



January 30, 2020

Statement on CMS’ “Healthy Adult Opportunity” Guidance

Today the Centers for Medicare & Medicaid Services announced a [new policy](#) allowing states to use block grants in their Medicaid systems. The Center for Public Representation and other disability advocates successfully fought Congress’ attempt to block grant Medicaid in 2017 and is dismayed that the Administration is now attempting to reverse that outcome and allow block grants through this guidance. This guidance is inconsistent with the Medicaid statute. It is illegal and will harm Medicaid participants, including people with disabilities.

Under this new proposal from CMS, states would receive a preset amount of funding – either through a lump sum “block grant” or a set amount per participant called a “per capita cap” – instead of receiving funding for actual care provided. These types of funding proposals place significant risk on states; if actual costs go beyond the preset funding, states will cut benefits, eligibility or both. People with disabilities will be hurt by this dangerous policy. Although this current CMS guidance restricts these funding options to people eligible through the Affordable Care Act’s Medicaid expansion, a significant proportion of the expansion population are people with disabilities. CMS will also allow states to impose restrictions on prescription drug coverage and charging premiums and out-of-pocket costs not otherwise permitted under Medicaid.

The Administration has repeatedly made clear its desire to allow block grants and per capita caps across the Medicaid program. Today’s guidance is the first step down a slippery slope. CMS should rescind this illegal and harmful guidance.

For more resources on block grants, CMS’ new guidance, and state proposals, see <https://medicaid.publicrep.org/feature/what-could-block-grant-proposals-mean-for-medicaid>.