#### **Medicaid Matters**

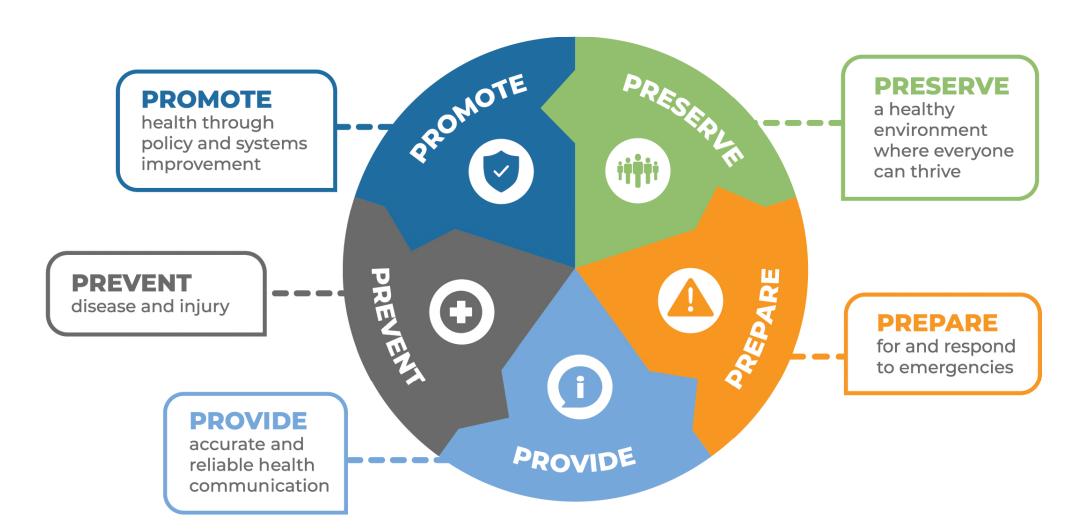
Amy Harley, MD, MPH

September 16<sup>th</sup>, 2025 Joint Board of Health/Public Health Advisory Board Meeting



#### **OUR PURPOSE:** We serve Whatcom County by

**ADVANCING EQUITY & PARTNERING WITH OUR COMMUNITY to:** 



### **Objectives**



- Overview of Medicaid: structure, funding and historical role in supporting low-income and vulnerable populations
- Brief explanation of some recent federal policy changes and how they might affect the state budget and Medicaid eligible populations
- Provide actionable insight into where gaps may widen to help prioritize local investments
- Support informed advocacy to protect essential services and community well-being

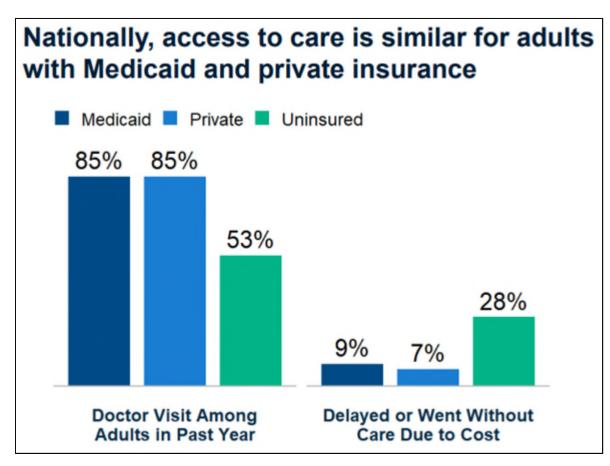
### **Access to Care Improves Population**



 Health insurance enables access to preventive and necessary care

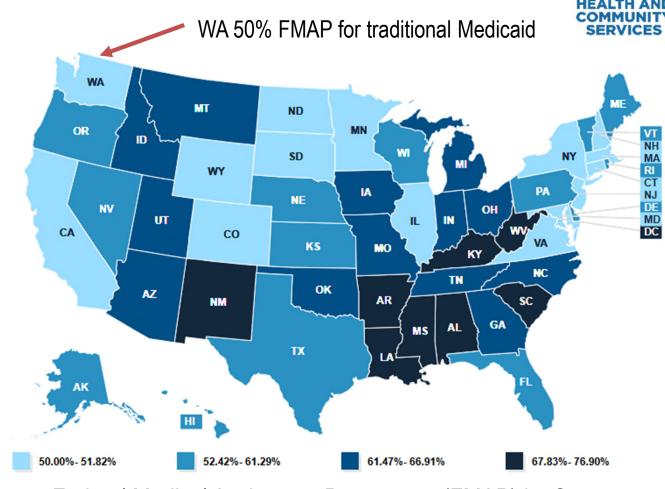
Health

- Results in better health outcomes and lower mortality
- Reduces treatment delays, improves medication access and care continuity
- Shields from medical debt and financial hardship
- Supports employment and housing stability
- Reduces health disparities



# Medicaid: Federal-State Partnership

- Joint federal-state funded health insurance for low-income individuals and families
- State portion of funding comes mostly from the state general fund
- Federal matching (FMAP) varies by a states average income
  - Ranges from 50-83%
  - In WA, 50% FMAP = Federal government contributes \$1 to Medicaid for every \$1 Washington invests



Federal Medical Assistance Percentage (FMAP) by State Lower state per capita income = higher federal match rate

### Medicaid Timeline (1965-2009)



#### 1965 – **Medicaid established** under the Social Security Act

Joint federal-state program; Federal Medical Assistance Percentage (FMAP) introduced (50-83%)

#### 1970s-1990s - Eligibility expanded

- Included pregnant women, children, people with disabilities
- States received enhanced FMAP for specific groups

#### 1997 – Children's Health Insurance Program (CHIP) created

Covered children in families earning too much for Medicaid

#### 2000s – States began using 1115 waivers

Increased flexibility in coverage and services

### Medicaid Timeline (2010present)



- 2010 Affordable Care Act (ACA) Medicaid Expansion
  - Expanded eligibility to nonelderly adults up to 138% of FPL
- 2014 Expansion begins in many states with 90% FMAP
  - ACA marketplace and subsidies for those above Medicaid limits

#### 2025 – Current landscape

- 41 states + D.C. have adopted Medicaid Expansion
  - Decreased uninsured rate by 40% from 18% to 9.5% (4.8% in WA)
  - More than 20M people gained coverage
- Enhanced ACA subsidies are set to expire end of 2025
  - expected to dramatically increase health insurance costs and decrease coverage
- July 4<sup>th</sup> Budget Reconciliation Bill (OBBBA) Medicaid provisions

#### **Medicaid National Impact**



- Covers ~80 million people = 1 in 5 Americans
- Represents 1/6 of all U.S. health spending (\$870B/year)
- Pays for 50% of all long-term care services
- #1 funder of mental health and substance use care
- Supports health beyond the clinic housing, nutrition, transportation supports



#### **Medicaid Varies State by State**



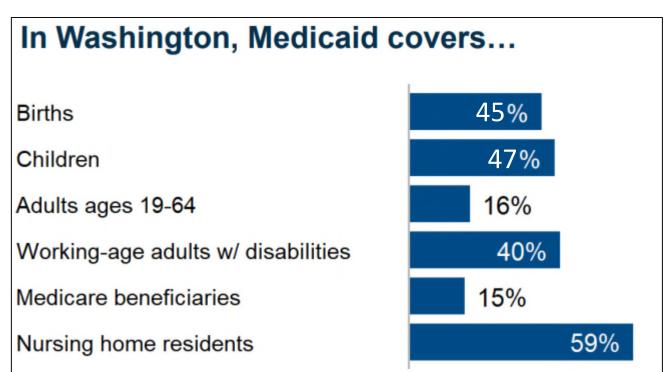


- States design their programs within federal rules
  - Rules outline mandatory and optional benefits
- Eligibility and services differ by state
  - Considerations include income, family size, age, and special circumstances
- A key pathway to health and stability for millions
  - Consistently serves critical groups: low-income families, pregnant people, people with disabilities and seniors

#### Medicaid in Washington



- Apple Health is Washington's name for free and low cost health care programs
- Covers ~2 million people (24% of WA residents)
- Costs \$21B per year, \$8B state-funded (12% of state general fund), \$13B federally funded
  - Significant source of federal funding to WA
- A lean program, with per-person spending much lower than other healthcare payers



### **Apple Health Services**



Required Services (all states provide)	Optional services (WA added)
<ul> <li>Hospital care</li> <li>Doctor or nurse practitioner visits</li> <li>Lab tests and X-rays</li> <li>Children's health screenings and preventive care</li> <li>Family planning</li> <li>Maternity and newborn care</li> <li>Nursing home care</li> <li>Substance use disorder treatment</li> <li>Home health care</li> <li>Transportation to medical care</li> </ul>	<ul> <li>Prescription drugs</li> <li>Mental health treatment</li> <li>Dental care (full coverage for kids, limited for adults)</li> <li>Vision care (full coverage for kids, limited for adults)</li> <li>Speech, Physical &amp; Occupational therapy</li> <li>Preventive care for adults like cancer screenings</li> <li>Case management</li> <li>Home and community-based services and supports</li> </ul>

#### **Local Medicaid Demographics**



Regional Comparison: Whatcom vs. WA (July 2025)

Group	Whatcom County	WA State	Difference
Total	24%	24%	0%
Children	41%	44%	-3%
Adults 19-64	51%	47%	+4%
Adults 65+	9%	9%	0%
Uninsured*	6.9%	6.5%	+0.4%

55,764

**Total Clients** 

22,571

Under 19 years

28,342

Adults Under 65

4,851

Adults 65+

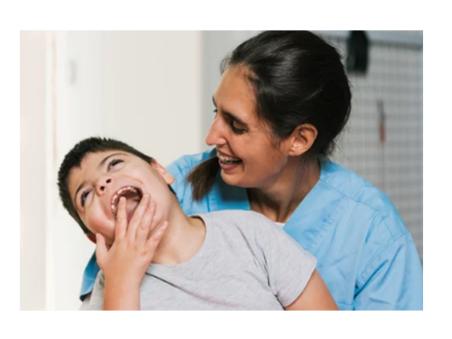
Medicaid accounts for 18% of hospital payer mix in Whatcom County

<sup>2025</sup> Enrollment Counts

<sup>\*</sup>US Census Bureau, 2024

## **Example: What Medicaid Means for Families**





Sarah, single mom of two, self-employed, ~34,000/yr (130% FPL)

- 8-year-old son with developmental disability
- Needs regular specialist care (neurologist, ophthalmology, endocrine, therapists)
  - Medicaid covers the full cost of these visits and routine preventive pediatric care for both her boys
- Receives caregiver support through Apple Health Home and Community-Based Services

## **Example: Medicaid Supports Aging in**



**Margaret**, a 78-year-old woman with COPD and early dementia, lives alone

- Monthly income \$1,250/month (\$950 from SSI and \$250 from a small pension, 95% FPL)
- Medicare covers medical needs, but not long-term care and support
- Dual-eligible for Medicare + Medicaid

**Place** 

• In-home services through Medicaid help her stay safely at home and reduces pressure on caregivers



## **Example: Supporting Recovery and Stability**





#### John, 29-year-old man with opioid use disorder

- Unstable housing, limited access to care
- After a near-fatal overdose, enrolled in Apple Health (possible because of ACA Expansion), now John has access to:
  - Medications for Opioid Use Disorder (MOUD)
  - Mental health counseling & case management
  - Peer support and housing navigation
- Stabilized health, reduced use of EMS/ER and criminal justice resources, sustained recovery

## July 4, 2025 Budget Reconciliation Act (OBBBA)



- Cuts Federal Medicaid funding by \$1 trillion over 10 years
- 10-12 million people nationally expected to lose coverage; 329,000 in Washington state (1 in 6, >9,000 people in Whatcom County)
- Numerous provisions that impact Medicaid, including:
  - Increased frequency of eligibility checks for Expansion adults
  - Work requirements for adults without a dependent < 14 y/o</li>
  - Decreased provider taxes paid to states and less state ability to address shortfalls in Medicaid reimbursement through state directed payments
    - Reduces federal matching funds to states, especially those who expanded access under ACA
  - Increased client cost-sharing for many services starting at incomes 100% FPL

## State Impacts of Federal Medicaid Cuts



- Impacts may not be immediate, but over the next decade changes are likely to have far-reaching consequences
- Washington state may lose \$3 billion annually in federal Medicaid funding
- Unclear how much the state will replace likely to force Medicaid cuts
- States must choose: raise new revenue or reduce eligibility, benefits or provider payments
  - Derails recent efforts to improve provider payments and increase access
- Ripple effects: **pressure on other state programs** such as education, social services, corrections, environmental protection and transportation
- Cuts may lead to healthcare service reductions or hospital closures, especially in rural areas



"There is no way we can absorb this level of cuts in the Medicaid program without massive impacts to all Washingtonians' access to care.

The biggest risks: Hundreds of thousands of people will lose health insurance, and payments to hospitals for providing services to Medicaid enrollees will be slashed. These provisions jeopardize the health care system for everyone. Important hospital services will disappear, nurses and doctors will be laid off, and several Washington State hospitals are at risk of full closure."

...this massive loss of coverage and funding will affect everyone. We will see the loss of health care services, more medical practice closures, longer wait times, and more stress on an already fragile health care system...These repercussions will be most profound in our rural and underserved communities, but will be felt by all...

John Bramhall, MD, WSMA President

Cassie Sauer, WSHA President & CEO

## Who Could Lose Coverage or Benefits in WA?



Coverage at risk for "optional groups"	Optional benefits
<ul> <li>Children with disabilities living at home</li> <li>Elderly and disabled adults needing institutional or in-home care</li> <li>People needing breast or cervical cancer treatment</li> <li>Postpartum moms (coverage now lasts 12 months)</li> <li>Adults with disabilities or chronic conditions</li> <li>Possible cuts even to income eligibility for mandatory groups (e.g. kids, pregnant women)</li> </ul>	<ul> <li>Home- and community-based services (over 11,000 on WA's waitlist already)</li> <li>Dental, optometry, and hospice services</li> <li>Physical, occupational, and speech therapy</li> </ul>

### Responding Locally: What We Can



- Prepare to assess local health system impacts
- Coordinate with providers and payers to monitor changes in access, enrollment, and provider availability
- Track changes in health outcomes and disparities
- Expand or realign local funding to help protect critical safety net services
- Prioritize services for high-need populations
  - Seniors, people with disabilities, unhoused, those with behavioral health conditions
- Support navigation and enrollment services for residents as eligibility rules shift





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## Thank you