March 9, 2017

The Honorable Kevin Brady  
Chairman  
Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth HOB  
Washington, DC 20515

The Honorable Greg Walden  
Chairman  
Committee on Energy and Commerce  
2125 Rayburn HOB  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Richard Neal  
Ranking Member  
Committee on Ways and Means  
U.S. House of Representatives  
1139E Longworth HOB  
Washington D.C. 20515

The Honorable Frank Palone  
Ranking Member  
Committee on Energy and Commerce  
2322A Rayburn HOB  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chairman Brady, Chairman Walden, Ranking Member Neal and Ranking Member Pallone:

AMDA - The Society for Post-Acute and Long-Term Care Medicine, representing the community of over 50,000 nursing home medical directors, physicians, nurse practitioners, physician assistants, and other practitioners working in the various post-acute and long-term care (PA/LTC) settings, most notably more than 16,000 nursing homes that care for approximately 1.5 million elderly and disabled in the United States, is concerned about the viability of the Medicaid program under the recently introduced American Health Care Act, legislation that would repeal and replace the current Affordable Care Act (ACA).

The Medicaid portion of the bill would dramatically alter the ability of older adults and disabled individuals to receive necessary long-term care services. Most significantly, the bill transitions the Medicaid program to a per-capita cap system by 2020 and limits the ACA’s enhanced funding for the expansion population. Medicaid is critical to the patients we serve in post-acute and long-term care settings. While the proposed legislation does exempt certain populations, such as the dual eligibles, we urge you go further and to preserve the program’s current structure and maintain the expansion achieved under the ACA.

Medicaid is the primary payer for long-term care in the U.S. In fact, in 2014, about one third of Medicaid spending was on long-term care services. Families rely on Medicaid to help cover the cost of long-term services and supports, both in homes and the community, as well as in nursing homes. Medicaid has become the default payer for long-term services because there are no significant alternative sources of payment, other than private pay.
Most individuals exhaust significant personal savings prior to receiving Medicaid funding. These are individuals who have spent many years contributing to their families and communities, and their health and well-being should not be sacrificed.

The ACA’s expansion of Medicaid has given an estimated 11 million low-income adults new access to health care coverage. It also has ensured that health care providers, including physicians that serve the post-acute and long-term care population receive appropriate reimbursement. We urge you to preserve the Medicaid expansion that has helped both families and the state Medicaid programs that serve them.

The Society is also concerned about the legislation’s per capita cap provisions. Caps would impose rigid limits on the amount of federal funds available to states for Medicaid. These proposals threaten the millions of people who count on the program for custodial, skilled nursing, or community-based care. The elderly and disabled would no longer have the certainty that the long-term services they need will be covered because Medicaid funding would no longer be guaranteed. This change would transfer the potential risks of health care inflation, economic downturns, natural disasters, and the aging of the population to states, families, and health care providers.

Medicaid per capita caps could lead to the elimination of the current federal requirement that nursing home care be covered, potentially leaving thousands of seniors without this protection, literally without a safe place to live and without necessary medical care. States could also decide to absorb federal funding reductions by cutting important and often preferred optional services, including the home- and community-based services that provide an alternative to nursing home care.

The seniors who receive services covered by Medicaid are the frailest and most financially vulnerable members of their communities. They have no other resources to cover the cost of essential services. Their long-term care needs will disappear if they or the services they receive are cut from the Medicaid program.

As an organization representing post-acute and long-term care clinicians who take care of millions of elderly that rely on these services, we urge you to carefully consider any proposals that would put the health of the patients our members treat at risk. We believe that improvements can and should be made in Medicaid without harming the most at risk patients.

Sincerely,

Susan M. Levy, MD, CMD, AGSF
President