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AHCA Passage Could Put Texas Children at Risk *Health Care Plan Cuts Funding for Children and Their Providers*

AUSTIN, Texas — The Children's Hospital Association of Texas (CHAT) cautions that today's passage of the American Health Care Act (AHCA) by the U.S. House of Representatives could be a bad deal for millions of Texas children and their families.

The latest estimate shows that the House bill reduces federal Medicaid funding by more than \$840 billion over 10 years. More than 3 million Texas children—approximately half of our state's kids—depend on Medicaid to stay healthy.

"Our fear is that Texas kids will be worse off under the new plan than they were before Obamacare was passed," Stacy Wilson, president of the Children's Hospital Association of Texas, said. "Children's hospitals must receive the resources they need to provide the specialized, high-quality and comprehensive care that children require."

Here are some useful facts about the AHCA and its potential effects:

1. Medicaid is the primary payor for children's hospitals (from 55 percent to 77 percent of all inpatient days), so any decisions that impact Medicaid disproportionately affect children's hospitals.
2. The AHCA imposes a *per capita* cap on the Medicaid program. A *per capita* cap sets limits on federal Medicaid contributions per enrollee and defines an annual growth rate for those limits to gradually reduce federal Medicaid spending over time.
3. Currently, children are funded at half the *per capita* spending compared with other eligibility categories listed in the bill.
4. Under the current AHCA bill, children will suffer the same *pro rata* reduction as other eligibility categories. In fact, one estimate by the Children's Hospital Association estimates that children across the nation will see funding for their Medicaid services fall between \$80 billion and \$100 billion.

5. As the senior population continues to grow, their health care expenses will also grow. Unless children's health care spending is segregated and protected, the funds may be siphoned away to cover spending for other eligibility categories.
6. Children's hospitals and health systems want to be held accountable for the care that they provide to children. By segregating and protecting funding for children, the state will be able to determine the efficiency and effectiveness of that care.
7. Texas has been on the forefront of Medicaid reform for decades by moving more enrollees into private managed care plans (estimated to be 93 percent of all enrollees by the 2018-19 state biennium). Growth in *per capita* Medicaid expenditures falls below both commercial insurance and Medicare levels in Texas. The Texas Medicaid program is very lean, especially in terms of provider reimbursement. **It is important that Texas not be penalized for its efficiencies.**
8. Children's hospitals subsidize the pediatric specialists and sub-specialists who provide the highest level of care for the most critically ill children—those with cystic fibrosis or spina bifida as well as kids needing organ transplants, neurosurgery or heart surgery. In many instances, the only place children can get that level of care is at a children's hospital.
9. Ensuring that children have access to preventive care helps those children grow up to be healthy adults who have higher levels of academic achievement and contribute millions of dollars to the economy over their lifetimes.

In addition to the Medicaid cuts, although the latest version of the bill provides some money for children with pre-existing conditions, it is not nearly enough to ensure that they can get the care that they need.

The bill will now head to the U.S. Senate.

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About the Children's Hospital Association of Texas

The mission of the Children's Hospital Association of Texas (CHAT) is to advance children's health and well-being by advocating for policies and funding that promote children's access to high-quality, comprehensive health care. Since 1989, CHAT has worked to advance its goals and public policy objectives in cooperation with other trade associations, advocacy groups, state agencies and the Texas Legislature. www.chatexas.com