



Hospitals are not ATMs.

It's a point we feel compelled to make following the Column by the Republic's Robert Robb (6/28) that Arizona hospitals could simply stroke a check to offset massive federal cuts to Medicaid, the program that provides health care to the working poor in Arizona and other states.

Here's a fiscal reality check.

Federal cuts strike early

Let's start with dollars and cents. About 400,000 Arizona Medicaid enrollees are most endangered by the proposed cuts, including childless adults whose yearly earnings are at or below the federal poverty level (\$12,060 for an individual) and the so-called "expansion" population of adults living slightly above poverty.

Mr. Robb suggests budget cuts under the Senate plan wouldn't begin until 2021. Not true. According to the State of Arizona, the federal government would begin slashing funding to our Medicaid program – formally known as AHCCCS – almost immediately. Under what Governor Ducey has rightly dubbed the "early expander penalty," the Senate plan would cut AHCCCS funding by \$30 million in Fiscal 2018; \$92 million in Fiscal 2019; and \$113 million in Fiscal 2020.

By Fiscal 2026, total reductions in federal funding to AHCCCS in Arizona alone would approach \$3 billion. All told, the AHCCCS analysis found the Senate health plan may have a negative financial impact on the State of Arizona that exceeds \$7 billion over the next decade.

Arizona Hospitals already do their part

The Senate and House bills simply ignore the existence of America's most vulnerable populations. Rather than focus on cost-saving measures, as our AHCCCS program does, these bills will simply result in sicker people, showing up in more expensive settings for care. That means more crowded emergency rooms for everyone.

Keep in mind that state coffers are already stretched and in no position to make up for this amount of lost federal funding. As for Arizona hospitals, we already pay upwards of \$265 million each year toward a fund that serves as the State's "match" to qualify for federal Medicaid dollars.

Mr. Robb suggests hospitals would be "willing, eager even," to increase the assessment on our facilities in order to make up for lost federal funding. What he doesn't mention is the assessment on our facilities would likely have to be increased to the tune of hundreds of millions of dollars a year. And all of this at a time when hospitals continue to operate on razor-thin margins.

Meanwhile, the bigger question posed by the Senate health plan may be how to provide quality, affordable care to an estimated 15 million Americans who would lose coverage in the first year alone.

This issue is bigger than any individual state – but, unfortunately, it has gone largely unaddressed by health proposals making their way through Congress.

Real Impacts Loom

Health care policy is complicated and rife with unintended consequences. But nobody should allow these complexities or magical thinking to mask basic truths about what the Senate health plan represents for Arizona: lost jobs, reduced access to care and greater financial risk for consumers and state government.

That's not hysteria; it's the reality Arizona hospitals are confronting head-on as we ask our congressional delegation to identify real solutions to the challenges facing our nation's health care system.

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