

Dear Senator Tillis,

On behalf of the Durham County Board of Commissioners, we write with upmost urgency to ask that you reject any proposals that would cut or weaken Medicaid.

Medicaid is one of the most powerful tools that North Carolina has to improve the health and well-being of our residents and reduce the burden of their medical debt. While Durham is known as the City of Medicine, about one in four of our residents (76,639 people), rely on Medicaid to access medical care. Nearly 45,000 of these residents are under 18 or over 65 years old, over 7,000 are disabled and over 1,000 pregnant women receive Medicaid in our county. More than 3 million North Carolinians were enrolled in Medicaid last year.

Any cut to Medicaid will be of great detriment to our state. North Carolina is one of nine states with “trigger laws” that will reverse Medicaid expansion if federal matching funds for the program drop below 90% of costs for those covered under the expansion. Nearly 17,000 Durham residents and 640,000 North Carolinians currently access health insurance through Medicaid Expansion. If Medicaid is cut, these North Carolina residents will lose their health coverage.

Medicaid serves a central role in North Carolina’s health care system, with more than 640,000 people newly enrolled under Medicaid Expansion since 2023. Federally Qualified Health Centers such as Lincoln Community Health Center in Durham have had a great deal of stabilization and are able to provide more services because of the expansion. Rural counties have been impacted even more because they disproportionately benefit from Medicaid, with 29 mostly rural counties enrolling 40% or more of their population in Medicaid. Cuts to Medicaid would severely harm these rural areas, where access to care is already limited. Twelve rural hospitals have already closed in North Carolina since 2005 and cuts to Medicaid put additional NC hospitals at risk of shuttering. Medicaid Expansion has been instrumental in reducing uncompensated care and stabilizing the finances of rural hospitals, enabling them to continue to serve their communities. Medicaid also supports nursing homes and long-term care facilities, helping to cover nursing care, personal care, rehabilitation, medications, and medical supplies.

Per the American Hospital Association, “policymakers are considering different approaches to reduce Medicaid spending. One of the approaches could implement per capita caps, in which the federal government would set a fixed spending amount for each beneficiary and adjust that amount annually based on an inflationary rate that would not account for changes in Medicaid costs. Such a cap could be implemented for

the entire Medicaid program or could be applied to certain beneficiary populations, such as the Medicaid expansion population. States could be wholly responsible for any costs per beneficiary that exceed this cap.

“A per capita cap on federal Medicaid financing would be a fundamental change to how the program is financed and, specifically, would amount to a substantial cut that would grow over time. Such an approach could put untenable fiscal pressures on state governments, leading to reductions in Medicaid coverage and enrollment, as well as provider reimbursement cuts. The data below demonstrates the potential effects of a Medicaid expansion per capita cap on hospitals in North Carolina, assuming that states would be unable to increase their Medicaid contributions beyond current levels.”

“These cuts would be felt well beyond the Medicaid program. The reductions could force hospitals to make difficult decisions about reducing staffing and service lines and whether they will be able to remain open and continue to serve Medicaid beneficiaries as well as the wider community.”

In North Carolina the impact would be a loss of -\$1.1B in the first year and over ten years it would be -\$11.2B loss to hospitals in the state.

Medicaid expansion has been rigorously implemented in North Carolina to the highest standards of efficacy, effectiveness and efficiency with little evidence of waste or fraud. Documentation also validates that the majority of North Carolina recipients (92%) are known to be working adults, children, the disabled and the elderly.

Medicaid and Medicaid Expansion are essential to ensure the health, wellbeing, and productivity of North Carolinians. We urge you to strengthen Medicaid and reject any proposals that would cut services, increase costs or decrease participation.

Sincerely,

Durham County Board of Commissioners