

March 14, 2017

SENT VIA ELECTRONIC TRANSMISSION

The Honorable Amy Klobuchar
Senator
United States Senate
302 Hart Senate Office Building
Washington, DC 20510

The Honorable Al Franken
Senator
United States Senate
309 Hart Senate Office Building
Washington, DC 20510

The Honorable Tim Walz
Congressman
United States House of Representatives
2313 Rayburn House Office Building
Washington, DC 20515

The Honorable Jason Lewis
Congressman
United States of Representatives
418 Cannon House Office Building
Washington, DC 20515

The Honorable Erik Paulsen
Congressman
United States House of Representatives
127 Cannon House Office Building
Washington, DC 20515-2303

The Honorable Betty McCollum
Congresswoman
United States House of Representatives
2256 Rayburn House Office Building
Washington, DC 20515-2304

The Honorable Keith Ellison
Congressman
United States House of Representatives
2263 Rayburn House Office Building
Washington, DC 20515-2301

The Honorable Tom Emmer
Congressman
United States House of Representatives
315 Cannon House Office Building
Washington, DC 20003

The Honorable Collin Peterson
Congressman
United States House of Representatives
2204 Rayburn House Office Building
Washington, DC 20515-2307

The Honorable Rick Nolan
Congressman
United States House of Representatives
2366 Rayburn House Office Building
Washington, DC 20515-2308

RE: Opposition to Medicaid Per Capita Caps or Block Grants

Dear Honorable Members of the Minnesota Congressional Delegation:

For generations, Minnesota's Medical Assistance program has supported individuals with disabilities, seniors, children and families through efficient and innovative use of federal Medicaid funding. We write to you on behalf of over 100 of Minnesota's health care providers, health insurers, nonprofits, service organizations, and consumer and worker representatives that are united in opposition to the per-capita-cap or block grant proposals for Medicaid that would place Medical Assistance for Minnesotans at risk.

Over the years, our organizations have had diverse opinions about the best way for Minnesota to build on its reputation as a leader in health care innovation. Nonetheless, we are united in our recognition of Medical Assistance as a vital part of Minnesota's nation-leading health care infrastructure. We also agree that the current proposals to fund Medicaid through per capita caps or block grants must be opposed due to the scale of the cuts

these approaches would impose and the impact of restructuring of the state-federal partnership on Minnesota's health care system.

The financial and physical well-being of hundreds of thousands of Minnesotans will be put in danger if their health care coverage is compromised. The stakes of this debate are not just measured in dollars, they are felt in the lives of our families, friends, and neighbors. Through Medical Assistance, over 600,000 Minnesota children and 140,000 Minnesotans with disabilities are able to visit their family doctor to stay well, find medical care when they need it, and pay for treatment without fear that their financial security will be placed at risk. Every month, 38,000 of our state's elders find support through a nursing home or in independent living thanks to the state's Elderly Waiver and Nursing Facility programs.

Large cuts to Medicaid funding will put the most vulnerable Minnesotans at risk. The proposed funding reductions to Medicaid will grow to a size that will be impossible for Minnesota to overcome without cutting coverage, eliminating important benefits, reducing already too low payments to providers and shifting costs to local governments. Estimates in previous proposals would have reduced Medicaid funding by one third. With such a drastic decrease in resources, Minnesota will be forced to reduce health care coverage for sick children, struggling seniors, people with disabilities, and other Minnesotans.

Per capita caps and block grants decouple the level of funding for Medicaid from the actual cost of providing health care for the most vulnerable Minnesotans. Such a radical change in Medicaid's funding system will place Minnesota in a precarious fiscal situation as the state confronts expected and unexpected health care crises. Minnesota does not have the resources to shoulder alone the burden of unpredictable cost increases that can arise during public health crises or economic recessions. Furthermore, our state joins the rest of the nation in facing a significant demographic shift – we are growing older. Reducing future resources for long-term care services through Medicaid will put our ability to care for the aged in deep jeopardy.

Per capita caps and block grants would likely unfairly penalize Minnesota for being an innovator in health care delivery. Minnesota's health care system routinely ranks among the top in the nation for health care access, quality, and outcomes. Our high quality is matched with high efficiency. Minnesota spends 9.2 percent less per beneficiary on health care than the national average, according to the Centers for Medicare and Medicaid Services. If the federal government begins funding Medicaid based on current funding levels rather than on actual state needs, Minnesota will suffer as a result.

Medical Assistance offers a perfect example of how Medicaid already offers states opportunities to innovate and save money without compromising on quality. Some would make the erroneous argument that the funding cuts resulting from per capita caps or block grants represent a worthwhile trade-off in exchange for an unclearly defined increase in states' ability to be creative with Medicaid dollars. In reality, Minnesota's long tradition of bipartisan support for health care reform provides an ideal example of how states can embrace innovation and flexibility through the current financing and waiver structure. The severity of the cuts would likely only result in the flexibility of who and what services to cut.

Already, Medicaid spending has grown more slowly and costs less per beneficiary than private insurance. Minnesota's nationally-renowned Integrated Health Partnerships are just one example of our efforts to deliver higher quality and lower cost health care through innovative approaches to care and payment.

Proposals to fundamentally restructure the federal government's role in the state-federal Medicaid partnership, will end the guarantee of access to care for thousands of Minnesotans and cut funding for vital health services, putting all of our progress at risk.

Respectfully,

Accessible Space, Inc.
Accra
AFSCME Council 5
All God's Children Metropolitan Community Church
Allina Health
American Academy of Pediatrics, Minnesota Chapter
Amherst H. Wilder Foundation
AspireMN
ARRM
Association of Minnesota Counties
Canvas Health, Inc.
Care Providers of Minnesota
Catholic Charities Twin Cities
Catholic Health Association of Minnesota
CentraCare Health
Children's Defense Fund Minnesota
Children's Minnesota
Clare Housing
Community Involvement Programs
Community-University Health Care Center
Face to Face Health and Counseling Service
Family Tree Clinic
Fraser
Gillette Children's Specialty Healthcare
Growth & Justice
Guild Incorporated
Hammer Residences
Hearth Connection
Hennepin County
Hiawatha Homes
Hiawatha Valley Mental Health Center
Home and Community Options
ISIAAH
Lake Superior Community Health Center
Laura Baker Services Association
LeadingAge MN
Lifeworks

Living Well Disability Services
Lutheran Social Service of Minnesota
Mahube-Otwa Community Action Partnership
Mental Health Minnesota
Mental Health Providers Association of Minnesota
Mental Health Resources
Minnesota Academy of Family Physicians
Minnesota AIDS Project
Minnesota Association of Centers for Independent Living
Minnesota Association for Children's Mental Health
Minnesota Association of Community Health Centers
Minnesota Association of Community Mental Health Programs
Minnesota Brain Injury Alliance
Minnesota Budget Project
Minnesota Chapter, American College of Physicians
Minnesota Coalition for the Homeless
Minnesota Coalition of Licensed Social Workers
Minnesota Consortium for Citizens with Disabilities
Minnesota Council of Nonprofits
Minnesota Elder Justice Center
Minnesota Health Care Safety Net Coalition
Minnesota Medical Association
Minnesota Organization on Fetal Alcohol Syndrome
Minnesota Osteopathic Medical Society
Minnesota Psychiatric Society
Minnesota Recovery Connection
Minnesota Rural Health Association
Minnesota School Based Health Alliance
Minnesota Society for Clinical Social Work
Minnesota State Council on Disability
Mount Olivet Rolling Acres
NAMI – MN
National Association of Social Workers – Minnesota Chapter

National Multiple Sclerosis Society
Neighborhood HealthSource
Northeast Youth & Family Services
Northern Pines Mental Health Center
North Memorial Health Care
NorthPoint Health & Wellness Center
Northwestern Mental Health Center
Nucleus Clinic
Opportunity Partners
Pediatric Home Service
People Incorporated
People's Center Health Services
Planned Parenthood Minnesota, North Dakota,
South Dakota
Portico Healthnet
TakeAction Minnesota
The Arc Greater Twin Cities
The Arc Minnesota
The Autism Society of MN
The Family Partnership
Touchstone Mental Health
Reach for Resources, Inc.
RESOURCE, Inc.
RISE
SEIU Healthcare Minnesota
Southside Community Health Services
St. David's Center for Child & Family
Development
Vail Place
Voices for Racial Justice
Volunteers of America Minnesota/Wisconsin
Washburn Center for Children
Wellness in the Woods
West Side Community Health Services
Woodland Centers
Zumbro Valley Health Center