

FOR IMMEDIATE RELEASE | June 28, 2017

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## Updated analysis: Montana to lose \$5.3 billion in federal funding for Medicaid under the proposed Senate health bill

*More than 75,000 Montanans to lose health coverage*

*Bozeman, Mont.* – [An independent analysis](#) commissioned by the Montana Healthcare Foundation (MHCF) projects that if the U.S. Senate’s version of the American Health Care Act (AHCA) is enacted, Montana’s Medicaid program could lose \$5.3 billion in federal funding, and more than 75,000 adults enrolled through the recent Medicaid expansion could lose coverage as early as 2021. The report is an update of the in-depth analysis released by MHCF on June 14, which looked at the U.S. House’s version of the bill. Like the House-passed version of bill, the Senate’s version includes core features of the AHCA including capped funding for children, disabled, and adult members of Medicaid, and the elimination of Medicaid expansion funding.

“The House and Senate bills contain similar changes to the Medicaid program – changes that would hurt Montana’s most vulnerable residents, including children, seniors, and people with disabilities,” said MHCF CEO Dr. Aaron Wernham. “We find no health benefits of these proposed changes. Indeed, like the House bill, it appears that the Senate’s bill would weaken the state’s healthcare system and threaten our ability to care for our communities.”

Key findings of the report include:

- **A loss of the recent Medicaid expansion**, which currently covers over 75,000 Montanans and provides over \$500 million per year in federal funding.
- **A major impact on the state budget including:**
  - Loss of \$5.3 billion in federal Medicaid funds from 2020 through 2026, which is more than a third of Montana’s federal Medicaid funding.
  - Ripple effects that would potentially affect other state priorities such as education and infrastructure.
  - Marked year-to-year volatility in healthcare funding, creating uncertainty in state and private-sector budget decisions.
- **A cap on federal financial support for the Montana Medicaid program**, making it harder to respond to crises such as an epidemic or recession, and leaving the state with no federal partnership in the case of an emergency.
- **Montana would need to respond to the federal cuts by curtailing spending** through cutting eligibility, reducing reimbursement rates, eliminating benefits, or otherwise reducing spending for the children, seniors, people with disabilities, and adults who remain in coverage.

MHCF contracted with nationally-recognized experts from Manatt Health to analyze the impact of the AHCA on Montana. “Under the Senate bill, Montana would lose even more federal Medicaid funding than under the House bill,” said Deborah Bachrach, partner and co-author of the analysis. “This would have devastating implications for children, low-income families, elderly and disabled individuals, and the providers who serve them.”

The report is the most recent in [a series of MHCF reports](#) that look at the implications of recent Medicaid policy proposals for Montanan’s health.

### **About Manatt Health**

Manatt Health, a division of Manatt, Phelps & Phillips, LLP, is an integrated, multidisciplinary legal, regulatory, advocacy and strategic business advisory healthcare practice. Manatt Health’s experience spans the major issues re-inventing healthcare, including payment and delivery system transformation; Medicaid coverage, redesign and innovation; health IT strategy; health reform implementation; healthcare mergers and acquisitions; regulatory compliance; privacy and security; corporate governance and restructuring; pharmaceutical market access, coverage and reimbursement; and game-changing litigation shaping emerging law. With 90 professionals dedicated to healthcare—including attorneys, consultants, analysts and policy advisors—Manatt Health has offices on both coasts and projects in more than 30 states. For more information, visit <https://www.manatt.com/Health>.

### **About the Montana Healthcare Foundation**

The Montana Healthcare Foundation (MHCF) makes strategic investments to improve the health and wellbeing of all Montanans. MHCF focuses on behavioral health (including mental illness and substance use disorders), American Indian health, public health and strengthening the rural health system through focusing on new partnerships and value-based care. The foundation supports improving access to quality and affordable health services, evidence-based health education, research and analysis, improving the upstream influences on health and illnesses and informed public policy. Created in 2013, MHCF has approximately \$135 million in assets, making it Montana’s largest nonprofit health foundation, and is designed to be permanent resource for the state. To learn more about MHCF, please visit [www.mthcf.org](http://www.mthcf.org).

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