



Cassidy-Graham Proposal: A Deal So Terrible for American Families That It's Been Rejected *Already* by the Senate

Updated 9/18/17

Before the partisan reconciliation rules [expire on September 30](#), Republicans are considering one last desperate attempt to create chaos in the American health care system. Senators Graham, Cassidy, Heller, and Johnson have offered a ***last-ditch effort*** to repeal the ACA with their latest [proposal](#).

Cassidy-Graham maintains all the key components of Trumpcare, including:

- **Establishes a per-capita cap on Medicaid**
- **Ends the Medicaid expansion as we know it**
- **Rolls back protections for Americans with pre-existing conditions**
- **Allows states to impose burdensome work requirements as a condition of Medicaid coverage**
- **Tears coverage away from millions of Americans**

On top of these devastating changes, the Cassidy-Graham bill would:

- **Repeals the Medicaid expansion, premium tax credits, and cost-sharing reduction payments in favor of an inadequate block grant**
- **Establishes a slush fund for states without *any* consumer safeguards**
- **Creates a funding cliff that eliminates the guarantee of coverage in 2026**

Here's what this would mean for Americans (*hint: it's more of the same*):

- **Implements an inadequate block grant that would increase costs and offer fewer choices for people who buy health care on their own.** The latest proposal would replace the Medicaid expansion (see how many in your state are covered by Medicaid and the Medicaid expansion [here](#)), the premium tax credits (see how many in your state receive advance premium tax credits [here](#)), and cost-sharing reduction payments (see how many in your state receive cost-sharing reductions [here](#)) with a **block grant**. The amount of this slush fund is based on a completely arbitrary formula, adjusted based on population density, and the number of low-income individuals in the whole state, under the guise of "increasing equity" in states' access to federal funding. Compared to current

law, which ties these programs to the actual cost of care, funding would be capped and slashed, and Americans would be left without options. The block grant will grow below even the rate of inflation, let alone the cost of care, meaning the cuts get deeper and more draconian year after year. [CBPP, [7/27/17](#) and [9/13/17](#)]

- This arbitrary formula would redistribute federal money from some states to others. Though most states would see a net decrease in federal funding, 20 states would experience **severe cuts** amounting to 35% to 60% cuts below projected funding under current law by 2026: Alaska, California, Connecticut, Delaware, Hawaii, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Montana, New Hampshire, New Jersey, New York, North Dakota, Oregon, Rhode Island, Vermont, and Washington, plus the District of Columbia. [CBPP, [9/13/17](#)]

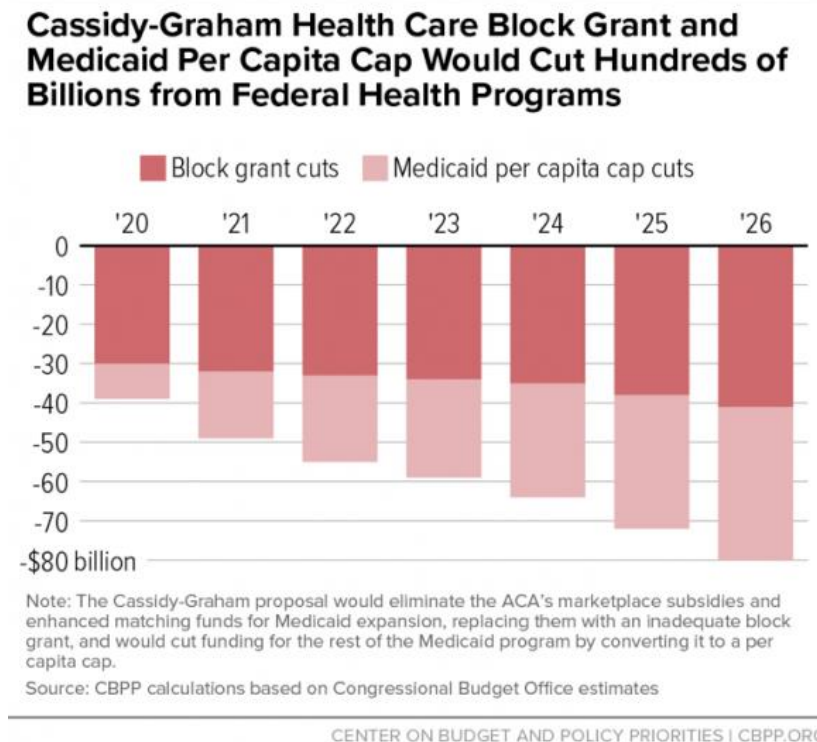
SEE HOW MUCH FEDERAL FUNDING YOUR STATE COULD LOSE BY 2026

- Starting in 2027, funding would be cut off **completely**, leaving around **32 million Americans** without access to health insurance of any kind and leaving states with **zero** federal dollars to replace the Medicaid expansions, marketplace tax credits, and cost-sharing reductions. [Families USA, [9/17](#); CBPP, [9/13/17](#)]

SEE HOW MUCH FEDERAL FUNDING YOUR STATE COULD LOSE BY 2027 AS A RESULT

- Though many Republicans claim that this formula would provide for greater “state flexibility,” the block grant would **cripple states’ abilities to provide care to those who need it most**. This will open the door to states diverting federal dollars away from optional services and supports from low-income residents. In addition, states will be fundamentally unable to keep up with their citizens’ needs in times of economic downturn, unexpected health care needs, and public health crises. [Families USA, [9/17](#)]
- Further, this block grant **plays politics with the critical Children’s Health Insurance Program (CHIP)** by running the new block grant through CHIP. CHIP provides coverage for nearly 9 million low and moderate-income children who do not qualify for Medicaid. This program has traditionally enjoyed strong bipartisan support, so entangling it in this block grant mess would jeopardize that bipartisan history. [Georgetown Center for Children and Families, [8/3/17](#); MACPAC, [1/17](#)]
- **Radically restructures and cuts the Medicaid program on top of repealing the Medicaid expansion.** Like the Trumpcare bill rejected earlier this year, this plan would end the Medicaid expansion as we know it and convert the traditional Medicaid program to a per capita cap or alternative block grant, slashing funding for Medicaid beneficiaries.

Rolling back the Medicaid expansion would jeopardize coverage for the 11 million Americans who gained coverage as a result of the ACA. Additionally, earlier estimates from CBO suggest that these changes to the traditional Medicaid program could cut the program by **\$175 billion cut** outside the Medicaid expansion roll-back. Here's who would be affected:



Source: CBPP, [9/13/17](#)

- **Opioids:** One in three Americans struggling with opioid use disorders who are covered by Medicaid will be at risk of losing coverage for substance use disorder prevention, treatment, and recovery services. [McClatchy, [6/20/17](#); CBPP, [6/30/17](#)]
- **Veterans:** Medicaid covers nearly 1 in 10 veterans. In states that expanded Medicaid, coverage of nonelderly veterans increased by 30%. Eliminating the Medicaid expansion could decrease the number of veterans with Medicaid and limit their access to needed services. [KFF, [6/29/17](#)]
- **Mental Health:** Nearly one out of every three Medicaid expansion enrollees has a mental illness, substance use disorder, or both. In 2014, Medicaid funded one-quarter of all mental health spending. Rolling back the Medicaid expansion would jeopardize access to care for the millions of Americans covered under the program who struggle with mental illness. [KFF, [5/5/17](#)]

- **Imposes burdensome work requirements on those most in need.** Rather than helping people get to work by focusing on improving the economy, increasing access to needed employment services and job training, making child care more affordable, or addressing transportation needs, this plan would only make it harder for people to get to work or get back to work. Among adults with Medicaid coverage, nearly **8 in 10 live in working families** and a majority are working themselves. For others like those suffering from opioid addiction or mental health disorders, access to health insurance to get the services they need to get health is the first step to getting back to work. Even the Heritage Foundation has said, “making cash assistance or food stamps contingent on work participation is one issue, denying medical care to sick, poor people is another matter.” [KFF, [2/15/17](#); Heritage Foundation, [3/19/17](#)]
- **Eliminates protections for American with pre-existing conditions.** Like previous Trumpcare proposals, Cassidy-Graham would allow states to weaken standards that, under current law, require insurers to cover comprehensive benefits that individuals with pre-existing need most, including coverage for mental health and substance use disorder treatment and prescription drugs. According to an earlier CBO report, about half of all Americans live in states that **would eliminate benefit requirements**, leading to massive spikes in out-of-pocket spending. In particular, “out-of-pocket spending on maternity care and mental health and substance abuse services could increase by thousands of dollars in a given year” for people who need this care. [Families USA, [9/17](#); CBO, [5/24/17](#)]
- **Keeps all the devastating cuts of the earlier Trumpcare bills, including:**
 - Inflicting an age tax on older Americans;
 - Weakens protections for Americans with pre-existing conditions;
 - Attacking women’s health and Planned Parenthood;
 - Increasing costs for millions of Americans.

BOTTOM LINE: Cassidy-Graham is every bit as mean as previous iterations, and will hurt children, seniors, people with disabilities, and people with substance use disorders.

Cassidy-Graham Block Grant and Medicaid Per Capita Cap Cuts Federal Funding for Most States by 2026 [CBPP, [9/13/17](#)]

State	Estimated Federal Funding Change, in 2026
NATIONAL TOTAL	- \$80,000,000,000
Alabama	\$1,713,000,000 ⁺
Alaska	-\$255,000,000
Arizona	-\$1,600,000,000
Arkansas	-\$1,102,000,000
California	-\$27,823,000,000
Colorado	-\$823,000,000
Connecticut	-\$2,324,000,000
Delaware	-\$724,000,000
Florida	-\$2,691,000,000 ⁺
Georgia	\$1,685,000,000 ⁺
Hawaii	-\$659,000,000
Idaho	\$177,000,000 ⁺
Illinois	-\$1,420,000,000
Indiana	-\$425,000,000
Iowa	-\$525,000,000
Kansas	\$821,000,000 ⁺
Kentucky	-\$3,062,000,000
Louisiana	-\$3,220,000,000
Maine	-\$115,000,000 ⁺
Maryland	-\$2,162,000,000
Massachusetts	-\$5,089,000,000
Michigan	-\$3,041,000,000
Minnesota	-\$2,747,000,000
Mississippi	\$1,441,000,000 ⁺
Missouri	\$545,000,000 ⁺
Montana	-\$515,000,000
Nebraska	\$203,000,000 ⁺
Nevada	-\$639,000,000
New Hampshire	-\$410,000,000
New Jersey	-\$3,904,000,000
New Mexico	-\$1,350,000,000
New York	-\$18,905,000,000

State	Estimated Federal Funding Change, in 2026
North Carolina	-\$1,099,000,000 [†]
North Dakota	-\$211,000,000
Ohio	-\$2,512,000,000
Oklahoma	\$1,118,000,000 [†]
Oregon	-\$3,641,000,000
Pennsylvania	-\$850,000,000
Rhode Island	-\$625,000,000
South Carolina	\$804,000,000 [†]
South Dakota	\$218,000,000 [†]
Tennessee	\$1,642,000,000 [†]
Texas	\$8,234,000,000 [†]
Utah	\$313,000,000 [†]
Vermont	-\$561,000,000
Virginia	\$268,000,000 [†]
Washington	-\$3,333,000,000
West Virginia	-\$554,000,000
Wisconsin	\$252,000,000 [†]
Wyoming	-\$90,000,000 [†]

[†] denotes a State that chose not to expand Medicaid. In general, States that chose not to expand Medicaid would not lose as much federal funding compared to states that did expand Medicaid. Under this proposal, **expansion states lose funds to non-expansion states** in a “zero-sum tradeoff” that caps federal support for coverage. In states expanded Medicaid, there would be less federal support relative to what they’d receive under current law. [CBPP, [8/24/17](#)]

Cassidy-Graham Block Grant and Medicaid Per Capita Cap Cuts Federal Funding for Most States by 2027 [CBPP, [9/16/17](#)]

State	Estimated Federal Funding Change, in 2027
NATIONAL TOTAL	- \$299,458,000,000
Alabama	-\$2,150,000,000 ⁺
Alaska	-\$844,000,000
Arizona	-\$6,913,000,000
Arkansas	-\$3,912,000,000
California	-\$57,547,000,000
Colorado	-\$3,842,000,000
Connecticut	-\$4,054,000,000
Delaware	-\$1,277,000,000
Florida	-\$17,801,000,000 ⁺
Georgia	-\$5,731,000,000 ⁺
Hawaii	-\$1,328,000,000
Idaho	-\$987,000,000 ⁺
Illinois	-\$9,264,000,000
Indiana	-\$4,850,000,000
Iowa	-\$2,334,000,000
Kansas	-\$912,000,000 ⁺
Kentucky	-\$6,890,000,000
Louisiana	-\$7,277,000,000
Maine	-\$1,037,000,000 ⁺
Maryland	-\$4,887,000,000
Massachusetts	-\$8,717,000,000
Michigan	-\$9,999,000,000
Minnesota	-\$5,718,000,000
Mississippi	-\$1,284,000,000 ⁺
Missouri	-\$3,423,000,000 ⁺
Montana	-\$1,348,000,000
Nebraska	-\$922,000,000 ⁺
Nevada	-\$2,701,000,000
New Hampshire	-\$948,000,000
New Jersey	-\$8,548,000,000
New Mexico	-\$3,445,000,000
New York	-\$33,058,000,000

State	Estimated Federal Funding Change, in 2027
North Carolina	-\$8,709,000,000 [†]
North Dakota	-\$677,000,000
Ohio	-\$10,259,000,000
Oklahoma	-\$1,698,000,000 [†]
Oregon	-\$6,576,000,000
Pennsylvania	-\$8,263,000,000
Rhode Island	-\$1,300,000,000
South Carolina	-\$2,786,000,000 [†]
South Dakota	-\$314,000,000 [†]
Tennessee	-\$3,203,000,000 [†]
Texas	-\$11,947,000,000 [†]
Utah	-\$1,280,000,000 [†]
Vermont	-\$920,000,000
Virginia	-\$3,833,000,000 [†]
Washington	-\$7,541,000,000
West Virginia	-\$2,042,000,000
Wisconsin	-\$2,909,000,000 [†]
Wyoming	-\$386,000,000 [†]

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Medicaid Enrollees by State (FY2016) [KFF, [2016](#)]

State	Total Medicaid Enrollment	Total Medicaid Expansion Enrollment – Newly Eligible
Alabama	1,050,100	Did not expand
Alaska	155,700	22,900
Arizona	1,904,800	112,900
Arkansas	960,600	310,800
California	13,189,700	3,673,900
Colorado	1,338,700	448,600
Connecticut	862,800	201,600
Delaware	221,800	11,500
Florida	4,036,400	Did not expand
Georgia	1,874,300	Did not expand
Hawaii	328,400	33,900
Idaho	311,400	Did not expand
Illinois	2,944,000	662,200
Indiana	1,314,600	265,800
Iowa	594,900	139,300
Kansas	407,900	Did not expand
Kentucky	1,316,300	462,000
Louisiana	1,571,900	324,100 ¹
Maine	274,500	Did not expand
Maryland	1,160,800	277,000
Massachusetts	1,853,800	0
Michigan	2,321,200	592,800
Minnesota	1,246,000	222,300
Mississippi	729,700	Did not expand
Missouri	983,600	Did not expand
Montana	213,100	58,100 ²
Nebraska	238,900	Did not expand
Nevada	597,400	203,900
New Hampshire	192,100	53,700
New Jersey	1,703,200	562,800
New Mexico	881,200	253,400
New York	6,317,200	285,600
North Carolina	2,027,900	Did not expand
North Dakota	93,600	20,400
Ohio	3,158,600	652,300
Oklahoma	703,300	Did not expand

¹ Louisiana expanded Medicaid on July 1, 2016.

² Montana expanded Medicaid on January 1, 2016.

State	Total Medicaid Enrollment	Total Medicaid Expansion Enrollment – Newly Eligible
Oregon	1,104,000	481,300
Pennsylvania	2,799,300	707,900
Rhode Island	286,500	61,500
South Carolina	1,214,300	Did not expand
South Dakota	109,100	Did not expand
Tennessee	1,728,300	Did not expand
Texas	4,353,000	Did not expand
Utah	337,400	Did not expand
Vermont	210,700	0
Virginia	999,300	Did not expand
Washington	1,825,000	586,500
West Virginia	568,600	180,500
Wisconsin	1,201,800	Did not expand
Wyoming	65,700	Did not expand

Marketplace Enrollees By State [KFF, [2/28/17](#)]

State	Estimated Marketplace Enrollees	Estimated marketplace enrollees with advance premium tax credits	Estimated marketplace enrollees with cost sharing reductions
Alabama	165,600	152,300	125,400
Alaska	18,000	16,200	7,500
Arizona	179,700	124,200	94,300
Arkansas	63,400	56,800	36,100
California	1,415,300	NA	NA
Colorado	108,400	NA	NA
Connecticut	103,000	NA	NA
Delaware	25,400	21,500	11,100
Florida	1,531,700	1,429,000	1,125,800
Georgia	478,100	427,400	322,200
Hawaii	13,300	11,000	8,000
Idaho	94,300	NA	NA
Illinois	335,100	259,900	156,500
Indiana	168,800	139,500	77,400
Iowa	49,000	42,700	6,100
Kansas	89,500	75,800	53,000
Kentucky	74,600	NA	NA
Louisiana	184,300	170,800	118,700
Maine	75,200	63,900	42,800
Maryland	135,300	NA	NA
Massachusetts	207,000	NA	NA
Michigan	313,100	275,100	16,400
Minnesota	141,500	NA	NA
Mississippi	77,800	73,200	60,300
Missouri	252,000	225,800	237,200
Montana	51,800	44,100	23,500
Nebraska	80,100	72,000	41,900
Nevada	79,800	71,600	48,800
New Hampshire	49,200	31,200	17,400
New Jersey	249,400	205,300	129,200
New Mexico	47,500	32,700	22,600
New York	603,500	NA	NA
North Carolina	545,200	499,100	360,100
North Dakota	20,500	17,600	9,200
Ohio	211,900	174,400	95,500
Oklahoma	130,300	113,200	81,000

State	Estimated Marketplace Enrollees	Estimated marketplace enrollees with advance premium tax credits	Estimated marketplace enrollees with cost sharing reductions
Oregon	131,100	95,500	52,900
Pennsylvania	412,300	321,400	227,400
Rhode Island	35,600	NA	NA
South Carolina	204,900	186,300	150,100
South Dakota	24,600	22,000	15,100
Tennessee	231,700	203,100	138,200
Texas	1,092,400	913,200	646,500
Utah	164,500	145,200	106,600
Vermont	27,900	NA	NA
Virginia	378,900	319,000	222,100
Washington	158,100	NA	NA
West Virginia	33,200	29,100	17,400
Wisconsin	224,200	190,600	123,300
Wyoming	22,100	20,300	12,200