



Talking Points: Medicaid, Deficit Reduction, and the “Super Committee”

From Families USA • August 2011

As part of the deal to raise the federal debt ceiling, a “super committee” made up of 12 members of Congress—six Democrats and six Republicans—has been appointed to come up with a plan to reduce the federal deficit by \$1.5 trillion over the next 10 years. That’s in addition to nearly \$1 trillion in spending cuts that have already been passed as part of the deal. The super committee must release its proposal by Thanksgiving and the House and Senate must both vote on it by December 23.

The super committee can consider anything in the deficit reduction plan, from restructuring Medicaid to raising revenue. It’s imperative that revenues make up a significant part of deficit reduction and that Medicaid not be cut. Here are some messages for super committee members.

For more about the super committee, see our [profiles](#) piece on the members.

For more about the continued threat to Medicaid, see [Medicaid, the Budget, and Deficit Reduction: The Threat Continues](#).

- The deficit must not be brought down with spending cuts alone; deficit reduction must be balanced. A responsible plan will include significant revenue increases.**

Deficit reduction based on cuts alone will undermine essential government programs that provide jobs and will stifle economic growth. For example, cuts to federal Medicaid spending would put jobs at risk and reduce business activity in every state.

- In the process of deficit reduction, we must not cut Medicaid.**

Cutting Medicaid would hurt the people who depend on the program. It would mean things like cutting funding for nursing home residents; eliminating access to health care for millions of children, so sick kids wouldn’t be able to see a doctor; and devastating long-term services and supports, limiting options for people with disabilities who want to live in home and community-based settings. We should not reduce our deficit by hurting our most vulnerable citizens.

 **Reject proposals that find Medicaid savings by shifting costs to states and families.**

Proposals that achieve savings through things like reducing the federal Medicaid match using a “blended rate” simply shift costs to states. That puts greater pressure on states to cut benefits or eligibility or reduce provider payments—all of which hurt beneficiaries’ access to care and just pass costs on to families.

 **Simply cutting federal Medicaid funding shifts costs to the rest of us.**

Cutting Medicaid means less money to cover people, more visits to emergency rooms, sicker people, and more people without insurance. That raises health care costs for the rest of us. Family coverage costs an extra \$1,000 or more, on average, to pay for the health care costs of the uninsured. Increase the number of those without insurance, and that cost—a “hidden health tax”—goes up for the rest of us.

 **Reject proposals that change the structure of Medicaid.**

Medicaid is an invaluable tool when economic crises or natural disasters hit. That’s because it can expand to take care of additional people when needed. The super committee should reject proposals to block grant Medicaid. Similarly, deep cuts to, or caps on, federal Medicaid spending—or caps on all federal spending—would inevitably require turning Medicaid into a block grant to ensure spending predictability. That would lead states to limit Medicaid enrollment and would undermine implementation of the Affordable Care Act.

 **Reject proposals that eliminate the Medicaid maintenance of effort requirement in the Affordable Care Act.**

Eliminating the maintenance of effort requirement would lead states to limit Medicaid eligibility and enrollment. That would undermine the Medicaid expansion that’s the foundation of the Affordable Care Act’s coverage expansion in 2014.

 **Any proposals for savings in Medicaid must control costs without hurting people who depend on the program and must not undermine the Affordable Care Act.**

The only fair and effective way to bring down Medicaid spending is to control overall health care costs. To do that, we must keep the Affordable Care Act intact and the super committee must protect the ways the law helps people afford health coverage, such as premium tax credits for individuals and small businesses.



Revenue increases must make up at least half of the deficit reduction package.

The deal to raise the debt ceiling and avoid a U.S. default on our obligations already contains nearly \$1 trillion in spending cuts. If at least half of the super committee's deficit reduction comes from increased revenue, the ratio of cuts to revenue for the whole package would be close to 2:1. This more balanced approach has precedents—it is consistent with the President's April deficit reduction framework, the Bowles-Simpson plan that came out of the President's Fiscal Commission, and the proposal developed by the Senate's "Gang of Six."

We cannot allow the super committee to protect tax breaks for millionaires and billionaires and egregious loopholes that let big corporations pay \$0 in federal taxes—while forcing seniors, people with disabilities, children and their families to shoulder the burden of our nation's deficit.

Including significant revenue is the only way to find a balanced approach, one that keeps Medicaid intact and protects seniors, people with disabilities, and low-income families.



*Part of a series on Medicaid,
the budget, and deficit reduction.*

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1201 New York Avenue NW, Suite 1100 ■ Washington, DC 20005

Phone: 202-628-3030 ■ Email: info@familiesusa.org

www.familiesusa.org