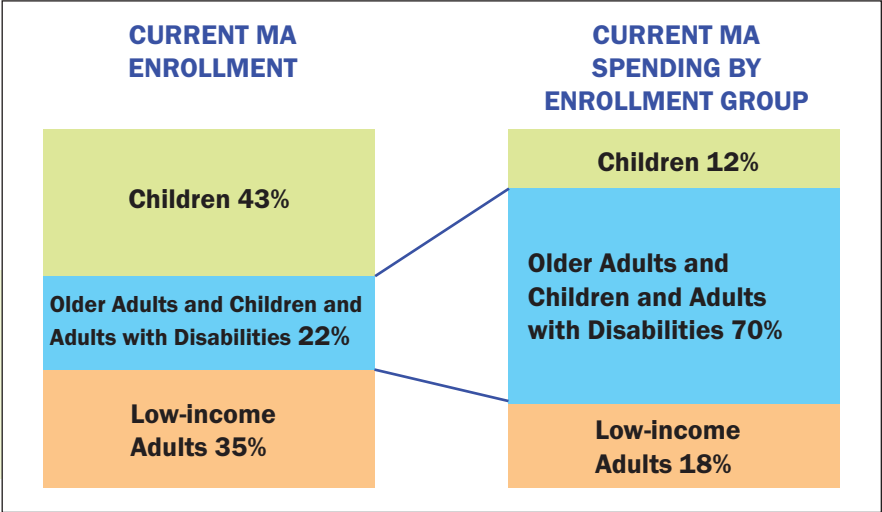


Busting Myths about Medicaid (MA) and the American Health Care Act

Facts:

People with disabilities will not be protected. A 25% cut to Medicaid in the AHCA will impact services to people with disabilities and seniors significantly because the majority of Medicaid spending covers their community supports and health care.

Per capita caps and block grants will not give states more flexibility to innovate or improve Medicaid programs.



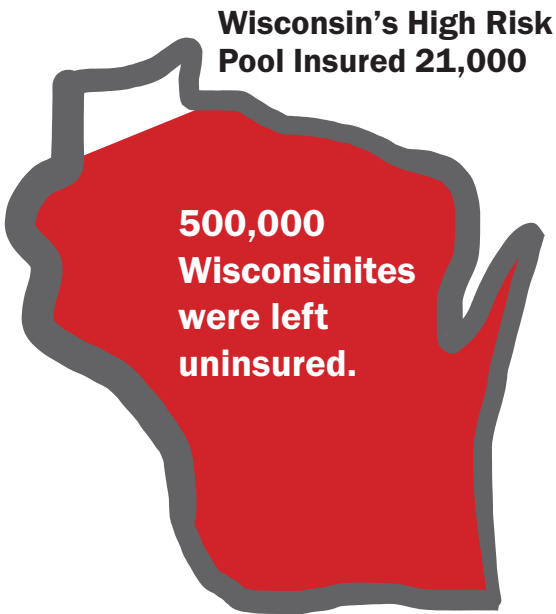
Facts:

Medicaid already gives states flexibility. States choose from a menu of optional services, including Home and Community Based Services, that let people stay in their homes and avoid costly institutions and nursing homes. About two-thirds of Medicaid spending is on optional services or populations selected by each state. Optional services in Wisconsin include prescription drugs, employment and transportation supports, therapies, and personal care. Many are available through Family Care and IRIS, which are both examples of innovative strategies to provide long-term care that makes sense for WI residents.



Caps or block grants will mean Wisconsin policy makers must cut services, reduce provider payments, and ration care.

Using high risk pools is NOT an effective way to insure people with pre-existing conditions, including people with disabilities.



Facts:

- The high costs and limited benefits associated with high-risk pool coverage limit access to care and lead to poor outcomes for many enrollees. Restrictive eligibility requirements excluded many Americans with pre-existing health conditions.
- In Wisconsin's high-risk program, many accumulated medical debt despite having insurance. Wisconsin's high risk pool had the second-highest per-capita participation among 35 states. But it was too costly for most people, serving only 21,000 at a time when 500,000 Wisconsinites were uninsured.
- High-risk pools do not work well because they put a small number of people with high costs together, instead of spreading risk among many participants as typical insurance does. The high costs incurred in high risk pools in the past have not been popular with lawmakers, meaning the participants take on the costs themselves through high premiums and deductibles. Simply put, most people can't afford to participate.

Health care costs will continue to skyrocket under the AHCA.

THE HIGHEST PHYSICIAN, FACILITY AND DRUG COSTS IN THE WORLD

HIGH ADMINISTRATIVE EXPENSES

FRAGMENTED CARE

FAILURE TO PROVIDE PREVENTIVE HEALTH CARE

Facts:

- The AHCA does not address any of the cost drivers for health care: the highest physician, facility and drug costs in the world; high administrative expenses; fragmented care; and a failure to provide preventive health care.
- Slashes to Medicaid do not save money in the long run because home- and community-based services offered in Family Care and IRIS keep people in their homes and out of costly institutional care. On average, care in the community is 26% less expensive than nursing home care.
- Reducing access to community supports and preventive care will lead to increased use of costly inpatient and crisis services.
- Americans pay more for prescription drug prices than anywhere else in the world

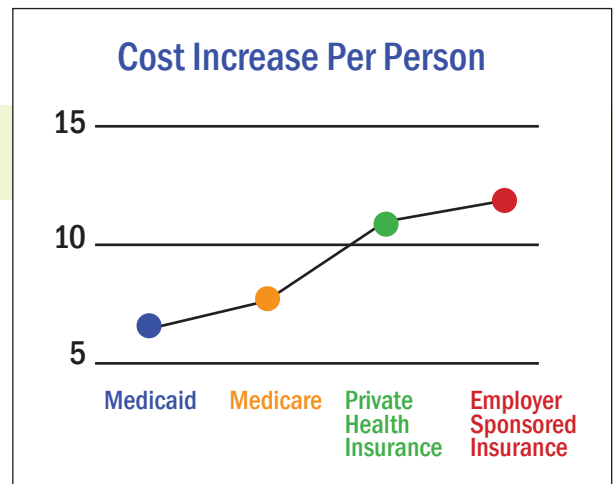
Medicaid is cost-effective.

Facts:

■ Medicaid spending is not out of control. The Medicaid cost increase per person (6.1%) is lower than the per person cost growth for similar coverage under Medicare (6.9%), private health insurance (10.6%), and monthly premiums for employer-sponsored insurance (12.6%).

■ By covering many of the poorest and sickest Americans, Medicaid already is a high-risk pool for the private health insurance market, taking out the highest-cost people, which helps to keep private insurance premiums more affordable.

■ Wisconsin has already achieved big cost savings compared with other states. Switching from fee for service to managed care saved Wisconsin \$300 million per year through Family Care and IRIS. We could achieve even bigger savings by further expanding community-based supports and reducing reliance on facilities instead of just cutting across the board.



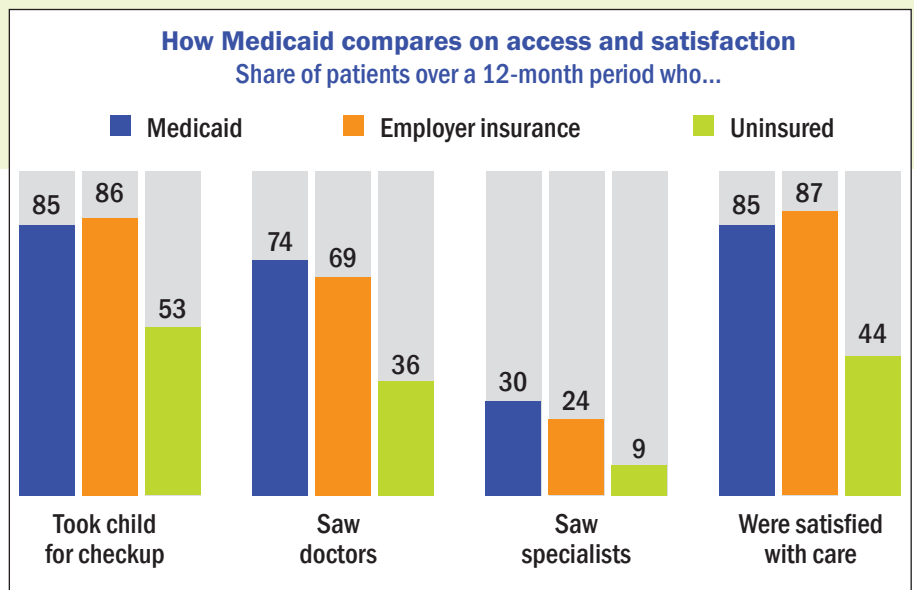
Medicaid demonstrates positive health outcomes and Medicaid recipients are satisfied with their care.

Facts:

■ Medicaid is not worse than being uninsured. Numerous studies show that Medicaid has helped make millions of Americans healthier. Participants have better access to preventive care and receive care for serious health conditions.

■ In Wisconsin, access to Medicaid has proven to decrease unnecessary hospitalization and increase access to primary care.

■ Medicaid is comparable to private insurance for access and satisfaction.



The vast majority of Medicaid recipients are working – or cannot work due to age or disability.

Facts:

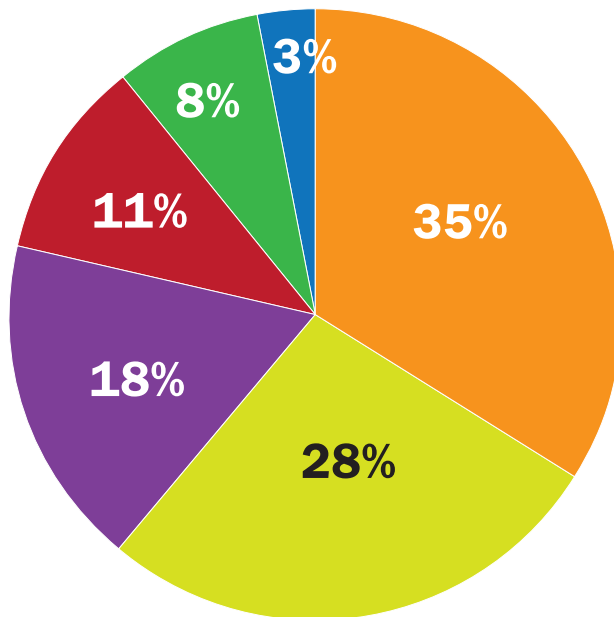
- In Wisconsin, according to the Legislative Fiscal Bureau, two-thirds of childless adults on BadgerCare currently work, are in a job training program, or are unable to work because of age or disability.
- Nationally, most Medicaid recipients are working or would qualify for a work exemption, which includes having a disability, caring for a family member, or enrolling in school. 41% work full time and 18% work part time.

Work status of Medicaid beneficiaries (national data):

The vast majority of Medicaid recipients are working or qualify for a work exemption. Medicaid recipients are currently Wisconsin's most vulnerable.

Working full-time: **41%**

Working part-time: **18%**



Of the 41% not working:

Ill or disabled

Taking care of family

In School

Retired

Could not find work

Not working, without exemption from MA work requirements