

Keeping Care Affordable for Every Patient

The Impact of Medicaid Co-Pays on Louisiana Health Center Patients

The Medicaid program is an important source of health insurance coverage for hundreds of thousands of low-income individuals and families across Louisiana. Louisiana's Federally Qualified Health Centers (commonly known as Community Health Centers) depend on a robust Medicaid program in order to effectively improve the health of our state's medically underserved populations.

Louisiana's Medicaid Program By the Numbers

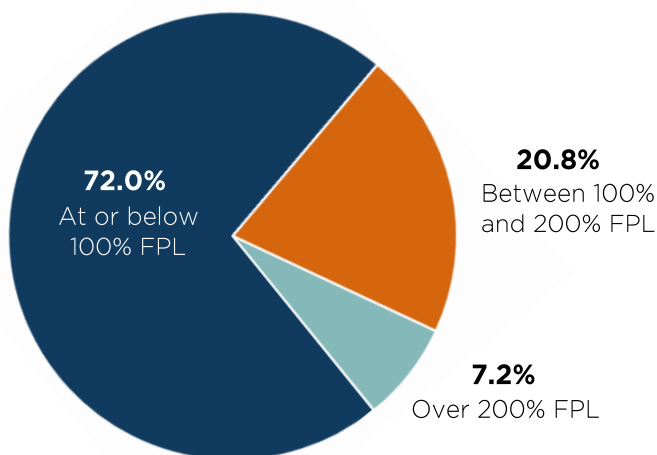
Over 1.4 million people in Louisiana are covered by Medicaid (20% of Louisiana's total population). While seven in ten are children or adults, more than two-thirds of the state's Medicaid spending is for the elderly and people with disabilities.¹

- As of February 2018, over 464,000 Louisianans have enrolled in Medicaid Expansion, most of whom are the working poor and thus and earn too much money to qualify for traditional Medicaid.
- In FY2016, Medicaid spending in Louisiana was \$8.6 billion. The federal government shares 62.3% of the cost of our traditional Medicaid program, which means that every \$1 spent by the state will be matched with \$1.63 in federal funds.²
- 19% of Louisiana's general fund is spent on the Medicaid program.

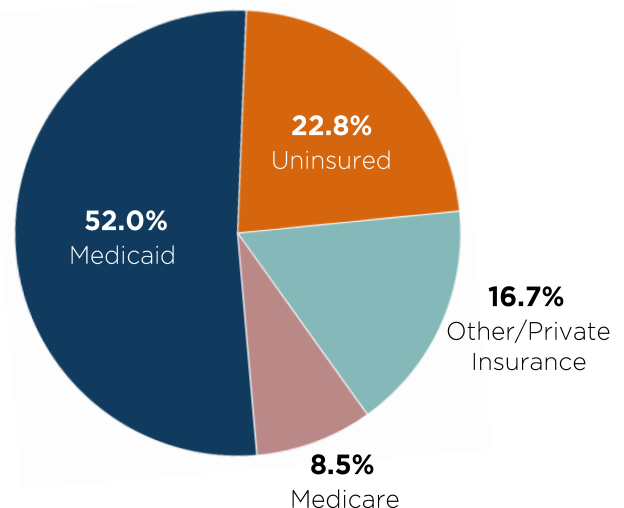
The Importance of Medicaid to Louisiana's Community Health Centers

In 2016, Louisiana's Community Health Centers served 384,893 individual patients, over half of whom rely on Medicaid. Studies have shown that health centers are a highly cost-effective use of Medicaid funds. Last year alone, they saved the Medicaid program \$436 million by emphasizing preventive care and steering patients away from the emergency room.³

Patient Income Level



FQHC Payer Mix



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Medicaid Cost Sharing for Low Income Patients

As state governments struggle with rising costs associated with the Medicaid program, many lawmakers argue that Medicaid reform should include provisions for sharing the cost with Medicaid patients. Proponents claim that charging a modest co-pay ensures patients have “skin in the game” in order to encourage healthy behavior and appropriate emergency room usage.

Even though proponents may have the best of intentions, this policy could actually hurt low income patients across the country - especially here in Louisiana where 1.4 million people depend on the Medicaid program for healthcare coverage. Research suggests that changes to cost-sharing structures in public health insurance can affect participation in the system, along with access to and use of care.

- Individuals and families who depend on Medicaid are low-income, making up to 200% of the Federal Poverty Level. This population is typically forced to pay a higher percentage of their income on basic living necessities, including rent, groceries, transportation, child care, etc. For many, even a modest co-pay of \$10 can be an onerous expense.
- Studies show that co-pays are simply not effective in stopping Medicaid recipients from seeking unnecessary care in emergency rooms, especially as federal law requires patients be seen.
- Co-pays and other cost-sharing charges have been shown to keep low-income patients from accessing needed care.⁴
- This policy would impose a tremendous administrative burden on Medicaid providers. The cost and time associated with trying to collect co-pays would far outweigh the state’s budget savings.

Community Health Centers are proud to serve as providers of choice for over 200,000 Louisianans who rely on Medicaid. The Louisiana Primary Care Association and Louisiana’s Community Health Centers work to promote policies that increase access to healthcare and remove barriers for underserved populations. We are particularly concerned about the impact that co-pays and other cost sharing policies could have on health center patients.

One study found that increases in co-pays led to Community Health Centers having to divert resources for medications for uninsured individuals to help people who could not afford copays and that copays increased the rate of “no shows” for appointments at Community Health Centers.⁵

¹ Kaiser Family Foundation. (2017) *Medicaid in Louisiana Fact Sheet*

² Kaiser Family Foundation. (2017) *Medicaid's Role in Louisiana*

³ Capital Link. (2017) *Louisiana FQHC Value & Impact Study*

⁴ Kaiser Commission on Medicaid and the Uninsured Study (2013)

⁵ Oregon Health Policy & Research Study (2003)