

# Medicaid Cuts Impact Children

## Children's Hospital Association

Congress has been discussing various policies to reduce the federal commitment to Medicaid, including implementing a per capita cap and reducing the federal matching funds to states. With children making up close to 50% of total Medicaid and CHIP enrollees ([37.5 million children](#)), any reduction in federal Medicaid funding could result in negative consequences for children covered by Medicaid and CHIP. The Children's Hospital Association commissioned [Avalere Health](#) to examine how each policy change could impact children. **Results from the analysis** outlined below show that each policy proposal would be harmful to the Medicaid program nationally and at the state level, shifting costs to states and forcing them to make tough decisions that could negatively impacting access to care for children covered by Medicaid.

CHA's top priority is to ensure a robust Medicaid system for the almost 1 in 2 children who rely on the program for health care. We oppose Medicaid block grants, per capita caps, reductions in federal matching rates, and other policy proposals that restrict the federal investment in Medicaid and cause children to lose ground. This would include changes to Medicaid financing and payment, including provider taxes, supplemental payments and state directed payments that negatively impact children's access to needed health care.

### Impact of Proposed Medicaid Policies on Federal Medicaid Spending on Children

Medicaid Policy Proposal	Total Change to Medicaid		Change to Children in Medicaid	
	Federal Funding (\$ Billion)	Percent Change	Federal Funding (\$ Billion)	Percent Change
Per Capita Cap (tied to CPI-U)	-\$779	-7%	-\$114	-7%
Per Capita Cap (tied to CPI-M)	-\$505	-5%	-\$74	-5%
Reduction of Expansion FMAP to Traditional FMAP	-\$675	-38%	N/A	N/A
Removal of FMAP Floor	-\$436	-9%	-\$57	-6%

**Note:** State-by-state impact of a per capita cap and reduction of expansion FMAP to traditional FMAP can be found in Tables 6 and 7 in the full report (pages 13-16).

Regardless of whether a policy to cut federal Medicaid funding explicitly targets children or not, it can reduce federal spending and still have a negative impact on children covered by Medicaid and impair children's hospitals' ability to care for all children.