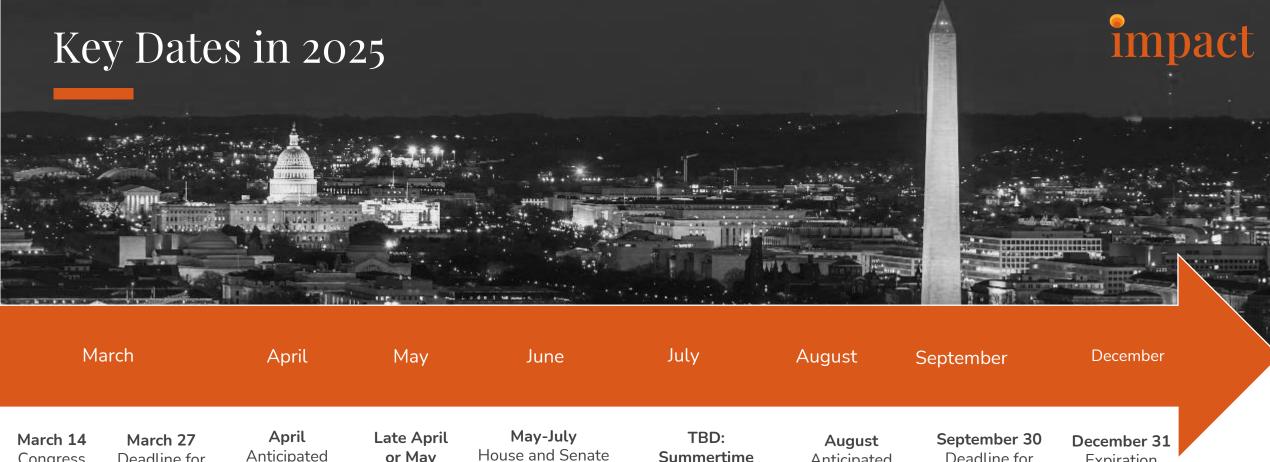


# Federal Policy: Medicaid

impact



March 14 Congress passed continuing resolution through FY 2025

Deadline for
House
reconciliation
measures per
current House
Budget
Resolution
(deadline unlikely to
be met)

April
Anticipated
passage of
identical
Senate and
House
budget
resolutions

Late April or May President's FY'26 Budget Request released May-July
House and Senate
committee
mark-ups outlining
policies to fulfill
budget resolution
instructions.
(This is when we will
see details regarding
Medicaid cuts)

TBD:
Summertime
(June, July,
possibly
August)
Anticipated
completion of
budget
reconciliation

August
Anticipated
deadline to
address debt
ceiling due to
expiration of
"extraordinary
measures"

September 30
Deadline for
FY 2026
appropriations.
Expiration of
continuing
resolution.
Expiration of
health care
extenders
(CHC funding,
telehealth, DSH cuts,
etc.)

December 31
Expiration
of enhanced
PTCs and
Trump tax
cuts

## Timeline: Opportunities for Impact

Now through early June or longer:

Ongoing advocacy in DC & in district offices throughout the Budget Reconciliation process.

#### **Budget Reconciliation Steps:**

Next steps that Congress has to take to pass a Budget Reconciliation bill.

<u>STEP 1</u>: House & Senate must pass identical budget resolutions.

House Budget Resolution Vote Senate Budget Resolution Vote

STEP 2: Each committee will hold a mark-up to discuss policies to meet the budget resolution instructions. Related to Medicaid, all eyes are on the Senate Finance and House E&C Committees.

House Energy & Commerce Committee Mark Up Senate Finance Committee Mark-Up

STEP 3: The House and Senate must pass identical Budget Reconciliation bills for the bill to be able to be signed into law.

House Budget Reconciliation Vote Senate Budget Reconciliation Vote

Dates elected officials will be in CO:

### Budget Reconciliation & Potential Medicaid Cuts



#### Overview

**Overview**: The House and Senate are still at a standstill in terms of Budget Reconciliation. They have yet to agree on the number of bills to pass and the level of funding / cuts to include. The **House Budget Resolution** instructs the House Energy & Commerce Committee to **cut \$880 billion**. **In contrast, the Senate Budget Resolution directs \$1 billion** in cuts to relevant committees. If the two sides can reach agreement, it may be in the range of \$500 billion in cuts. Potential policies released earlier this year on the House side included the following:

#### Medicaid Financing

- Per capita caps (\$900B)
- Lower FMAP floor (up to \$387B)
- Eliminate enhanced FMAP for expansion populations (\$561B)
- Eliminate American Rescue Plan's added 5% FMAP created to incentivize states to expand (\$18B)
- Standardize Administrative FMAP to 50% from current range of 50-100% (\$69B)
- Limit State-Directed Medicaid Payments (up to \$25B)
- Limit provider taxes (\$175B)
- FMAP penalty for covering "illegal aliens" with state only \$ (TBD)

#### Medicaid Eligibility

- Medicaid work requirements (\$100B)
- Limit Non-Citizen Eligibility for Federal Health Programs Including Medicaid & APTCs (\$35B)

#### Repealing Recently Finalized Medicaid Rules

- Repeal Medicaid/CHIP Access Rule (\$121B)
- Repeal Medicaid Eligibility Rule (\$164B)
- Repeal Nurse Home Minimum Staffing Rule (\$22B)

**Next steps:** The Senate and House have to pass aligned budget resolutions. Committee work will clarify which Medicaid policy changes the GOP plans to pursue and what it is able to secure agreement on.

**Health Equity:** Cuts to Medicaid would disproportionately impact children, pregnant women, seniors, individuals with disabilities and veterans. The House proposal would pay for tax cuts for the wealthiest Americans by taking away health coverage and care, and other key benefits, from vulnerable populations.

#### **Most Likely Cuts**

- 1) Work requirements
- 2) Repeal of Biden era regulations
- 3) Fraud and abuse

  Details TRD Potentially including

Details TBD. Potentially including limitations on provider taxes; decreased access for noncitizens.

- 4) Limitations on provider taxes
- 5) Cuts to Medicaid financing

Details TBD. Potentially decreased enhanced federal funding for expansion populations; per capita caps.

#### **GOP** Perspective

Two Priorities: During the House Budget
Committee hearing, the few Republicans
who spoke in detail about Medicaid focused
on (1) fraud and abuse in the form of
improper payment in the amount of \$50B
per year or \$500B over 10 years per GAO
and (2) limitations on provider taxes which
they indicated CBO estimates could save
\$300B over 10 years.

Together, \$500B+\$300B = \$800B



## **Questions** + **Discussion**

### Dawn Joyce, MPH

Senior Vice President, Impact Health Policy Partners
dawn@impacthealthpolicy.com
(510) 847-2900

