

Understanding *Medicaid Caps*

Often disguised as flexibility, caps on the Medicaid program lead to cuts to the Medicaid program and reduced access to care



Limits on Enrollment

The state of Utah has received permission to cap enrollment in the Medicaid expansion program, as part of SB 96, the legislature's replacement of Proposition 3's full Medicaid expansion. **This will effectively create a wall between those who get coverage and those who don't** based on their spot in line—not their income, need, or other eligibility criteria.

Enrollment caps cut off the number of people who can sign up for Medicaid, which leaves people stuck in the coverage gap without access to care.

Enrollment caps have been granted before in Utah for the Primary Care Network program, and the Targeted Adult Medicaid expansion program. However, the kind of partial expansion the state is now requesting has never been done before.

The next phase of SB 96 is requesting a ***"Per Capita" Cap***

This is one of the unprecedented features in SB 96, and if approved, the ramifications would be widespread and consequential in Utah and around the nation.



Nationwide Implications

Cutting Medicaid through block grants or per capita caps has been a conservative goal for many years, and was a key piece of the effort to repeal the Affordable Care Act in 2017.

After Congress failed to pass Medicaid caps, the effort shifted to the states. If approved, Utah would set a dangerous nationwide precedent.

The Current Medicaid Program

As it exists today, Medicaid coverage is guaranteed to everyone who meets the eligibility criteria, without waiting lists or caps.

Federal “match rate” funding is guaranteed as well, and based on a formula in the Medicaid law. (In Utah the state currently pays 32% and the federal government pays 68%)

The program is set up to adapt to changes in program needs, cost, and enrollment trends, with built-in flexibility to respond to health care crises.

The federal-state partnership ensures that eligible patients don’t get locked out of care, and that states aren’t left with disproportionate financial risk.



Utah Health Policy Project (UHPP) is a nonpartisan, nonprofit organization advancing sustainable health care solutions for underserved Utahns through better access, education, and public policy.

UNDER A PER CAPITA CAP, A STATE IS ASKING THE FEDERAL GOVERNMENT FOR A LIMITED AMOUNT OF FUNDING TO COVER ITS RISING HEALTH CARE NEEDS – WITHOUT ACTUALLY CUTTING RISING HEALTH CARE COSTS

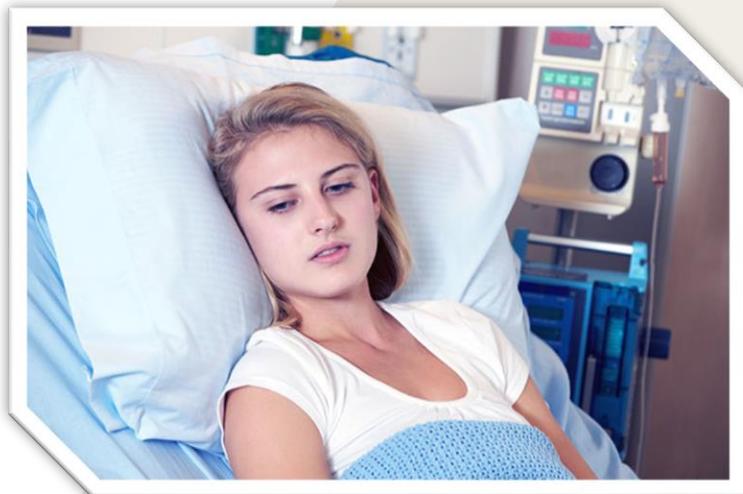
Shifting the Risk from Federal to State

In a per capita cap, the federal share of Medicaid spending would be capped based on a pre-set amount calculated per enrollee.

This arrangement limits the financial responsibility of the federal government, and shifts all of the pressure and the risk onto states, and therefore onto low-income people.

Because the state has less money under a per capita cap, Medicaid enrollment and/or services would inevitably be cut.

This will force state lawmakers to make difficult decisions regarding which programs, services, and budgets to cut, and will lead to high-need patients losing their health care.



Unpredictable Future Cuts

The only flexibility the state gains under a per capita cap is the flexibility to make cuts that are usually illegal under Medicaid law.

In 2017, the Congressional Budget Office predicted that per capita caps would result in cuts To Medicaid amounting to 50% of the program. Advocates are extremely concerned about the impact this kind of funding structure limitation would have on patients and programs.