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Congressional Republicans' talk of **cutting trillions from Medicaid** — including the enhanced funding that allowed Virginia to expand one of the nation's most limited **Medicaid** plans — could leave the state with a dire choice: cut coverage for 630,000 low-income Virginians, or pick up a bill of \$2.5 billion a year, state Sen. **Creigh Deeds**, D-Charlottesville said.

Washington covers 90% of the cost of Medicaid expansion. Virginia and 11 other states with relatively high statewide median incomes pay a minimum of 50% for most costs of Medicaid, the joint federal and state health coverage program for people with disabilities and low-income Americans.

The federal government covers larger shares of other states' Medicaid costs, up to the 76.9% Mississippi receives.

The difference between 50% and 90% support is now running at \$2.5 billion a year, Deeds said.

"That's \$2.5 billion — \$2.5 billion," Deeds said. "I don't know where that money will come from," he told reporters in a news conference at the General Assembly Building.

Deeds and state Sen. Ghazala Hashmi, D-Chesterfield, are proposing budget amendments to end a trigger embedded in Virginia's 2018 Medicaid expansion. The trigger says that if federal support drops below 90%, the state would drop coverage for the new people added to Medicaid.

"So over 600,000 people are at risk of losing access to health care because of this irresponsible act," Deeds said. "It is a federal responsibility."

Those Virginians include aged, blind and disabled people who earn between 80% and 138% percent of the federal poverty line.

The latest House of Representatives Budget Committee list of options to cut Medicaid spending by \$2.3 trillion over 10 years includes lowering Washington's share of all Medicaid programs below the current minimum of 50%.

Another idea is to give states a fixed rate based on the number of people covered, rather than covering a percentage of costs. Cutting the enhanced support for Medicaid expansion is one of the bigger options on the list.

The 630,000 Virginians covered by Medicaid expansion account for about a third of all Medicaid beneficiaries, most of whom are children in low-income households.

Deeds said cuts would leave many in a hole, unable to get subsidized Affordable Care Act coverage, which is not available for people with incomes below the poverty line. In theory, the Affordable Care Act expected Medicaid to pick them up.

Also among the 630,000 Virginians who would be affected if Congress cuts support for Medicaid expansion are parents earning between 52% and 138% of the federal poverty line. That would mean no Medicaid coverage for a single parent with one child and earning between \$10,998 and \$29,187. Children remain covered.

It also means childless adults earning up to 138% of the federal poverty line would lose coverage. None were covered before.

Whether the General Assembly approves his and Hashmi's bid to end the trigger, proposed GOP cuts could mean the General Assembly will need to come back in a special session to figure out what do, he said.

Asked if that meant cutting people off Medicaid or raising taxes to fill the \$2.5 billion hole, Deeds said there is no easy answer.

“We have to figure that out. I mean, I don't know, the state doesn't have two and a half billion dollars to put in this,” he said.

State budget surplus

The current surplus exceeds \$2 billion but is still smaller than the expansion bill would be.

It's also a one-time pool of money, with no assurance that it will continue to be available and so the state can't really count on it to fill the gap. There are many claims on the surplus, from the tax relief Gov. Glenn Youngkin wants, to spending on lagging capital projects and to beef up the state's support for public education.

“It's really going to be a struggle to do that,” Deeds said.

There could be other Virginia Medicaid innovations at stake, as well.

One could be the waiver programs that fund non-medical supports that people with intellectual and developmental disabilities rely on so they can live independently in the community instead of in institutions that the U.S. Department of Justice found violated their civil rights.

“I think everything's at risk,” Deeds said when asked about the waiver program.