

## POSITION STATEMENT:

# Congress Must Increase Funding for Medicaid and CHIP

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The Society of Behavioral Medicine urges Congress to increase funding for Medicaid and the Child Health Insurance Program, which provide affordable health services to vulnerable children and adults.



**Health care costs often create severe financial strain for individuals and families.** Medical bills are the number one cause of consumer bankruptcy.<sup>1,2</sup> Americans filed 1.5 million personal bankruptcies in 2007, with 62.1% of those related to medical debt.<sup>3</sup> The number of medical debt bankruptcies dropped to 770,846 after passage of the Affordable Care Act (ACA) in 2010, suggesting expanded access to health care prevented or reduced financial strain for many Americans.<sup>2</sup>

**Financial strain can cause health problems.** In adults, poverty is related to obesity, asthma, hypertension, diabetes, depression, and cardiovascular death.<sup>4,5</sup> In children, poverty is associated with infant mortality, chronic diseases such as asthma, growth problems from poor nutrition, and obesity.<sup>6</sup>

**Two federal health insurance programs help families afford health care, avoiding financial strain and the health problems it can cause.** Medicaid provides health insurance for low-income and disabled Americans.<sup>7</sup> It is the nation's largest health insurer,<sup>7</sup> covering 77 million Americans, including 64% of nursing home residents, 40% of poor adults, 76% of poor children, 30% of adults with disabilities, and 60% of children with disabilities.<sup>8,9</sup> Medicaid has contributed to dramatic decreases in infant mortality, child mortality, and teen mortality.<sup>9</sup> Medicaid has also improved educational attainment, reduced disability, and lowered rates of emergency room visits and hospitalizations later in life.<sup>9</sup>

The Child Health Insurance Program (CHIP) provides low-cost health coverage to poor families who make too much money to qualify for Medicaid. It offers health insurance to more than 8 million children,<sup>10,11</sup> and also funds essential services for disabled children.<sup>11</sup> CHIP offers more comprehensive health benefits at a lower cost than private insurance.<sup>10</sup> Through CHIP, children not only have access to primary care health services including dentistry, but they

also have improved coverage for medications and hearing aids.<sup>11</sup> CHIP has improved the "health outcomes...long-term educational performance, and economic stability... [of] many thousands of...economically disadvantaged families."<sup>10,11</sup>

**But funding for Medicaid and CHIP is in danger. Under the Trump administration's proposed fiscal year 2018 budget, Medicaid would lose 47% of its current funding by 2027.** The budget includes an \$880 billion cut to Medicaid over the next 10 years plus a new formula for increasing Medicaid funding year over year, which would result in an additional \$610 billion cut.<sup>12</sup>

**CHIP funding lapsed September 30, 2017.**<sup>10,11</sup> The Affordable Care Act then required states to take over this funding, and they're free to shift CHIP benefits to parents' employee-sponsored or marketplace insurance plans.<sup>10</sup> That means some families will lose this service completely, leaving an estimated 1.1 million children without health insurance.<sup>10</sup> The Medicaid and CHIP Payment and Access Commission recommends Congress extend CHIP funding through 2022.<sup>10,13</sup>

**Defunding these programs would perpetuate the cycle of poverty.** In the 1980s, legislators argued that government programs provided "disincentives for Americans to work and save."<sup>14</sup> Congress cut program funds. The gaps between rich and poor widened, perpetuating rather than stemming the cycle of poverty.<sup>14</sup>

## RECOMMENDATIONS

1. The Society of Behavioral Medicine (SBM) recommends Congress increase funding for Medicaid and CHIP, and extend CHIP funding through at least 2022.
2. SBM recommends Congress improve the scope and quality of reporting on Medicaid and CHIP processes and outcomes. This could be achieved by regularly evaluating program implementation and tracking participants' health and economic well-being.
3. SBM recommends increasing public awareness of Medicaid and CHIP, and encouraging participation by eligible individuals, children, and families.

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