

Health Reform: Medicaid Federal Policy Update, July 2017

Program Overview

Medicaid, especially in the states that expanded coverage under the Affordable Care Act (ACA), significantly improves rates of health care coverage and health outcomes for people experiencing homelessness and is therefore essential to ending homelessness.

Many people who experience homelessness or are at risk for homelessness have significant health care needs, including treatment for mental health and substance abuse conditions, which can hinder their abilities to seek or maintain stable housing or employment.

Medicaid is being used throughout the country to pay to address these health care needs. It also helps pay for services attached to housing interventions, and this innovative use of Medicaid dollars has been shown to improve health outcomes and reduce returns to homelessness for people accessing homeless services.

Individuals living in extreme poverty who gained access to Medicaid through the ACA Medicaid Expansion are also able to access preventative care or appropriate treatment for existing conditions which can help them avoid acute medical crises or medical bankruptcy which leads to homelessness.

Current Status

The House bill to repeal and reform ACA, H.R. 1628 or The American Health Care Act (AHCA), passed the House on May 4, 2017. On June 22, the Senate released a discussion draft to build upon the House's bill and titled this draft the Better Care Reconciliation Act (BCRA). Both bills include significant cuts to the Medicaid program, revisions to Medicaid's structure, and restrictions for states that expanded Medicaid under the ACA. As drafted, the AHCA cuts \$880 billion from Medicaid and would result in Medicaid coverage being lost for as many as 14 million people by 2026. The BCRA cuts \$772 billion from Medicaid and would result in loss of Medicaid coverage for as many as 15 million people by 2026.

Recommendation

No final health reform bill should cap or cut Medicaid or phase out the Medicaid Expansion. Furthermore, no proposed targeted funding, such as for addressing the opioid epidemic or flexible innovations, can sufficiently replace core federal spending on Medicaid. The current reform efforts, as drafted, will be devastating to the individuals and systems that rely on Medicaid and to efforts to end homelessness.