



**Invest in
Medicaid,
Strengthen
Families**

Northwest Federation of Community Organizations



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INTRODUCTION

MEDICAID AND OTHER PUBLIC HEALTH CARE PROGRAMS MAKE A DIFFERENCE.

For children unable to reliably access quality health care, the challenges of staying healthy can have life-long implications. Children who lack health insurance are less likely to access regular health care, are less likely to maintain a schedule of recommended immunizations, and are less likely to have developmental delays diagnosed and monitored. Anyone who has had to stay home from work to care for a sick child or to tend to one's own illness knows how disruptive even a minor cold can be in a family's life. Compared to the insured, the "uninsured tend to have more serious, preventable illnesses that threaten their work productivity and ability to retain jobs."¹

Fortunately, many children and families do have access to health insurance through public health care programs like Medicaid and the Children's Health Insurance Program (CHIP).

Families who are enrolled are able to visit the doctor on a regular basis, get care when they need it, and often do not have to choose between a rent payment and a prescribed medication. Children with Medicaid and CHIP are able to receive preventive care, such as regular immunizations as well as treatment for injuries and illnesses.²

PUBLIC HEALTH CARE: A SMART INVESTMENT.

Public health care is a smart investment for all. Families rely on public health programs. Jobs that pay low wages rarely include the benefits of health insurance, yet inadequate access to important health care services jeopardizes families' ability to obtain and maintain employment. Through public health programs like Medicaid and CHIP, families are able to fully engage in work life and are able to ensure health care for their kids.

DIFFICULT FISCAL TIMES FOR STATES. As Northwest states face budget challenges, however, the security provided by public health care programs is being threatened.

Across Northwest states, decreased revenues from tax cuts and the worsening economy together with the September 11th attacks have tightened state budgets.

Nineteen states have reported their current year spending has exceeded budgeted levels, 17 states are expecting a budget shortfall of 5 percent or more, and revenues for fiscal year 2002 are below estimates in 44 states.³ More than two-thirds of the states have considered or implemented budget cuts for the current or upcoming fiscal year,⁴ with many states focusing on public health care programs, citing concerns about rising costs.

PRESCRIPTION DRUGS: THE REAL COST DRIVER. While health care costs across the nation in all types of health care programs have been rising, much of this cost increase is due to the rising costs of prescription drugs. Prescription drugs are the fastest growing cost in health care spending,⁵ creating a crisis for private and public programs alike.

A recent study by the National Institute for Health Care Management (NIHCM) found drug costs have disproportionately contributed to the sharp upturn in overall health care costs over the last few years.⁶ Prescription drug spending accounted for over a quarter of the growth in overall health care spending in 2000, and is one of the reasons that in 2000 and 2001, health insurance premiums rose at the fastest pace in over a decade.⁷



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State Medicaid programs have not escaped this trend of rising health care costs due to prescription drug spending.

The NIHCM study found Medicaid spending on prescription drugs increased at an average of 18 percent a year from 1997 to 2000, slightly lower than the average annual increase in spending on outpatient prescription drugs at retail outlets during the same period. Additionally, in a Kaiser Commission survey of Medicaid officials, 48 states cited pharmaceutical costs as one of the top reasons for Medicaid cost increases in 2001.⁸

States have dealt with rising prescription drug costs by cutting access to public health care programs. Unfortunately, these cuts do little to address the underlying problem of skyrocketing prescription drug prices and only make matters worse for residents who are left with no access to prescription drugs or health coverage of any kind.

RISING NUMBERS OF UNINSURED. Unfortunately, many low-income people are uninsured and cannot access public health care programs, and the number of uninsured is on the rise.

With the recent downturn in the economy, times are especially difficult: over the last year, unemployment increased over 0.5 percent in every state. The highest increases were in the Western U.S. — at more than 1.5 percent.⁹ Most major industries had declines in employment over the last year as well — with manufacturing, transportation and public utilities experiencing widespread declines.¹⁰

As unemployment rises, the number of uninsured rises as well; people need public health care now more than ever.

PUBLIC HEALTH CARE UNDER THREAT. Recent cuts to Northwest public health care programs include: capping enrollment in the Children's Health Insurance Program (CHIP); cutting adult dental coverage; more than doubling the out-of-pocket spending requirement for Medicaid consumers; and cutting immigrant health care programs.

The public health care cuts states are implementing limit access, harm consumers, and do little or nothing to address the major source of cost increases, and these cuts cost states in other ways. When consumers cannot get adequate health care, easily treatable conditions can rapidly become serious emergencies and cost more in the long term. The cuts have other economic impacts as well: a study of the economic impact of Medicaid on South Carolina found a state cut of 4 percent in the Medicaid budget would cause the state to lose over 2,400 jobs and more than \$60 million in state income associated with the Medicaid program.¹¹

Cuts reduce the security that these public health care programs provide, and are simply ill-advised. Low-income people often live on very tight budgets, and are vulnerable to unexpected expenses. Medicaid and CHIP provide convenient access to affordable health care, which helps to stabilize family economies, and to stabilize our communities.



INTRODUCTION

- *Limiting access to CHIP puts our children at risk.* Unmet health care needs reduce children's ability to grow into productive, healthy adults. For many low-income working families, CHIP is the only affordable health insurance option for children. Limiting children's access to health care just does not make sense.
- *Limiting access and cutting benefits can lead to serious problems that may have been prevented.* Due to high premiums and high deductibles, private insurance is inaccessible for many low-income, working families. Lack of insurance commutes health care into a luxury item — an expense that comes after shelter, food, and warmth. Without coverage, many people postpone seeking care or forego prescriptive remedies at the expense of their own health. When their condition worsens, the emergency room (ER) is often the place they turn. The ER is a place of last resort for unwell, low-income people, yet it is the least desirable option. ER care is expensive, and patients who are unable to pay for their own care pass their costs onto paying patients, which raises the cost of care for everyone. Worse yet, the ER is not designed to provide ongoing care, follow-up care or comprehensive care — the very forms of health care that people with health insurance depend on to stay healthy and to minimize illnesses.

- *Excessive cost-sharing and assets tests exclude families from accessing care.* Cost-sharing (such as premiums, co-payments, and co-insurance) is an impediment to low-income families seeking health care. A study of Washington’s Basic Health Plan found that a \$10 premium increase cut enrollment by 13 percent. Even small increases in cost-sharing result in major decreases in enrollment, and harm to families.

Assets tests also create barriers to coverage. In many states, current policy places severe limitations on the amount of assets adults in a family may have and still qualify for Medicaid. Applicants must fill out lengthy, invasive applications and provide extensive documentation — a process that can discourage completion of the application.¹² Also, the rules are very complicated and require much staff time.¹³ Several states have eliminated assets tests and reduced administrative costs.¹⁴

- *As unemployment rises, people need public health care more than ever.* As unemployment rises in the U.S., public health care programs become ever more crucial for low-income families. A recent analysis of the connection between unemployment and the uninsured found for every 100 people who lose their job, the number of people without health insurance rises by 85. People need public health care now more than ever.



PUBLIC HEALTH CARE MAKES A DIFFERENCE

Now that our children have Medicaid, we can take them to the doctor on a more regular basis. As a result, their health has improved.

SUGAR DELGADO

When our five children were not receiving Medicaid benefits, we put off taking them to the doctor until things got bad. Now that our children have Medicaid, we can take them to the doctor on a more regular basis. As a result, their health has improved. Plus, we can now afford the medication, counseling, and anger management classes for our son with ADHD. Our children are healthier and happier because they get the health care they need.

We are very grateful for Medicaid because without it we would go into the poor house trying to pay for our children's medical bills. As for my boyfriend and I, he gets health insurance from his work; but I do not have any because my job is only part-time. I only go to the doctor if things get bad.

Sugar



PEGGY PETERSON

I applied for Medicaid because of my disability, and have been able to use it since 1989. If my Medicaid benefits were cut, it would affect me dramatically.

It would be terrifying without Medicaid because Medicaid pays for things that Medicare does not begin to cover. Medicaid helps cover my prescription drugs and there would be no way that I could afford them myself.

I only get \$532 a month in income and this is not nearly enough for me to obtain the medical care I need. Medicaid has helped me tremendously and I do not know what I would do without it.

If my Medicaid benefits were cut, it would affect me dramatically.

Peggy

PUBLIC HEALTH CARE MAKES A DIFFERENCE

If it were not for Medicaid, I couldn't afford doctor visits, physical therapy, or medication for my daughters or myself.



CELESTINO ROCHA

I'm a single father raising three daughters between the ages of seven and 11 years old. I've managed to provide for them by working jobs ranging from a truck driver to a forklift operator. In February of this year I severely hurt my back. Suddenly I found myself unable to work and without medical coverage.

With a \$1,000 monthly income, I can't afford regular health insurance.

This puts my family in a difficult situation. My youngest girl recently had an ear infection and one of my other daughters developed a bladder infection just last month. In addition, she has bad allergies, which cause us to visit the doctor regularly.

I went to my local Community Service Office to apply for assistance. Fortunately, my daughters and I were eligible for Medicaid. If it were not for Medicaid, I couldn't afford doctor visits, physical therapy, or medication for my daughters or myself.

Celestino



JOLENE POEN

One day at work I passed out on a scaffolding. An ambulance took me to the hospital and everyone assumed it was just heat stroke. The next day, when I was getting ready for work, I passed out. I called my doctor and went in for testing. It turned out that a heart problem was responsible for my passing out. The doctors ran a few more procedures and said the problem was fixed.

I felt healthy and returned to work, but after three days I passed out again. This time, before the ambulance took me to the hospital, my employer told me I was no longer welcome in his plant. I was too high of a risk. He did pay my benefits through the union for six months though. After that, I had no medical coverage.

My health and welfare worker helped me find a special program for the aged and disabled, and now I receive Medicare as well as Medicaid. If it had not been for such a kind man to listen to my situation, I would have been left without any medical coverage.

I'm still struggling with my condition, but it's better than it was. Before I got on Medicaid, I would pass out two to three times a week. Now I have a personal care provider and it's down to two times a month because I don't have to put myself at as much risk.

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Jolene

PUBLIC HEALTH CARE MAKES A DIFFERENCE

Medicaid allows my family to receive proper medical treatment, like immunizations, so they don't end up with serious health problems in the future.



BONNIE AND JAMES CHAMBERS

In 1999 my husband James was laid off from Boeing. Since then, he's had a difficult time finding work in his field and we haven't been able to afford medical coverage. His most recent job offered insurance, but the premium for each dependent was \$180 per month. That amounts to over \$700 a month to cover all four of our children! We had no choice but to turn to Medicaid.

Medicaid allows my family to receive proper medical treatment, like immunizations, so they don't end up with serious health problems in the future.

The clearest example is my daughter Carrie. In 1997, Carrie had an extremely adverse reaction to a generic form of Prozac. She was admitted to Fairfax hospital, but her father's insurance would not cover the expenses. Thankfully, Medicaid was there to help. She has since been an inpatient six different times and Medicaid has covered her hospital stays and medications.

In addition, my daughter Tina relies on Medicaid for her long-term medical needs. When she was five, she fell while climbing a tree and split her hand on a chain-link fence. She underwent years of occupational therapy just so she could write and draw again; Medicaid helped us with the bills.

Bonnie & James



MARIAN MAAS

As a single mother caring for two teenage daughters, Medicaid has helped me tremendously. It is our only option for health insurance and without it, I'm afraid I would have ended up homeless. Medicaid pays for doctor visits, therapy, and

prescription medication. It enables me to stay out of the hospital and take care of my kids, so I can be a mom to them.

I used to work for the Sweetheart Bakery Company. After 21 years there I had to retire because of chronic head and neck pain and severe depression. I worked as long as I could, but after many years of pain I could sustain my job no longer. Sweetheart Bakery Company covered our health insurance for six months after I left. Then we turned to Medicaid.

Medicaid has really helped my children. My eldest daughter suffers from seizures and needs prescription drugs to control them. These drugs allow her to lead a normal teenage life. She could not function otherwise. Without Medicaid, we would never be able to afford a doctor or her medication.

Medicaid pays for doctor visits, therapy, and prescription medication. It enables me to stay out of the hospital and take care of my kids, so I can be a mom to them.

Marian

PUBLIC HEALTH CARE MAKES A DIFFERENCE

If I didn't have prescription drug coverage through the Oregon Health Plan, I would spend over \$530 a month on medication... I live with my son and his family because I can't afford rent anywhere. How could I possibly afford medication?



JOANNE HUME

I worked as a school bus driver for 24 years until I turned 50 and my health problems forced me to quit. Since then, I've had two surgeries on my legs, a stint put in my kidney, and three surgeries on my shoulder — to name a few. Now I can't even walk a block without my legs cramping up and making me stop.

To ease my health problems, I take a variety of medicine. I take heart medicine, medicine to improve the blood flow in my legs, blood pressure medicine, and medicine to counteract the side effects of all my other medicine.

If I didn't have prescription drug coverage through the Oregon Health Plan, I would spend over \$530 a month on medication. I cannot afford this. I live on only \$625 a month, which comes from widow's benefits, disability, and food stamps. This is not enough to get by; I live with my son and his family because I can't afford rent anywhere. How could I possibly afford medication?

I just had gallbladder surgery this past week and I'm recovering right now. I continue to have medical problems, but hopefully I will start feeling better.

Joanne



O'LEAH CORCORAN

I am 14 and a freshman at Marsh Valley Middle School. I have five siblings and live with my mom in Downey, Idaho. My mother was born with disabilities so she cannot work. We could never afford to buy health insurance for our entire family, so we are very lucky to have Medicaid.

When I was born, I had an upper respiratory collapse, which damaged my ears. Now I need to wear hearing aids so I can hear and glasses so I can see. My hearing aids cost over \$1,000. I could never pay for this on my own. My mother would try, but I know we could never afford it with all of the other things we need for our entire family. I have learned to read lips, which helps some, but I still need my hearing aids to fully understand people. My little sister also has eye problems and needs glasses in order to see and go to school.

Without Medicaid to pay for my hearing aids and glasses, I couldn't do anything I need to live my life or go to school. Now that I can go to school, I can help my mother with her reading and take care of my siblings.

Without Medicaid to pay for my hearing aids and glasses, I couldn't do anything I need to live my life or go to school.

O'Leah

ADAN RAMIREZ



I am 70 years old and an active board member of the Idaho Community Action Network. I have lived in Heyburn, Idaho for the past 40 years. In 1992, I was happily married with health insurance, money in the bank, and a good house. Then I had a heart attack and everything changed. My health insurance paid for my first surgery, but then I needed to go back in the hospital three more times. By the third time my health insurance dropped me and I had to use my savings to pay the medical bills. However, my savings eventually ran out.

I had no savings, no house, no insurance, and no health. My older sister told me to apply for help with Health and Welfare. I was able to get SSI, Medicaid, and Medicare since I was disabled and could no longer work.

Adan

Medicaid has helped me tremendously over the last ten years. It has allowed me to afford medication and see a doctor when necessary. Earlier this year, I suffered from another heart attack and had a quintuple bypass. Medicaid and Medicare paid for my hospitalization, my doctor visits, and my medication.

Medicaid helps me stay well and feel safe. Without Medicaid, I know I wouldn't be here today and I could never afford all of my medical bills on my own. Sometimes I get worried, though, when I see our state trying to cut back on Medicaid because I would have nothing without it.

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THE UNINSURED NEED HEALTH CARE



ANDREA DAHL

I have a history of controlled epilepsy and had a plastic plate inserted in my head when I was a child. A few years ago, I developed a staph infection around this plate and underwent emergency surgery to remove it. I spent three weeks in the hospital recovering. During this time, a caseworker from the state welfare agency came to the hospital to help me apply for assistance. She told me that I was ineligible for Medicaid because I didn't have any kids.

They were supposed to replace the plate in six months; however, when I went back to the doctor for a check up, I was told that the plate would not be replaced. Instead, I should "put on a football helmet, don't bend over, and go back to work." I believe that I did not receive the promised treatment because I had no health insurance and could not pay the bills that accumulated from the initial surgery.

Andrea

Until my staph infection hit, I had been working as a personal care attendant (PCA) for a woman with a disability. However, because I did not receive the necessary treatment, I will never work as a PCA again because of the risk of an attack while I am caring for my client. Right now I live on \$140 a month in food stamps, \$100 a month from a part-time job, and the small change I make by mending and sewing for friends. I want to have the plate replaced so I can go back to work. But without health insurance, I can't afford another \$30,000 surgery.

I just want to be able to go to the doctor when I need care like everyone else that has health insurance. We need to make health insurance available to everyone including single adults, because there are a lot of other people facing the same difficulties that I am.

[A] caseworker from the state welfare agency came to the hospital to help me apply for assistance. She told me that I was ineligible for Medicaid because I didn't have any kids... We need to make health insurance available to everyone including single adults, because there are a lot of other people facing the same difficulties that I am.

THE UNINSURED NEED HEALTH CARE

I applied for assistance with the Department of Health and Welfare, but was denied because I own a car.



CLARA TRUJILLO

My name is Clara Trujillo and I am 58 years old. I have lived in Heyburn, Idaho for 20 years and am the mother of five adult children and ten grand children.

A year ago I was diagnosed with osteoporosis, but did not have medical coverage of any kind. My failing health caused me to miss a lot of work and my income fell to \$116 per week, which I received from workers' compensation.

After my worker's compensation benefits ended in August of 2001, I had no other source of money to pay for my housing, utilities, food, and other necessities. The only food I could obtain came from ICAN. I applied for assistance with the Department of Health and Welfare, but was denied because I own a car.

I was forced to turn to my daughter for help. She took over my car payments and helped me pay for utilities and medication. Even with this help, I found myself struggling to purchase some of my medications. The medicine that I could purchase left me with little money for the rest of my necessities.

Clara



RICARDO JUAREZ

My name is Ricardo Juarez. My wife Lilia and I have four children between the ages of five and 12. I work at Horizon Dairy and bring home \$1,600 per month. My wife works during some seasons, but most of the time she stays home to take care of our children.

I came to the U.S. in 1985 looking for a better future; the next year I legalized my U.S. status. Five years after that I brought my family to the U.S. They became legal in October of 1997.

My family does not have any health coverage, so my wife went to the DHW to apply for medical assistance. The caseworker told her that regardless of need, she was ineligible for assistance because of her legal status. In order to be eligible, she needed to wait five years from the day she became legal.

We spend about \$140 every month on medications, and often more than that. When one child gets sick, the rest of the children get sick as well. When that happens I worry I won't be able to put enough food on the table. I don't want my children to choose between health and food. I wish that our Government would have more consideration for legal immigrants.

My family does not have any health coverage... I don't want my children to choose between health and food. I wish that our Government would have more consideration for legal immigrants.

Ricardo

THE UNINSURED NEED HEALTH CARE

DIXIE SAUNDERS

My name is Dixie Saunders and I have been in a helping profession for over 17 years. A few years ago, my job as a registered nurse abruptly ended when the company I worked for merged with another corporation. As one of the most recently hired, I was in the first group that the company laid off. I received severance pay and unemployment compensation, but it was not enough to cover the high cost of my health insurance. I had no choice but to go without.

Soon after I was diagnosed with diabetes. The costly medications made it my turn to ask for help. I signed up for Medicaid so that I could get the medications I needed to stay alive. Unfortunately, as soon as my daughter turned 18, the state terminated my Medicaid benefits and I had no way of paying my medical bills.

I began working again, but only earned \$500 a month. I was barely getting by. I couldn't get help from the state and there were no free clinics where I lived. I went to another county's welfare office and received money for my medications and treatments, but they took \$1,500 a month in liens against my house. I had to discontinue this help so I wouldn't become homeless.

Dixie

I lived without medication for two and a half years. The diabetes led to congestive heart failure, which caused vascular disease and lymph edema. The lymph edema caused blood clots in my legs, a loss of vision, and early stages of kidney failure. Finally, in October of 2000, I started receiving social security disability and my health improved. However, I still have these irreversible medical problems that could have been avoided.

Without assistance, my condition snowballed and became dramatically worse. Now I require aid in everything from bathing to breathing in order to survive. If the health care system would focus more on preventative measures, I would have been able to lead a normal life.

I lived without medication for two and a half...I still have these irreversible medical problems that could have been avoided...Now I require aid in everything from bathing to breathing in order to survive.

THE UNINSURED NEED HEALTH CARE



DAN FUNSCH

My name is Dan Funsch and I am a single, self-employed man living in Missoula, Montana. In a continuous effort to make ends meet, I work three different jobs: construction, non-profit consulting, and desktop publishing. Yet, even with three jobs, it is harder and harder to come up with enough money to get by. In a good month, I make up to \$1,500. In a bad month, I make as little as \$600.

This inconsistent flow of income makes it extremely difficult to pay for health care. I have looked into buying private insurance, but it is too expensive. The only policy I found is \$200 a month with a high deductible. Even with this plan, I still pay for most of my health care out of pocket. Now I have no health insurance, which has turned out to be a larger problem than I expected.

Dan

At the beginning of this year my back began hurting when I did any type of physical work. I waited two and a half months before seeing a doctor because I didn't have health insurance. I even had to turn down construction jobs because of my pain.

My health has severely limited my ability to work construction, which has in turn decreased my income. This creates a vicious cycle: I cannot pay for health care so my injury persists. This prevents me from working and pushes me further and further into debt. I believe that we need universal access to health care in this country. People should not have to live in pain because they fear medical bills.

I cannot pay for health care so my injury persists. This prevents me from working and pushes me further and further into debt.

THE UNINSURED NEED HEALTH CARE



JON WOMACK

I have a condition called partial complex epilepsy. In order to be functional, I need to be on a variety of medications that cost about \$260 per month. I also need monthly liver screenings to ensure the medicine is not adversely affecting my health. With medication, I am perfectly healthy and able to work. Without it, I run the constant threat of seizures, severe migraines, and rapid mood swings. I

am unable to work and am in constant danger of hurting myself in a fall. Just one seizure is capable of causing extensive and permanent brain damage.

Jon

I have a steady job, but am only able to acquire 38 hours of weekly work. This leaves me two hours short of full-time and ineligible for the company's insurance. Without insurance, I can't afford my medication, see my neurologist, or have my blood tested. I tried to get help from the Department of Health and Welfare, but they told me I make too much money to qualify for assistance, even though I cannot afford both food and medication.

Soon afterward, I ran out of my old prescriptions and began having seizures again. I got increasingly sick and had to miss days at work, which caused me to earn less money. This made the problem worse.

To qualify for medical assistance, I will have to quit my job. However, once I get the medicine I need and return to work, I will again be ineligible for assistance. This puts me right back to where I started. If I had access to affordable health insurance I would be able to receive the care that I need to be an effective member of my community.

I have a steady job, but am only able to acquire 38 hours of weekly work. This leaves me two hours short of full-time and ineligible for the company's insurance...I tried to get help from the Department of Health and Welfare, but they told me I make too much money to qualify for assistance, even though I cannot afford both food and medication.

THE UNINSURED NEED HEALTH CARE

MARK HIBEL



My wife Jessica and I are raising our two children, ages three and four. I earn \$2,400 a month as a freight hauler and Jessica works a couple times a month as a barista.

She would like to work more, but childcare is too high to make it cost effective.

My employer offers health insurance, but we cannot afford it. It would cost over \$300 a month to insure my family, and that doesn't even include vision or dental. As a result, my family is uninsured and it's very stressful. Our young children need basic necessities like well child check-ups and immunizations, which are hard to

Mark

afford without health insurance. Fortunately, there is a low-income clinic in Billings that we can use for our children. The cost of service there is reduced, but not always free. For our other medical needs, we have to pay the full out-of-pocket cost. For example, we haven't even received the bill yet for our son's most recent doctor visit.

Medical bills are not new to us. Last month, my wife had meningitis and was in the hospital for a week. The bill for that will be around \$10,000. We hope the charity care program at the hospital will help us, but we aren't sure yet. A bill that size will hang over our heads for years.

If we had health insurance, my wife and I could relax a little bit. With small kids we worry all the time about extra medical bills and what it will do to our credit if we can't afford them. We just bought our first house and now we are working with a very tight budget. We have always dreamed of owning a home and raising our children in a secure environment. Now that we have achieved this, we do not want unexpected medical costs to get in the way. Decent health insurance would do a lot to help us maintain the home we've created for our family.

My employer offers health insurance, but we cannot afford it...Our young children need basic necessities like well child check-ups and immunizations, which are hard to afford without health insurance... If we had health insurance, my wife and I could relax a little bit.

MEDICAID CUTS HARM FAMILIES



RUTH MICHAELIS

I am a third-year resident physician at a family practice in Seattle. Approximately 60 percent of my patients use Medicaid and another 20 percent have no insurance coverage at all. Fortunately, because we have outside funding, our clinic is able to see all patients regardless of their insurance. Unfortunately, it is quite a different story for patients that need to see a specialist.

In the last three years, the list of specialists that are willing to see Medicaid patients has grown shorter and shorter. The general thought used to be that all physicians should see some Medicaid patients, so as not to overburden any one practice. However, private practices can no longer afford to do this. The reimbursement rate is so low that everyone loses money serving Medicaid patients. One consultant that I talked with said he gets paid \$34 per hour to consult with Medicaid patients and it costs him about \$600 an hour to keep his clinic open. He still agrees to see them, but he can only afford to see them once. With insured patients he has the luxury of being able to see them several times and follow up when necessary.

Ruth

Medicaid patients really don't get the care they deserve or need. I understand that Medicaid is a huge financial burden for the state and the federal government, yet I cannot comprehend how anyone could propose to cut money from this program. Cuts are forcing more and more providers to shut their doors to Medicaid patients so they don't have to shut their doors completely. Very soon, Medicaid consumers will be essentially uninsured because they will not be able to access the care they need.

The reimbursement rate is so low that everyone loses money serving Medicaid patients...Cuts are forcing more and more providers to shut their doors to Medicaid patients so they don't have to shut their doors completely.

MEDICAID CUTS HARM FAMILIES

The dental cuts to Medicaid are difficult to understand...Most seniors have dentures and already have a difficult time eating healthy. Now we also have to worry about how we will even be able to eat.



JOYCE DAVIS

My husband Marien and I have been together for 35 years. We are both disabled and are active volunteers in the Mini-Cassia community, as well as active members of ICAN.

The dental cuts to Medicaid are difficult to understand. I got my first dentures in 1983. Over time, they have worn down so much that it is hard for me to eat right. Now I need new ones, which cost \$1,000. I can't afford this — Marien and I only live on \$1,000 a month.

Most seniors have dentures and already have a difficult time eating healthy. Now we also have to worry about how we will even be able to eat. It seems the system would rather us all die, then they won't have to deal with us. They don't seem to have compassion for our contributions to the younger generations.

Joyce

CYNTHIA MOYER

My name is Cynthia Moyer and I am a member of Montana People's Action. I am a single mother raising two small boys, Justin and Nicholas. I work 30 hours a week at a mission clothing store making a little over \$6 an hour. It is already so hard to stretch my money to feed my two growing children and keep them healthy.

All three of us are on Medicaid. We used to pay a \$2 co-pay for prescriptions. However, beginning April 1st, the state of Montana raised this to a 5 percent co-insurance. This is a huge burden for me to carry because I take medications for arthritis as well as anti-depressants, all of which are expensive. I don't know how I will afford these extra payments, or if I can afford them at all.

In addition, Montana is applying for a waiver to set restrictions on the number of doctor visits Medicaid consumers can have. They are suggesting four a year. This is unacceptable. I need to see my doctor regularly to monitor my anti-depressants; and what happens if I get sick?

I need to stay healthy to work and raise my boys. Why are we punishing the most vulnerable people?

It is already so hard to stretch my money to feed my two growing children and keep them healthy...I don't know how I will afford these extra payments, or if I can afford them at all.

Cynthia

MEDICAID CUTS HARM FAMILIES



JERRY RULAND

I am 54 years old and have been disabled for the past 18 years. I have two major health problems: degenerative joint disease and congestive heart failure.

I receive only \$545 a month from SSI, which I use to pay my rent, utilities, and basic expenses like food. Even with Section 8 housing assistance I only have pennies left over each month. Thankfully Medicaid has helped me with my expensive medical bills.

Medicaid was a Godsend until the high co-payments reduced my ability to access health care. I recently had back surgery for my degenerative joint disease and was scheduled for physical therapy and a follow-up appointment with my spine doctor. I was not able to do either of these because I could not afford the co-pay. Just to have my blood tested costs at least \$20 to \$30. To afford this, I only pay part of my utility bills and wind up in debt. I fear I'm going to have to give up eating the healthy, low-fat foods I need to keep my heart condition under control so I can pay for doctor visits and prescription drugs.

Jerry

Most doctors bill me so I can pay at the first of the month. Now the state is trying to waive the federal requirement that Medicaid recipients cannot be turned away if we can't make the co-pay on the spot. I think this is insane — it will effectively kill people by denying them access to necessary medical care. If I am careful and receive regular medical care, eat the right kinds of food, and take the right prescription drugs I can manage my health problems. Without all of these things I simply cannot function: I will either experience heart failure or be in excruciating pain.

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JANE ROMICH

I am permanently disabled and rely on Medicaid for my health care needs. I have heart problems, ulcers, arthritis, diabetes, acid reflux, and complications associated with diabetes, such as neuropathy. I am on 21 prescription medications a day for all of my conditions.

Idaho uses prior authorization as a way to control the rising cost of health care. These new prior authorization requirements are dangerous to my health.

I went to get my prescriptions filled a few weeks ago and my pharmacist refused to give me a prescription that I've been on for 10 years. My doctor was out of town so I called the Department of Health and Welfare. They told the pharmacist he could give me three days of medication and still be reimbursed, but he refused to do this because he was afraid he would never see the money.

Jane

The symptoms of my acid reflux are very similar to the symptoms of a heart attack. Therefore, when I can't alleviate my symptoms, I must call the ambulance. It's the only way I can be sure it is not a heart attack.

The state is trying to save money by requiring prior authorization. How much money is it saving when I have to keep going to the emergency room and using ambulances? How much is it worth to put people like me, Idaho's most vulnerable population, at risk? People's lives are at stake here. There are better ways to save a buck.

Idaho uses prior authorization as a way to control the rising cost of health care...How much money is it saving when I have to keep going to the emergency room and using ambulances?

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BRENDA CLARK

My husband and I separated and I am raising my daughter on my own. We live on \$1,100 to \$1,200 a month and I am currently looking for work. However, due to my numerous health problems, I cannot

find a job that I can physically do. I have three different types of arthritis as well as fibromyalgia, a condition that attacks my eyesight, my muscles, and severely impacts my ability to walk.

I cannot see a doctor when I need to now that Montana has instituted co-insurance payments for Medicaid recipients. For example, I have recently experienced drastic weight loss, but I cannot see a doctor to find out what is wrong because it costs too much. I also have sleep apnea and need a breathing machine at night so I don't stop breathing. I cannot afford to see a doctor to treat this problem either.

Brenda

In addition, I got a new eye prescription at the beginning of the year. After just two months, the fibromyalgia caused my eyesight to decline and I needed a new prescription. Medicaid would not pay for me to see the eye doctor though because it had been less than two years since my last appointment. Vocational rehab finally paid for another eye visit so I could have useable glasses.

The government gives free and low-cost health care to children, but what good is it if their parents can't provide for them? How can I be there for my daughter if I'm not healthy enough to work? I think the new policy to increase cost-sharing and give doctors the ability to refuse care if people cannot pay is downright murder. It is inhumane and acts as if there is no value to life.

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A light blue-tinted photograph of a woman with short hair and glasses holding a baby. The woman is looking down at the baby, who is wearing a white patterned shirt and white socks. The image is positioned on the left side of the page, partially overlapping the text area.

CONCLUSION

Medicaid and other public health care programs make a difference in people's lives. Public health care programs provide vital access to care. Families who are enrolled are able to visit the doctor on a regular basis, get care when they need it, and often do not have to choose between a rent payment and a prescribed medication. Children with Medicaid and CHIP are able to receive preventive care, such as regular immunizations and treatment for injuries and illnesses.¹⁵ Access to health care and preventative care helps keep people healthy and minimize illness.

We're calling on Congress to invest in public health care programs by taking the following actions:

INCREASE THE FEDERAL MEDICAID ASSISTANCE PERCENTAGE (FMAP). The federal government and the states jointly finance Medicaid. On average, states pay 43 percent of the cost of Medicaid,¹⁶ with the federal government making up the remainder. The rate at which the federal government shares a state's Medicaid cost is called the Federal Medicaid Assistance Percentage (FMAP). During economic downturns, states find it particularly difficult to finance their share of costs. An increase in the FMAP would help states provide consistent public health care during this economic downturn.

INCREASE THE MEDICAID PRESCRIPTION DRUG REBATE. The price a state Medicaid program pays for a prescription drug on a fee-for-service basis is reduced by a rebate that the manufacturer of the drug is required to pay the state. From the Medicaid rebate program's inception in 1991 until 2000, the program has returned \$19.8 billion to federal and

state treasuries.¹⁷ The Urban Institute estimates the rebate program has reduced Medicaid fee-for-service drug spending by about 17 percent each year since 1996.¹⁸

The prescription drug industry remains the most profitable industry in the world. Despite the savings from the Medicaid rebate program, prescription drug companies are still charging higher prices to state Medicaid programs than they charge in Canada.¹⁹ Drug companies could easily increase the rebate they provide to states, and states could reinvest this money in public health care programs.

CREATE A MEDICARE PRESCRIPTION DRUG PROGRAM. More than 15 million Medicare beneficiaries have incomes below 200 percent of the federal poverty level.²⁰ Many Medicare recipients receive their prescription drug coverage through Medicaid, as Medicare does not provide a prescription drug benefit. A federal Medicare prescription drug program would assure all Medicare beneficiaries access to prescription drugs and ease the burden for states during these difficult financial times.

ENSURE STATES DO NOT EXPERIENCE A DIP IN CHIP FUNDING. The 1997 CHIP legislation set constant funding levels through 2001. In fiscal year 2002, federal CHIP funding fell by 26 percent, from 4.2 billion per year to 3 billion. As growth in CHIP enrollment is projected to continue, especially during these difficult financial times, this dip in funding may cause a majority of states to find that their annual allotments are less than their expenditure levels. This dip in funding was designed because of budget constraints rather than for policy reasons.²¹





CONCLUSION

Ironically, at the same time that states need added CHIP funds to make up for the “CHIP dip,” \$1 to 2 billion in CHIP funds will revert to the U.S. Treasury and be lost to the program over the next two years if Congress does not act.

CHIP’s success in enrolling children could be adversely affected in the absence of a change in federal financing. The Office of Management and Budget (OMB) projects that CHIP enrollment will drop by 900,000 children between 2003 and 2006 because of the reduction in federal CHIP funds.²²

Children need CHIP now more than ever, and Congress can ensure CHIP funding is not reduced at this crucial juncture.

RESTORE IMMIGRANT ACCESS TO MEDICAID. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) changed the treatment of legal immigrants with regard to Medicaid. Previously all legal permanent residents and legal immigrants had the same access to Medicaid as U.S. citizens.²³

PRWORA introduced numerous new restrictions. While pre-1996 immigrants now have safeguards against many of these restrictions, post-1996 immigrants must deal with a complex patchwork of state regulations²⁴ that create fear and confusion.

Under current law, the federal government contributes to state expenditures on pre-enactment immigrants. But expenditures on legal post-enactment immigrants are optional for states and must be fully financed by states.²⁵

These complex restrictions make it difficult for all immigrants to access public health care and create a financial burden for states that want to provide coverage to new immigrants. Immigrant access to Medicaid should be restored. Treating new legal immigrants differently from other legal immigrants and citizens benefits no one. Restoring benefits to legal immigrants is crucial for addressing the uninsured problem in the U.S.



ENDNOTES

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