



Medicaid: A Lifeline for Rural Mainers

Defeat of the American Health Care Act opens the door to a more hopeful and constructive conversation about how to improve America's health care system. The AHCA would have taken us backwards, costing Maine \$1 billion over the next 10 years,¹ and placing thousands at risk. Rural Mainers would be especially hard hit.

We encourage policymakers to come together to make health care more affordable and accessible to all. We are mindful that some of the most dangerous provisions of the AHCA may reappear in the next weeks and months ahead. As policymakers consider changes to our health care system, it is essential to recognize and appreciate the strong role that Medicaid plays in protecting rural Mainers and to understand proposals that would significantly undermine the program.

The assault on Medicaid: How did Congress propose to undermine the program?

- Right now the federal government pays 64 cents for every Medicaid dollar spent under our State's MaineCare Program. The federal government pays more for sicker people with higher health care costs and less for healthier people with lower health care costs.
- This would have changed drastically under the AHCA, which would create a "per-capita cap" or block grant for Medicaid. These dangerous would have ended the federal commitment to pay for the care that each eligible person needs, ratcheting down overall funding and shifting costs to states and individuals.
- The size of these cuts would have grown over time, leaving states like Maine with one of three bad choices: cut health services, cut enrollment, or cut payments to health care providers — each one leaving low income Mainers without needed care.

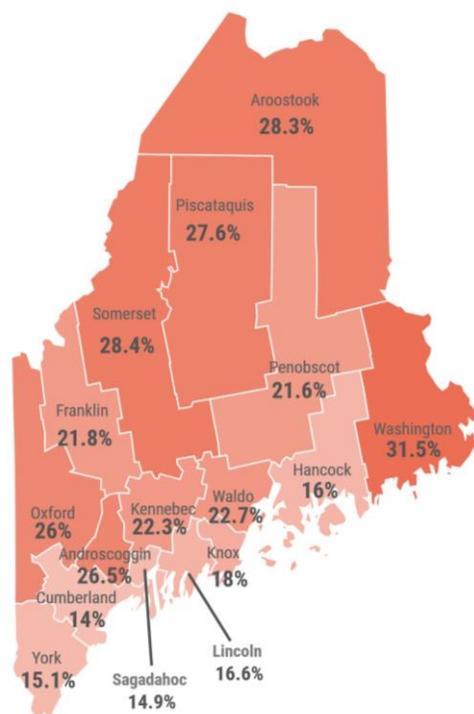
Why will rural areas be hardest hit?

- Maine's rural counties have the highest percentages of residents who rely on MaineCare for their health care — any federal cuts will disproportionately impact these counties.

¹ http://www.rwjf.org/content/dam/farm/reports/issue_briefs/2017/rwjf436077

- Rural counties with the largest MaineCare populations are projected to be among those with the greatest growth of seniors 65 and older. Federal cuts from block grants or per-capita caps would grow just as Maine’s population is aging creating a two-fold blow to rural Maine.
- MaineCare provides help to low-income Medicare beneficiaries in paying for nursing home care and certain Medicare cost-sharing. Maine has the 2nd highest percentage of Medicare recipients in the nation who also get help from Medicaid. Many of them live in rural areas.
- 65% of Maine’s nursing home residents rely on MaineCare to pay the bill.
- Cuts of this magnitude would leave thousands of Mainers uninsured.
- Maine’s rural hospitals are already in trouble and a per capita funding cap would put them in serious jeopardy. Rural hospitals already spend over \$30 million per year on uncompensated care.² Half of these hospitals are already losing money each year.³ With fewer people covered and cuts in services and provider rates, more people will seek care in hospital emergency rooms. Uncompensated care costs will go up. Hospitals may be forced to close. Medical services will leave Maine’s rural communities.

Share of Population Covered by MaineCare



The *Together for Medicaid* leadership team includes Maine Equal Justice Partners, Consumers for Affordable Health Care, Maine People’s Resource Center, the Maine Council on Aging, Maine Children’s Alliance, New Mainer’s Public Health Initiative and the Consumer Council System of Maine.

² Restructuring Medicaid in the American Health Care Act: Five Key Considerations Mar 15, 2017

³ TESTIMONY OF THE MAINE HOSPITAL ASSOCIATION In Opposition To Proposed FY 2018-2019 Biennial Budget February 21, 2017: available at [http://www.themha.org/policy-advocacy/Budget/Biennial-Budget-Testimony-\(Medicaid\).aspx](http://www.themha.org/policy-advocacy/Budget/Biennial-Budget-Testimony-(Medicaid).aspx)