

FY18 Federal Budget: Medicaid and Latinos

For more than 50 years, the Medicaid program has been a critical part of our health care system, and serves as our nation's single largest source of health coverage. The following gives an overview of how the Medicaid program works and highlights key facts on the program's impact on Latino children and families.

What is Medicaid?

Medicaid is the largest public health insurance program for low-income individuals, and guarantees health coverage for all who are eligible.¹ The program is jointly funded by the federal government and the states, and each state has its own Medicaid program that is subject to federal rules. The federal government pays a fixed share of each state's Medicaid costs, depending on the state's per capita income, while states fund the rest of the program.²

Who Benefits from Medicaid?

Medicaid is a literal lifeline for more than 74 million Americans, including children, seniors, disabled Americans, and some low-income adults.³ Children make up nearly 50% (35 million) of those served by Medicaid.⁴ In addition, Medicaid's flexibility allows it to respond to public health crises, including most recently the opioid epidemic, the Zika virus, and the Flint water crisis.

Medicaid is a particularly important lifeline for the Latino community as one in three Latinos are insured under this program, the highest rate of any ethnic group⁵:

- Eighteen million Latinos are insured under Medicaid, including 10.7 million Latino children.⁶
- More than half (56%) of Latino children are insured under Medicaid.⁷
- Around three million low-income Latino adults gained coverage through Medicaid expansion in the 31 states, plus DC, that elected to expand their programs under the Affordable Care Act.⁸

What About the Federal Budget?

Today, the future of the Medicaid is in jeopardy. Republican Members of Congress and the administration want to enact deep and permanent federal funding cuts, which would end the

program as we know it. Republican efforts to repeal and replace the Affordable Care Act included \$800 billion in Medicaid cuts over the next 10 years, while the administration's proposed FY18 budget calls for an additional \$610 billion in cuts. The FY18 budget passed by the House Budget Committee follows suit to undermine the Medicaid program by restructuring to a block-grants system, imposes a work requirement for enrollees, and cuts an additional \$110 billion from Medicaid over 10 years, adding to the \$800 billion in cuts in the Republican health care bill.⁹ These proposed cuts would decimate state Medicaid programs, forcing states to remove people from the program, cut benefits, or both.¹⁰

Medicaid is the sole source of health coverage and care for millions of Americans, including many Latino children and families. It is critical that Medicaid is maintained and strengthened so that it continues to provide access to health coverage and care for the most vulnerable in our communities.

¹ Kaiser Family Foundation, *Medicaid Pocket Primer* (Washington, DC: Kaiser Family Foundation, 2017) <http://files.kff.org/attachment/Fact-Sheet-Medicaid-Pocket-Primer>.

² Social Security Administration, "Medicaid Information," <https://www.ssa.gov/disabilityresearch/wi/medicaid.htm>.

³ Centers for Medicare and Medicaid Services, *March 2017 Medicaid and CHIP Application, Eligibility Determination, and Enrollment Report* (Washington, DC: U.S. Department of Health and Human Services, 2017) <https://www.medicare.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html>.

⁴ Ibid.

⁵ U.S. Census Bureau, Current Population Survey, 2016 Annual Social and Economic Supplement, Table HI01.

⁶ Kaiser Family Foundation, "Distribution of the Nonelderly with Medicaid by Race/Ethnicity," (Washington, DC: Kaiser Family Foundation, 2015) <http://kff.org/medicaid/state-indicator/distribution-by-raceethnicity-4/?currentTimeframe=0>; and Center for American Progress, "Hispanic Children Receiving Health Insurance Through Medicaid by State, 2015" (data table, Center for American Progress, 2017).

⁷ U.S. Census Bureau, "Health Insurance Coverage Status and Type of Coverage by Selected Characteristics," *Current Population Survey*. Washington, DC, 2016, <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-hi/hi-01.html>, Table HI-08.

⁸ Center on Budget and Policy Priorities, "Latinos and Programs That Fight Poverty: In the 50 States and District of Columbia" (data report, Washington, DC: Center on Budget and Policy Priorities, 2017).

⁹ Isaac Shapiro, Richard Kagan and Chloe Cho, "House GOP Budget Cuts Programs Aiding Low- and Moderate-Income People by \$2.9 Trillion Over Decade," (Washington, DC: Center on Budget and Policy Priorities, 2017), <https://www.cbpp.org/research/federal-budget/house-gop-budget-cuts-programs-aiding-low-and-moderate-income-people-by-29>.

¹⁰ John Holahan, et al, "The Impact of Per Capita Caps on Federal and State Medicaid Spending," (Washington, DC: Urban Institute and Princeton: Robert Wood Johnson Foundation, March 2017) http://www.urban.org/sites/default/files/publication/89061/2001186-the_impact-of-per-capita-caps-on-federal-spending-and-state-medicare-spending_2.pdf.