



# Resolution

## Medicaid

*Adopted May 12, 2006*

**Whereas** the Medicaid program, a joint federal-state program, provides health care to 53 million Americans, including nearly 7 million Medicare beneficiaries; and

**Whereas** Medicaid's overall growth rate in costs is half that of overall health care cost growth; and

**Whereas** Medicaid is the primary government source of payment for long-term care accounting for nearly half of formal long-term care expenditures after individuals have spent down their assets; and

**Whereas** cuts to the Medicaid program shift billions of dollars in health care costs to state and local governments; and

**Whereas** the Deficit Reduction Act (DRA) of 2005 gives states the authority to increase barriers to coverage and limit the health services that Medicaid covers without regard to traditional Medicaid requirements; and

**Whereas** the DRA cuts Medicaid \$28 billion over 10 years three-quarters of which will fall on low-income beneficiaries in the form of higher co-payments and premiums as well as reduced benefits and access to services; and

**Whereas** the Congressional Budget Office (CBO) estimates 100,000 beneficiaries will lose their coverage because of premium increases; and

**Whereas** in his FY 2007 budget and through regulatory changes, President Bush has proposed additional cuts to the Medicaid program of \$17 billion over 5 years and \$43 billion over 10 years; and

**Whereas** many "dual eligibles" have lost more comprehensive state Medicaid drug benefits under the Medicare Modernization Act (MMA) of 2003—they are auto-enrolled in Part D plans and are subject to co-payments for the first time; and

**Whereas** the increase in the “look-back” period for the asset transfer test makes it difficult for older Americans to qualify for long-term care services—the CBO estimates this provision will delay nursing home coverage for 120,000 seniors each year.

**Therefore, be it resolved** that the Alliance for Retired Americans:

1. Opposes changes in the current structure of the Medicaid program through reduced mandatory spending or funding caps; and
2. Supports continuation of guaranteed access to and coverage of needed health and long-term care services for all those qualified for the program; and
3. Supports improvements in the MMA that protect dual eligibles from increased cost-sharing and ensure coverage of essential medications; and
4. Supports continuation of federal standards for cost-sharing and benefits; and
5. Supports holding down costs through cost effectiveness measures, such as increasing the rebate pharmaceutical manufacturers pay the Medicaid program, rather than requiring low-income people to pay for services through substantial cost-sharing increases and benefit restrictions.

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The Alliance for Retired Americans is a nationwide organization of three million union retirees and other older and retired Americans working together to make their voices heard in the laws, policies, politics and institutions that shape our lives.

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