

New analysis examines stakes for Medicaid in upcoming fiscal cliff negotiations on Capitol Hill

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As lawmakers on both sides of the political aisle look for ways to reduce federal spending in the coming weeks Medicaid may emerge as a prime target, according to a new analysis by Professor Sara Rosenbaum, JD, the Harold and Jane Hirsh Professor of Health Law and Policy at the George Washington University School of Public Health and Health Services (SPHHS). The analysis, which appears online December 5 in the *New England Journal of Medicine*, indicates that severe cuts to the Medicaid program will cripple the ongoing effort to reform the U.S. health care system.

Deep federal [Medicaid](#) spending reductions would cause state Medicaid programs to retrench, according to Rosenbaum. They also would have the likely effect of halting the state expansions for low income adults included in the [Affordable Care](#) Act (ACA) and made optional by the United States Supreme Court in *NFIB v Sebelius*.

The overall impact of taking major aim at Medicaid, set to serve more than 80 million Americans when fully implemented under the ACA, would be to stall health reform, the most important tool for bringing down [national health care](#) costs over the long term, the analysis says. Rosenbaum goes on to say that the block grant proposal offered by the House Budget Committee is by far the most far-reaching plan under consideration. "Such blunt force strategies would leave many poor and disabled Americans without the basic services they need to stay healthy,"

says Rosenbaum.

But other approaches that remove billions of dollars in federal funding also miss the mark, according to the analysis. Medicaid spending is driven by high enrollment and extensive need. Instead of slashing federal funding across the board, policymakers should focus on efforts to reduce the financial burdens associated with caring for the highest cost, highest need beneficiaries—including those who depend on both Medicare and Medicaid, Rosenbaum said.

The Perspective analysis, "Threading the Needle—Medicaid and the 113th Congress," will appear in the December 20 print edition of the [New England Journal of Medicine](#).

Provided by George Washington University

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