

## MEDICAID PROGRAM PROVIDES VITAL SERVICES

Medicaid is the largest health coverage program in the U.S. According to an analysis by the Kaiser Family Foundation, Medicaid provides cost-effective health insurance for approximately 41% of people in poverty. In fiscal year (FY) 2002 alone, more than 10 million Latinos received health coverage under Medicaid.

### *Budgetary Cuts Endanger Medicaid*

Recent actions in Congress have put the Medicaid program at risk for drastic funding reductions. In April 2005, members of the Senate and House of Representatives approved a federal budget resolution, which requires the Senate Finance Committee to cut \$10 billion dollars over five fiscal years from programs under their jurisdiction. While the funds do not have to come from Medicaid, Health and Human Services (HHS) Secretary Michael Leavitt has instructed a newly-authorized Medicaid Commission to recommend cuts to the Medicaid program by September 2005.

NCLR urges members of Congress and the Medicaid Commission to review alternatives, such as increasing federal revenues that would help to strengthen and preserve Medicaid. NCLR believes that Medicaid cuts would burden an already deteriorating health care system. Medicaid needs to be reformed, but only after careful consideration and analysis of the program, and not as a result of budgetary pressures.

### *Why Cutting Medicaid is Bad Policy*

- **Cutting Medicaid will not solve the health care crisis.** Cutting Medicaid would shift the burden of health care costs. There is no question that the rising costs of health care need to be addressed; however, cutting Medicaid will increase the strain on the health care system. Reducing Medicaid coverage will leave states, providers, and health care consumers to absorb the increased costs of uncompensated health care which will undoubtedly result from beneficiaries losing their health insurance.
- **Investing in Medicaid will help to ensure that people in the U.S. can lead healthy and productive lives.** In hard economic times, when budgets are already spread thin, we should be doing more - not less- to ensure that workers have access to adequate health care. Work participation is high among Latinos (68.4%); however, many do not have health insurance through employers. Access to public health coverage is critical to ensure that their ability to work is not hindered by preventable or treatable illness.
- **Preserving Medicaid allows individuals to obtain vital services.** Health care assistance offered under Medicaid includes important preventative and life-saving services that protect vulnerable groups such as children and low-income families who cannot afford health care insurance on their own. Without access to health coverage,

many of these individuals would rely on costly emergency services for routine health care.

- **Downsizing Medicaid will further widen the existing gap in health care coverage.** Nearly one-third of low-income Latinos (32.7%) do not have public or private health insurance; they would be some of the first to fall from the rolls and increase the pool of the uninsured because they already face multiple barriers to accessing such services.. We have a collective responsibility to invest in the health security of the nation and to ensure access to affordable and quality health care.

For more information, please contact Jennifer Ng'andu at (202) 776-1762.