May 17, 2017

The Honorable Roy Blunt
U.S. Senator
260 Russell Office Building
Washington, D.C. 20510-0001

Dear Senator Blunt:

The attached article from the Washington Post asserts that “the most powerful bloc in the Senate, based on the size and clout of its members, are the Republicans who come from states that took advantage of the 2010 health law’s federal expansion of Medicaid to provide insurance to millions of lower-income Americans.” It goes on to say that “they are certain to become the driving force in whatever happens in the Senate’s consideration of health-care legislation.”

The stakes are high in the competition between the expansion and nonexpansion states. Although each of our organizations supports Medicaid expansion, Missouri, like 18 other conservative states chose not to expand Medicaid. Yet in all the current conservative debate over “repeal and replace” of the Patient Protection and Affordable Care Act, the nonexpansion states are being left further behind. To put it another way, we now are being punished for not expanding Medicaid.

The following table analyzes the federal funding increases and decreases targeted specifically for expansion and nonexpansion states in the American Health Care Act. On a per capita basis, residents of expansion states receive 61.9 percent more federal spending than residents of nonexpansion states.

<table>
<thead>
<tr>
<th>Total Incremental Impact 2018-2026</th>
<th>Expansion States</th>
<th>Nonexpansion States</th>
<th>Expansion States Differential</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Additional Funds ($ billions)</td>
<td>Per Capita Amount</td>
<td>Additional Funds ($ billions)</td>
</tr>
<tr>
<td>Estimated amount of EFMAP above normal FMAP</td>
<td>$60.64</td>
<td>$314.76</td>
<td>$0.00</td>
</tr>
<tr>
<td>Net Change in Medicaid DSH reductions</td>
<td>$21.96</td>
<td>$114.01</td>
<td>$24.04</td>
</tr>
<tr>
<td>Nonexpansion Safety-Net Fund</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$10.00</td>
</tr>
<tr>
<td><strong>Net Impact</strong></td>
<td><strong>$82.60</strong></td>
<td><strong>$428.77</strong></td>
<td><strong>$34.04</strong></td>
</tr>
</tbody>
</table>
The chart below shows that expansion states receive a more significant Medicaid payment reduction in 2019 to 2021 than the nonexpansion states. However, they do so from a much higher starting point. From 2012 to 2025, expansion states will have reaped an additional $680.6 billion if the House version of the American Health Care Act is enacted.

As noted, the House of Representatives did acknowledge the divide between expansion and nonexpansion states and took action to close this gap. However, as this analysis shows, they came up far short of the goal of providing true equity and fairness in the system.

In this regard, we urge you and the Senators from nonexpansion states to act as a coalition to give voice to the interests of their states. The Washington Post notes that there are 20 members of the coalition representing Senate Republicans from expansion states. There are 32 Republican senators representing nonexpansion states. Although each of our organizations has additional and varied issues with the American Health Care Act, on this issue we are unified and offer the resources and support to you and your colleagues from the other nonexpansion states as the Senate considers the American Health Care Act.

Sincerely,

Herb B. Kuhn
Missouri Hospital Association

Thomas L. Holloway
Missouri State Medical Association

Joseph Pierle
Missouri Primary Care Association

Brent McGinty
Missouri Coalition for Community Behavioral Healthcare

/djb

attachment