

Defending Health Care in 2025: What's at stake for Illinois?



December 19, 2024

WELCOME!

HOUSEKEEPING

- All participants are muted with cameras off. We will mute anyone causing background noise.
- Slides and a recording will be shared with all who registered and can be shared broadly.
- Please enter questions into the Q&A box throughout the meeting. We will answer all questions that we can at the end of the presentation.
- Use the chat if you want to show love to our speakers or otherwise make a comment.

AGENDA

1. Refresh: What are the Affordable Care Act and Medicaid
2. Federal threats to health care in 2025
3. Illinois specific impact and solutions
4. How we will defend together
5. Q&A

PRESENTERS

- Kathy Waligora, EverThrive Illinois
- Stephanie Altman, Shriver Center on Poverty Law
- Carrie Chapman, Legal Council for Health Justice
- Timothy S. Jackson, AIDS Foundation Chicago

Protect Our Care Illinois

- Created in 2016 in response to ACA Repeal and Replace Efforts/Medicaid Cuts
- More than 65 organizational members working to protect & expand access to quality, affordable health care coverage
- Relaunching to defend against federal threats to healthcare access in Illinois
- Follow us on X/Twitter: @ProtectILCare



Reintroduction to ACA and Medicaid: A very brief overview

Overview – Medicaid

- Traditionally, Medicaid has provided health coverage for kids and their caregivers, people with disabilities, and older adults who have limited income and, for some programs, limited assets.
- Medicaid is paid for jointly by each state and the federal government and is an entitlement-based program
- The ACA expanded Medicaid to allow states to cover low-income adults without dependents—"expansion" Medicaid.

How do the state and federal government work together?

- The federal government gives Illinois \$.50-.63 for every dollar we spend on traditional Medicaid and \$.90 cents for every dollar we spend on "expansion" Medicaid.
- This reimbursement is referred to as "FMAP" or "federal match."
- In fiscal year 23, Illinois received \$21B in federal funds for Medicaid in Illinois each year which is about 65% of our total funding for Medicaid.

Medicaid plays an important roles in our healthcare system nationwide

- Medicaid is the largest funder of long-term care services.
- Medicaid is the largest funder of substance abuse treatment/mental health services.
- Medicaid/CHIP covers nearly half of all children nationally
- Medicaid covers 40 to 50 percent of births nationally.
- Medicaid plays a key role in pandemics (largest funder of HIV/AIDS services)
- Medicaid funding is especially critical for rural hospitals and clinics.

Overview – ACA

- The ACA is a national health insurance law which created pathways to purchase affordable health insurance and mandated consumer protections in all insurance products.
 - E.G. no bans for pre-existing conditions, medical-loss ratios, coverage for young adults up to age 26 on parents' insurance or if in the child-welfare system
- The ACA created a Marketplace for people who do not have employer-provided health coverage to buy affordable health insurance with financial assistance.
- The ACA most famously protects people with pre-existing conditions in several ways, including by banning denials based on pre-existing conditions, eliminating rating based on health status or condition, and requiring all plans to cover certain essential health benefits
- Finally, the ACA regulates the health insurance and health care industry, for example imposing strong prohibitions on discrimination based on sex, gender, etc.

Who gets healthcare from these programs?

- About 3.4 million Illinoisans are enrolled in Medicaid.
- Almost 400,000 Illinoisans are enrolled in Marketplace plans.
- Enrollment in these two programs (about 3.8 million people) represents almost 30% of our total residents and almost one in every three children.
- Anyone with health insurance benefits from the ACA's consumer protections and regulations

Federal Threats to Healthcare in 2025

Medicaid is wonky but everything proposed boils down to a CUT

- Every current proposal to change Medicaid involves a substantial cut to the program.
 - Medicaid cuts are critical to:
 - finance tax cuts,
 - increased immigration enforcement AND
 - fulfill a decades long agenda to cut the social safety net
- **Again, everything proposed is a cut--changes in federal match, work requirements, per capita caps, eligibility restrictions for nursing home coverage, limits on coverage to children.**

Specific Republican Proposals on Medicaid and the ACA Marketplace

Let enhanced premium tax credits expire after 2025

Cut Medicaid: Reduce FMAP to 50% for all Medicaid programs; ending the entitlement; work requirements; limiting provider tax options

Reduce flexibility in and through 1115 and 1332 Medicaid and Marketplace Waivers

Expand privacy risks for immigrants in state and federal health programs

Rescind recent Medicaid rules that make the program stronger and easier for people to use

Vehicles for Cuts/Changes to Medicaid and the Marketplace

Congress amends the Medicaid Act and the ACA

Federal rulemaking/regulations by federal CMS

Federal sub-regulatory guidance, policy, and practice changes—generally by CMS

Expanding enforcement of punitive parts of law and policy already on the books

Failing to enforce Medicaid rights when states violate them

Scrutinizing states with robust Medicaid coverage and eligibility and creating targeted administrative or financial burdens

Medicaid Loss of Federal Funding and Eligibility Restrictions

- Loss of federal funding if changes are made to the Medicaid federal match are in the hundreds of millions to billions per state. Every 10% reduction in FMAP is estimated to be a loss of over \$800 million to the state
 - E.G. If the FMAP is reduced from 90% to 50% IL would lose approximately \$3B
- Coverage losses due to more restrictive Medicaid policies could impact hundreds of thousands of people in Illinois alone

<https://www.cbpp.org/research/health/medicaid-threats-in-the-upcoming-congress>

- Illinois had 756,191 enrollees in Medicaid Expansion (ACA Adult) as of July 31, 2024 who are at risk of losing their coverage entirely if Medicaid Expansion federal match is reduced below 90%

<https://hfs.illinois.gov/content/dam/soi/en/web/hfs/sitecollectiondocuments/202407aca.pdf>

Illinois Impact: Changes to Federal Match and ACA Adult Medicaid Expansion

- Illinois ACA Adult (Medicaid Expansion) is one of 9 states with enacting legislation that includes a “trigger” which would automatically end the program for over 700,000 people if the federal FMAP rate drops below 90%.
- Loss of significant federal funding from change to Medicaid FMAP rates beyond Medicaid Expansion, for example, to below the current 50% match for states like Illinois
- Would strain an already tight state budget by risking loss of hundreds of millions to billions of matching dollars for Medicaid

See: <https://ccf.georgetown.edu/2024/11/27/federal-funding-cuts-to-medicaid-may-trigger-automatic-loss-of-health-coverage-for-millions-of-residents-of-certain-states/> and <https://kffhealthnews.org/news/article/medicaid-expansion-funding-trigger-laws-9-states-trump-administration/>

Illinois Impact: Work Requirements

- Work requirements for certain populations to receive Medicaid are a recurrent Republican proposal.
 - Only one state –Georgia- currently imposes work requirements under a waiver.
 - Arkansas unsuccessfully tried to implement work requirements which did not survive a court challenge but while implemented caused tens of thousands of eligible people to lose Medicaid.
- While Illinois would not choose to seek a waiver to impose work requirements, it could be forced on the states by Congress.
- CBO Estimated Losses in the millions if work requirements imposed:
<https://ccf.georgetown.edu/2024/11/18/congressional-republican-leaders-start-to-show-their-hand-draconian-medicaid-cuts-on-the-agenda-for-next-year/>
- HHS Advisory Opinion: <https://www.hhs.gov/guidance/sites/default/files/hhs-guidance-documents/advisory-opinion-24-01.pdf>

Illinois Impact: 1115 Waiver

- 1115 Waiver addressing social determinants of health was approved by CMS for a period of 5 years beginning in 2024.
- Implementation plans still require ongoing communication/approval with the Centers for Medicare and Medicaid Services.
- CMS could eliminate approval of Medicaid funding under waivers for non-traditional non-medical services.

Illinois Impact: Changes to Medicaid Rules

- HHS could try to reverse recent rulemaking that allows states to simplify Medicaid enrollment and retention.
- While it would take time for HHS to go through the rulemaking process and public comment, changes in final rules could disallow strategies Illinois has used to reduce our application processing backlog and automatically renew eligible Medicaid recipients keeping them in continuous coverage.
- HHS could also issue sub-regulatory guidance to change eligibility or renewal policies to restrict coverage by tightening verification of eligibility or eliminate flexibilities that allow states to streamline renewal procedures.
- There would likely be court challenges to the rulemaking process but recent cases from the US Supreme Court make those challenges less likely to succeed.

Illinois Impact: LGBTQ+ Rights

- Section 1557 of the Affordable Care Act which prohibits discrimination on the basis of race, color, national origin, age, disability, or sex (including pregnancy, sexual orientation, gender identity, and sex characteristics), in covered health programs or activities.
 - Pregnancy
 - Transition-related care
 - Gender-affirming care
 - Sex-specific care
- Section 1557 applies to all covered health programs and activities, including:
 - Preventative care and reproductive health care
 - In-person and telehealth care
 - Health care providers, including doctors' practices and hospitals that receive Federal financial assistance
 - Health insurance issuers and the health insurance Marketplaces that receive Federal financial assistance

Illinois Impact: Braidwood vs Becerra

- The Braidwood plaintiffs harbor religious objections to purchasing health insurance that includes some recommended preventive services, including “abortifacient contraception,” PrEP (pre-exposure prophylaxis) to prevent HIV transmission, the human papillomavirus (HPV) vaccine, and screenings and behavioral counseling for sexually transmitted disease and drug use.
- The Fifth Circuit Court of Appeals issued a decision in June 2024 declaring that the US Preventive Services Task Force's (USPSTF) role in determining mandatory preventive coverage under the ACA is unconstitutional. However, the Court did not issue a nationwide injunction.
- We are awaiting a decision from the U.S. Supreme Court in January on whether they will grant certiorari to hear the case. At stake is not only the constitutionality of the USPSTF, but the Advisory Committee on Immunization Practices (ACIP).

Illinois Impact: Immigrants

- Congress could try to restrict federal funding further for undocumented immigrants through changes to Emergency Medicaid.
- Trump administration could disallow federal funding for some Emergency Medicaid services.
- Trump administration could try to get around privacy protections in Medicaid and Marketplace that currently safeguard immigrant identity.

Illinois Specific Actions to Defend Coverage

Illinois Opportunities to Defend Coverage

Legislation to remove or modify Medicaid Expansion trigger.

Legislation to strengthen access to abortion medications.

Legislation to ensure privacy for pregnant people and people receiving abortion care in IL.

Attorney General in cooperation with other Democratic AGs can bring litigation to block Trump administration actions.

Launching full state marketplace in 2026 and will control funding for enrollment assistance, setting enrollment periods, privacy protections, and Special Enrollment Periods.

State Legislation to Codify ACA provisions for State Regulated Plans

- Prohibit insurers from setting annual or lifetime limits on the cost of care.
- Mandate dependent coverage to age 26 with no restrictions. (Illinois mandates coverage up to 26 with some qualifiers: 215 ILCS 5/356z.12)
- Prohibit insurers from denying coverage due to preexisting conditions by strengthening pre-ACA creditable coverage provisions.
- Illinois passed guarantee of coverage preventative services in 2023:
<https://www.ilga.gov/legislation/publicacts/103/103-0551.htm>

See: <https://www.commonwealthfund.org/blog/2020/state-efforts-preexisting-conditions> and [https://avalere.com/insights/states-act-to-ensure-coverage-protections-in-advance-of-aca-decision#:~:text=In%202019%20and%202020%2C%20at,Affordable%20Care%20Act%20\(ACA\).](https://avalere.com/insights/states-act-to-ensure-coverage-protections-in-advance-of-aca-decision#:~:text=In%202019%20and%202020%2C%20at,Affordable%20Care%20Act%20(ACA).)

State strategies if enhanced subsidies are not extended in 2025

- Raise state-level revenue (from fees on health issuers, provider fees, individual mandates, tobacco taxes or other sources) to make Marketplace coverage more affordable or accessible by reducing premiums and/or cost-sharing for Marketplace plans.
- Consider additional policies that improve Marketplace Affordability, and reduce health costs.

All of these become significantly less likely if Illinois is facing huge losses in federal dollars for Medicaid.

Coalition Building and Next Steps

What can we learn from what worked in 2017?

We can learn from the organizing, messaging, lobbying and litigation we did in the first Trump administration.

We are better prepared because coalitions like POCIL were formed at the state level and are ready to be active in the fight.

We were successful in defeating initiatives like ACA Repeal and Public Charge through organizing, administrative advocacy, lobbying and litigation.

Health consumers were educated and activated through organizing groups such as POCIL, Citizen Action, and Indivisible.

Campaigns like #IamMedicaid worked to use storytelling as a force for people to understand that Medicaid funds various programs like schools, nursing homes, and services for people who are experiencing homelessness.

Because of Medicaid I can continue living my life

In June of 2016, after recovering from a short stint of homelessness and working in the restaurant industry, David had an accident that led to him losing his left leg below the knee. Medicaid has been there for me to help get access to a prosthetic, physical therapy, a caregiver, and the access to the medical team I need to stay independent and keep doing the things I love to do with and for my community. Medicaid helps me continue living my life, on my terms."

-David Zoltan



I am
MEDICAID IL

Next Steps

Use media to tell the story of Medicaid and the ACA in Illinois and highlight the impact of proposals in our specific context

Analysis of federal proposals and both proactive and responses state protections for health care

POCIL education of IL Congressional Delegation and state legislative leaders

Story collection, messaging and media around the importance of Medicaid and the ACA Marketplace

Data on potential losses of coverage and state funding if drastic changes and cuts to Medicaid are made

Research the impact on schools, local governments, hospitals and employers of Medicaid cuts

Be ready to
take action!

We need to show a groundswell of opposition to cuts in early January—be ready!

Look out for information on how to formally join POCIL. In the meantime:

- Sign up for AIDS Foundation Chicago's mobile action network by texting AFC to 40649 to receive rapid response alerts through text messages
- Sign up for [EverThrive IL's action network](#) to receive updates on the coalition, analysis of proposals, etc

If you are open to sharing your story or speaking on behalf of your institution with your member of congress, the press, etc, please contact Kathy Waligora directly, kwaligora@everthriveil.org

Resources

- [Georgetown Center for Children and Families](#)
- [Protect Our Care Coalition \(national\)](#)
- [Protecting Immigrant Families IL](#)
- [NHeLP Medicaid Defense Webpage](#)
- [NHeLP Protect Medicaid Fact Sheet Series](#)
- [Kaiser Medicaid in IL one pager](#)
- [Dangers of Per Capita Caps and Block Grant Proposals for Medicaid](#)

Questions?



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