



## Position Statement on the Better Care Reconciliation Act

June 28, 2017

The Alabama Chapter-American Academy of Pediatrics is gravely concerned about the Better Care Reconciliation Act (BCRA) and its proposed changes to the fundamental structure and purpose of Medicaid, a vital source of healthcare for patients with ongoing healthcare needs.

The BCRA fundamentally changes how Medicaid is funded, dismantling the program by capping its funding, shifting much of the financial burden to the states and likely leading to enrollment cuts, meaning less coverage for those who need it most, children with special health care needs and low-income families. And for those who ARE covered, the proposed plan will have devastating effects on the QUALITY of care provided by removing essential benefits of Medicaid—particularly for children.

Many do not realize that Medicaid is primarily a children's program, particularly in our state: 71 percent of Alabama Medicaid recipients are CHILDREN, whose care is relatively less expensive and make up only 20 percent of the state's Medicaid costs. Children have unique health needs, and access to affordable, high-quality health coverage is essential to keeping them healthy; they are our future. Currently, Medicaid guarantees children a comprehensive array of medically necessary services, including EPSDT (early periodic screening, diagnosis, and treatment), which allows problems to be identified early so that children have the ability to thrive. Alabama is blessed to have two outstanding children's hospitals in Alabama, both dependent on Medicaid funding in order to exist. Any efforts that roll back this progress, increase the cost of insurance or increase the number of uninsured would jeopardize children's health.

Equally important, Alabama's economic viability lies in the strength of its rural communities. The state's rural hospitals—and the physicians who practice in these areas—depend on Medicaid for infrastructure dollars to keep their doors open. Even relatively small reductions in federal payments will force the closure of our rural hospitals and force physicians to leave these areas and likely, Alabama.

Will states be able to pick up the financial slack by raising taxes or reallocating state dollars from other programs? Will primary care physician payments be cut to the point where they can no longer care for their patients and pay their bills? In some states, survival may be a possibility, but in Alabama, as you know, funding of the current state share for Medicaid is a constant, year-to-year struggle in which there is no appetite for raising state taxes or new revenues. With the unique way Alabama funds its Medicaid with Certified Public Expenditures, hospital/nursing home taxes, and the Children's Hospital tax, Alabama stands to lose even more.

Simply put, the Better Care Reconciliation Act will be disastrous for Alabama's children, low-income patients, and pediatricians and other doctors who practice in Alabama and depend on Medicaid for healthcare system infrastructure.

We urge our United States Senators to question the BCRA's negative impacts on Alabama and oppose the legislation as it is currently drafted in order to protect children and the high-quality healthcare that Alabamians deserve.