



Medicaid Per Capita Caps: *Risks for Florida*

Background: The American Health Care Act (AHCA), which narrowly passed by the House of Representatives, is now being considered by a limited group of Senators--behind closed doors and without the benefit of public hearings or expert testimony. In addition to putting coverage for over 2 million Floridians at risk,¹ the bill also changes Medicaid funding to a “per capita cap” (and/or a block grant). Either form of a “cap” fundamentally changes the Medicaid program and would have permanent adverse implications for millions of vulnerable Floridians.

More than 4.3 million Floridians rely on Medicaid--including almost half of the state’s children and over half of all nursing home residents. Currently, the federal government guarantees payment for 61% of the cost of their care. When more people qualify during economic downturns, or when costs increase due to unforeseen natural or medical “disasters” (e.g. hurricanes, Zika outbreak) or if a life-saving drug comes onto the market, federal funding has been available to pay over 60% of our costs. ***Per capita caps eliminate the guarantee of federal matching dollars for Florida's health care costs.***

Florida's children, aged and disabled are at risk of being locked into our historically low spending: Instead of guaranteed federal dollars to match all of the health care costs of vulnerable Floridians, we would be limited to federal dollars based on the state’s 2016 average expenditure per enrollee in each eligibility group, e.g. children, aged, disabled. This places Florida at a disadvantage:

- 41st in spending for aged and disabled
- 49th in spending for children.

Florida's senior growth rate for poses serious budget risks: Being locked into our current per capita rates is especially alarming because of the state’s growth trend for the elderly:

- 3rd fastest in the nation: increasing by 55% in 2025²
- While a per capita cap attempts to address enrollment increases, the composition of our “aging” elderly puts Florida at risk because the costs of care increase as people age.

Florida’s state and local budgets are at risk and care will be rationed: Health care costs do not go away. Under a cap--whether per capita or block grant-- costs will ultimately shift to the state or county or people will go without care. For example, if a new drug is developed for Alzheimer's, federal dollars will not be available to cover the increased cost--dollars which were available when Florida began covering the new Hepatitis C drugs. Either elderly Floridians will not be able to get the new prescription medicine; or the cost of their treatment will mean other beneficiaries will go without needed services, e.g. therapies for special needs kids.

Florida's low income uninsured working adults and economy are at risk: The bill also irreparably harms Florida's low-income uninsured adults. Under the ACA, states receive generous federal funds for their health coverage, but under this bill:

- Florida would be locked into “losing” approximately \$5 billion federal dollars per year
- Almost 500,000 low income adults, most of whom work,³ would be locked out of coverage.

¹ [“Implications of Partial Repeal of the ACA through Budget Reconciliation,” Urban Institute \(Dec. 2016\) at 6.](#)

² [“Data Points to Consider When Assessing Proposals to Cap Federal Medicaid Funding: A Toolkit for States,” RWJF \(Feb. 13, 2017\).](#)

³ [“Characteristics of Poor Uninsured Nonelderly Adults in the ACA Coverage Gap,” KFF \(2016\).](#)