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Ryan Proposal Threatens Wisconsin's Medicaid Programs

The budget bill proposed Tuesday by Budget Committee Chairman Paul Ryan would radically restructure Medicaid by imposing very deep cuts and converting the program to a "block grant." This would leave Wisconsin – and our children, seniors, people with disabilities, and health care providers – holding the bag. Nationally, it would result in millions of additional people who are uninsured and can't get the medical care that they need.

Even as the Ryan budget plan proposes slashing \$1 trillion over 10 years from Medicaid, it would extend tax breaks for the wealthy. An analysis of the plan by the Center on Budget and Policy Priorities concludes that two-thirds of the \$4.3 trillion of cuts over the next decade would come from low-income programs. (<http://www.cbpp.org/cms/index.cfm?fa=view&id=3451>)

Block-granting Medicaid is a radical change. Instead of covering a set percentage of a state's Medicaid costs, the Ryan proposal would mean that the federal government will pay the state a fixed amount each year, regardless of changes in the state economy and the number of people who need Medicaid coverage. It will deeply cut the amount of money it gives to a state, and that cut will grow larger and larger every year.

When the federal money runs out, states will either have to kick in a lot more of their funds or will have to drastically cut benefits or cap or cut eligibility for seniors, people with disabilities, children, pregnant women, and working parents, just when people need that coverage the most, like during a recession. That would mean:

- A family that loses a job and their health insurance during a recession and becomes eligible for BadgerCare may not be able to enroll, even if their child has a chronic illness and needs care immediately.
- Some seniors and people with disabilities who have long-term care needs may no longer have their nursing home or home health costs picked up by Medicaid.

A Medicaid block grant would put even more pressure on states to reduce payments to hospitals, nursing homes, pharmacies, physicians, and managed care plans. Deep reductions in provider rates would likely cause more plans and providers to withdraw from Medicaid, which would threaten access to critical care and place greater pressure on community health centers and safety-net hospitals.

Medicaid is a core part of the successful coverage of Wisconsin's children and low-income parents, and it provides long-term care to many seniors and critical services that help Wisconsinites with disabilities live independently.

Medicaid also responds automatically in a weak economy, helping vulnerable Americans weather tough economic times. If Medicaid had been changed into a block grant a few years ago, tens of thousands of additional Wisconsin families would have become uninsured during the severe economic downturn and wouldn't have been able to get the care they needed.

We urge Congress to reject the deep cuts in Medicaid and the proposal to block grant this vitally important program.

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