

Proposed Medicaid Block Grants and Spending Caps Threaten Enrollees' Sexual and Reproductive Health and Rights

By Adam Sonfield and Leah H. Keller

Medicaid coverage enables millions of people to access affordable and high-quality sexual and reproductive health care services, but proposals from the Trump administration and conservative lawmakers threaten the integrity of the program. The most recent attacks would impose limits on federal spending for the program through block grants or per-capita spending caps that would jeopardize Medicaid enrollment and the scope and quality of the coverage offered. If applied, these changes to Medicaid would reduce sexual and reproductive health coverage and care, and imperil the health and rights of the people who rely on it.

Medicaid Matters for Reproductive Health

Medicaid is an important public health insurance program that supports enrollees' long-term health and financial well-being.^{1,2,3} It is the single largest health insurance program in the United States, covering roughly 65 million people during any given month.⁴ More specifically, it is critical for ensuring that people with low incomes have coverage for and access to family planning services, pregnancy-related care, STI testing and treatment, and other reproductive health services.⁵ In 2017, the program covered 21% of reproductive-age women (aged 15–44) nationwide, including 50% of those with incomes below the federal poverty level (see figure 1).⁶

Federal Medicaid law and regulations include strong protections for coverage of family planning services and supplies. In addition, about half the states have expanded eligibility for family planning services to individuals otherwise

HIGHLIGHTS

- *Medicaid is a critical source of insurance for millions of people in the United States that offers affordable coverage for family planning, pregnancy, and other sexual and reproductive health care services.*
- *The Trump administration and conservative state policymakers are seeking to undermine Medicaid by proposing unprecedented caps on federal funding for the program.*
- *If implemented, these changes would inevitably lead to reduced coverage and care under Medicaid and could specifically undermine sexual and reproductive health protections and care.*

ineligible for Medicaid.⁷ As a result, Medicaid accounts for 75% of all public dollars spent on family planning in the United States.⁸ The overall U.S. family planning effort helped women and couples avoid or delay about two million pregnancies in 2016.⁹

Medicaid is also crucial for pregnancy-related care. Federal law requires coverage for maternity care as part of Medicaid's benefit package, and states provide Medicaid coverage for pregnancy-related care for many women who are otherwise ineligible for the program.¹⁰ With this extensive coverage, Medicaid covers roughly half of all U.S. births.¹¹

Medicaid also covers a wide array of services relating to HIV and other STIs, breast and cervical cancer, intimate partner violence, and other reproductive health-related issues. One big exception is abortion: The Hyde Amendment bars federal reimbursement for abortion, except in cases of rape,

incest or when the patient's life is endangered. However, 16 states use their own funds to cover all or most abortions for Medicaid enrollees.¹²

Block Grants and Per-Capita Caps

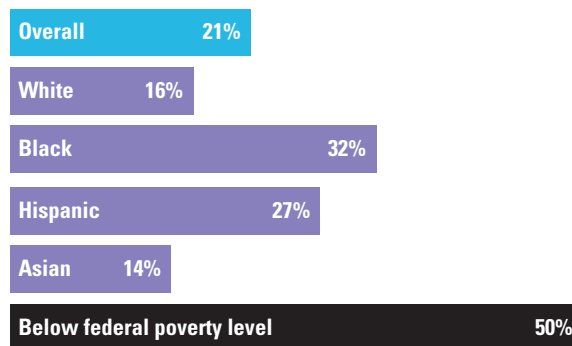
The wide-ranging sexual and reproductive health benefits of Medicaid coverage are threatened by proposed policy changes that would fundamentally overhaul how the program is financed. For the Trump administration and its allies, the goal is to shrink the program's size and budget, regardless of the impact this would have on the millions of people who rely on it.

One proposal would convert Medicaid into a block grant: States would be given a fixed amount of federal money each year to spend on Medicaid services, rather than being reimbursed for a proportion of each dollar spent, as is currently the case.^{13,14,15} In exchange for taking on increased financial risks, states would be given increased power to shape their programs and control costs, such as by restricting eligibility, benefits and provider reimbursement.

A related proposal would establish per-capita spending caps for Medicaid. This variation on a block grant provides capped amounts of federal funding to states each year, but the funding would adjust according to how many people are enrolled in the program. Under both types of proposals, the spending limits would likely rise slower than current spending projections for the program, eventually shaving off hundreds of billions of dollars in federal spending each year (see figure 2).¹⁶

The Trump administration and its allies have repeatedly proposed Medicaid spending caps in the administration's annual federal budgets and in legislation to repeal and replace the Affordable Care Act. As it pursues these nationwide proposals in Congress, the administration is simultaneously looking at a state-by-state approach: The Centers for Medicare and Medicaid Services (CMS) is reportedly developing guidance for states that wish to convert their Medicaid program into a block grant via an experimental "waiver" of federal law.^{17,18} Even before that explicit guidance has been released, Tennessee introduced a waiver proposal in September 2019 that would set a cap on federal

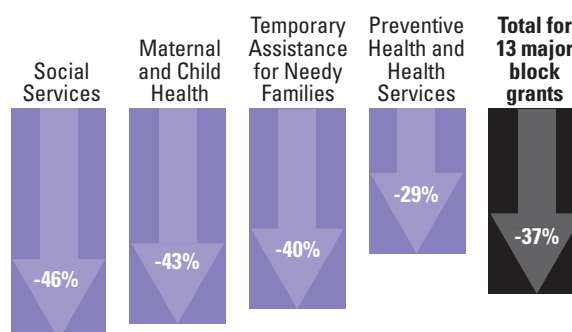
1 One in five women of reproductive age are enrolled in Medicaid, and it is particularly important for women of color and low-income women



Note: Data from 2017. Source: Guttmacher Institute.

2 By design, block grants reduce federal investment in social services

% change 2000–2017, adjusted for inflation and population growth



Source: Center on Budget and Policy Priorities.

Medicaid spending in exchange for greatly expanded authority over Medicaid eligibility, enrollment procedures, covered services, enrollee protections, managed care plan rules and much more.^{19,20,21}

Disrupting a System That Works

The elasticity of the current Medicaid funding model is one of its greatest assets, but it is threatened by the proposed changes to the program. The current system offers state Medicaid programs the flexibility to respond to fluctuations in cost that may result from economic downturns, natural disasters, expensive new drugs or procedures, and epidemics, among other changes. A block grant or per-capita cap would undermine that resilience. When—not if—any of these things happen,

states would not be able to share the added financial burden with the federal government, forcing them to either respond inadequately or pull money from other programs.^{22,23} Further, research on other block grant programs indicates that federal funding is likely to decrease over time,¹⁶ further inhibiting state Medicaid programs' ability to meet enrollees' needs.

As a result, block grants and per-capita caps would create financial incentives for states that would fundamentally alter how they provide coverage. These changes would lead them to prioritize short-term savings over long-term investments in enrollees' health. States would have three possible responses to these policies: kick people out of the program, reduce the quality of care offered, or both.

Beyond these threats to Medicaid overall, block grants and per-capita caps would pose particular dangers for enrollees' sexual and reproductive health. First, these proposals would further reduce public funding for family planning and reproductive health care clinics that have already been impacted by other major attacks, such as the Title X gag rule.²⁴ Cuts to Medicaid—family planning clinics' primary funding source—would compound these problems. Similarly, these cuts would limit the pool of money available for other Medicaid-supported providers to offer reproductive health services, including family planning care, maternity care, and STI prevention and treatment.

Furthermore, spending caps—particularly when paired with new state authority to reshape Medicaid enrollment and benefits—would create potentially dangerous incentives for states around sexual and reproductive health. For example, states might limit or eliminate coverage for high-cost services, such as maternity care, IUDs and contraceptive implants, and hepatitis C treatment. This would undermine patients' health and potentially coerce them into health care choices that they would otherwise avoid. Similarly, states might impose caps or other barriers to enrollment that specifically target people they anticipate will use expensive care, such as HIV-positive individuals or people with breast or cervical cancer.

These proposals could also enable states to ignore long-standing federal Medicaid rules and protections, including those related to sexual and reproductive health services and providers.^{5,25} A wide array of current protections for patients, providers and state governments could be at risk:

Family planning services:

- Family planning services and supplies must be covered, without cost sharing;
- Family planning care must be offered free of coercion or mental pressure;
- Medicaid enrollees must be allowed to receive care at the qualified family planning provider of their choice; and
- The federal government must reimburse states for family planning services and supplies at a higher rate (90%) than other services.

Maternity care:

- The income-based eligibility cutoff is higher for pregnant people than other Medicaid enrollees;
- Maternity care services must be covered, including prenatal care, labor and delivery, and postpartum care; and
- Those services must be exempt from cost sharing.

Abortion services:

- Abortion services must be covered in cases of rape, incest or when the patient's life is endangered; and
- Providers may not be excluded from Medicaid merely because they offer abortion services.

These and other protections²⁵ have been in place for decades and have proven invaluable for Medicaid enrollees' access to care and ability to achieve their reproductive health goals.

Dangerous Attacks

Medicaid block grants and per-capita caps reflect social conservatives' belief that access to health care is not a human right, but a privilege for those who can afford it. Such thinking is evident in other proposed changes to the Medicaid program, such as those that would exclude otherwise eligible immigrants or people who fail to work a certain number of hours per week.^{26,27} All of these proposed changes to Medicaid prioritize

spending cuts, tax cuts, and shrinking the role of government over investing in high-quality and comprehensive health coverage and care.

If social conservatives succeed in reshaping Medicaid in such a fundamental manner, the result would be new barriers for millions of people to getting and keeping health insurance, receiving needed health care and taking care of themselves and their families. Moreover, it would threaten individuals' sexual and reproductive health and rights and potentially provide state policymakers new authority to eliminate basic Medicaid protections around family planning services, maternity care and abortion. ■

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