in the Senate bill for the wealthy. However in recent negotiations, some Republicans have suggested paring back those tax cuts to fund more health care.

Then, as the caps are implemented in later years, Medicaid services would be trimmed for the remaining population. The most vulnerable are those who are considered "optional services" under Medicaid. For

example, the Adult Pharmacy is a program the state offers that fully pays for the prescription medicine of Medicaid recipients.

Other optional Medicaid services offered by the state include waiver programs for the elderly, physically disabled and developmentally disabled who receive support and care at their home so they don't have to be institutionalized.

Angela Lorio's 4-year-old son John Paul is one of those waiver recipients who would be threatened under cuts to Medicaid. John Paul was born severely premature and requires a tracheotomy tube to breathe. John Paul was approved for the waiver when he was about 6 months old. The Residential Options Waiver pays for about 40 hours of nursing care and 50 hours of personal care for John Paul every week. The waiver also pays for some of the expensive medical equipment at his house.

Every year, waiver recipients like the Lorios lobby state legislators to protect their funding amid state budget cuts. But if Medicaid was cut, health officials say, it's optional services like the waiver that could be most vulnerable.

Without the home supports paid for by the waiver, John Paul might have to live in a nursing home.

"We're supposed to be able to provide for our kid. We're supposed to be able to take care of him," Lorio said. "No one plans on having a kid who is dependent on technology to live and who is medically complex. When it does happen, at least you know this help exists. And then to have that threatened in any way, you're threatening his life and our life as a family."

State officials also have said Louisiana would be uniquely burdened by the changes because the state enacted Medicaid expansion later than any other state. Former Gov. Bobby Jindal rejected expansion under the Affordable Care Act, but Edwards signed it into law on his second day in office in 2016.

Federal contributions under the Senate proposal would be based on a rate for patients. The caps would be calculated by determining what share of the Medicaid dollars a state used during eight consecutive financial quarters - two years - of its choosing. Most states have several years of experience with expansion, so they can choose which consecutive eight quarters works best for them.

But Louisiana has been involved in the expansion only a year, which

limits the numbers that can be used in the calculation of the rate.

"Because we only have a few quarters with Medicaid expansion data, the wording of the bill would undervalue the state's expansion cap and may force the state to use some unfavorable quarters as its 'base period,' " Louisiana Department of Health Chief of Staff Andrew Tuozzolo said, adding that only South Carolina is projected to have a lower Medicaid cap.

The Senate bill has met some friction even among Republicans, and a vote was delayed until after July 4 so leadership could try to make the changes necessary to secure enough votes for passage.

But some Louisiana lawmakers say significant changes need to be made to Medicaid.

"The focus on health care spending in Louisiana is literally eating up the entire state budget. We have no money for education, we have no money for highways and we have no money for criminal justice," said Republican state Sen. Conrad Appel, of Metairie.

Appel said Medicaid expansion costs, which are growing annually, are unsustainable for the state, adding that "if they don't change anything, we're exposed to serious fiscal problems."

Appel also said he thinks it's hyperbolic of the governor to say scaling back Medicaid would result in lost lives, because the program is so new.

"Go back three years ago (before Medicaid expansion)," he said. "Were people dying in the streets? No. Were people treated when they were ill? Yes. Medicaid expansion has only been in place for one year. I mean, come on."

Other critics point out that the Affordable Care Act is failing the state in other ways, primarily with the weakness of the insurance exchanges. In some states, only one or two insurers remain on the exchange.

In Louisiana, UnitedHealthcare most recently announced its decision to exit the marketplace, leaving four insurers for Louisiana residents to choose from in the most recent enrollment period. Premiums for the more than 140,000 Louisiana residents who purchased through the exchange also have increased at a higher rate than the national average, according to the U.S. Department of Health and Human Services.

But state health officials say they believe Medicaid expansion has indeed saved lives. Under the Medicaid expansion population, 105,000 people have taken advantage of preventive care services, which has resulted in 168 breast cancer diagnoses, 2,800 diabetes diagnoses, 4,200 people receiving substance abuse treatment and 30,000 people receiving mental health care.

North Baton Rouge resident Sarah Jones said Medicaid expansion means she no longer has to choose between buying her medicine and paying her electricity bill.

Jones is prescribed eight different medicines for her Lupus, lung disease, high blood pressure and spinal problems.

"If I don't have this coverage, I don't know what I'd do, waste away and die? Please let the expansion stay in every state," she said.

"Everyone has the right to equal health care. We're all citizens."