Taking the Pulse of Today's U.S. Health Care System

Rural hospital closings, Medicaid expansions and trouble in U.S. territories.

February 1, 2019 By AIDS United

As has been the case throughout the entirety of the Trump administration, much of the health care system in the United States is currently in a state of flux and it can be hard to keep track of all the changes that are going on. AIDS United has come up with a brief rundown of the most recent and impactful health care to keep you up to speed.

Hospital Closings in States That Didn't Expand Medicaid

A new report from the Pew Charitable Trusts reveals that rural hospitals are closing at alarming rates, and most frequently in states that have not chosen to expand Medicaid under the Affordable Care Act. Since 2014, when states began implementing their expansions, expansion states have seen a decrease in hospital closure rates and provided health coverage to an additional 17 million people, while non-expansion states experienced "significantly" increased closures.

Kaiser Family Foundation estimates that over 2 million adults fall in to a "coverage gap" — not making little enough to qualify for traditional Medicaid, but making too much to receive marketplace plans' financial assistance — in non-expansion states. About 89%, the report indicates, live in the U.S. South. Those un- and underinsured are less likely to be able to access regular preventative care, leading to worse (and more expensive) health conditions and resulting in "uncompensated care," or that paid for by the hospital.

Rural hospital administrators often cite Medicaid expansion as an opportunity for state governments to better support their work, as these hospitals often face crippling debt from providing charity care to those uninsured. As Pew notes, "state decisions not to expand have deprived rural hospitals, which already operate with the slimmest of margins, of resources that could be the difference between survival and closure."

U.S. Territories

People living under U.S. jurisdiction in the five major territories — Puerto Rico, Guam, American Samoa, U.S. Virgin Islands, and the Northern Mariana Islands — are also expecting significant changes to their Medicaid programs this year, though unfortunately as a crisis resulting from expiring Medicaid federal funds. Funds supporting the territories' Medicaid programs allocated

under the Affordable Care Act are set to expire in September 2019, setting the locales on what could be a devastating fiscal cliff.

As Kaiser Family Foundation explains in a new issue brief, Medicaid operates differently in the territories, most notably in that they simply receive less funding than states because of spending caps and fixed federal matching. In U.S. states and DC, there is no limit to how much can be spent in Medicaid programs, and the federal government contributes a portion to the states based on the individual state's per capita income. In the territories, the federal government matches only up to 55% of Medicaid spending, regardless of per capita incomes of the region, which are significantly lower: Mississippi, for example, has a per capita income of $22,500; the federal government will match 74.63% of the state's Medicaid spending in 2019. Puerto Rico's per capita income is $12,0818; by statue, the federal government can only match 55% of their spending — and only up to $347 million, after which the territory will be responsible for all additional payments.

AIDS United urges Congress to resolve these inequities and provide adequate funding, support, and care to those US citizens living in the territories and to resolve quickly the impending Medicaid fiscal cliff.

Medicaid Expansion Update

Although November's midterm elections showed legislators in several states that voters support Medicaid expansion, a number of those states are still refusing to honor the will of their voters and are trying to avoid expanding the program. State policymakers in Utah are drafting legislation that would partially expand Medicaid to those earning up to 100% of the federal poverty rate as opposed to those up to the 138% level that voters approved and could possibly include a work requirement. Health advocates made their voices heard by rallying at the state Capitol as the legislative session opened on Monday, but only time will tell if Utah legislators will listen to their constituents' concerns.

Idaho, on the other hand, is protecting its brand new expansion mandate from a lawsuit brought by the right-wing Idaho Freedom Foundation, who are claiming that the expansion is unconstitutional. Republican Governor Brad Little has stated that he will honor the voters' word by expanding Medicaid, and the state's Attorney General is defending the ballot initiative before Idaho's Supreme Court. AIDS United will keep Policy Update readers knowledgeable about how this advances.

It was also recently announced that newly and controversially elected Georgia governor Brian Kemp, like President Trump, is calling for "flexibility" in the state's Medicaid program and has allotted $1 million from the state's budget to explore ways to change it. More on this to come…

AIDS United strongly supports Medicaid protection and expansion, as the program provides health coverage for more than 40% of all people in HIV care and untold numbers of those who are at high risk for contraction because of financial instability. Check back frequently with AIDS United's Policy Update for all the latest on funding and legislation supporting people living with and affected by

HIV.

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