

U.S. SENATOR BOB CASEY

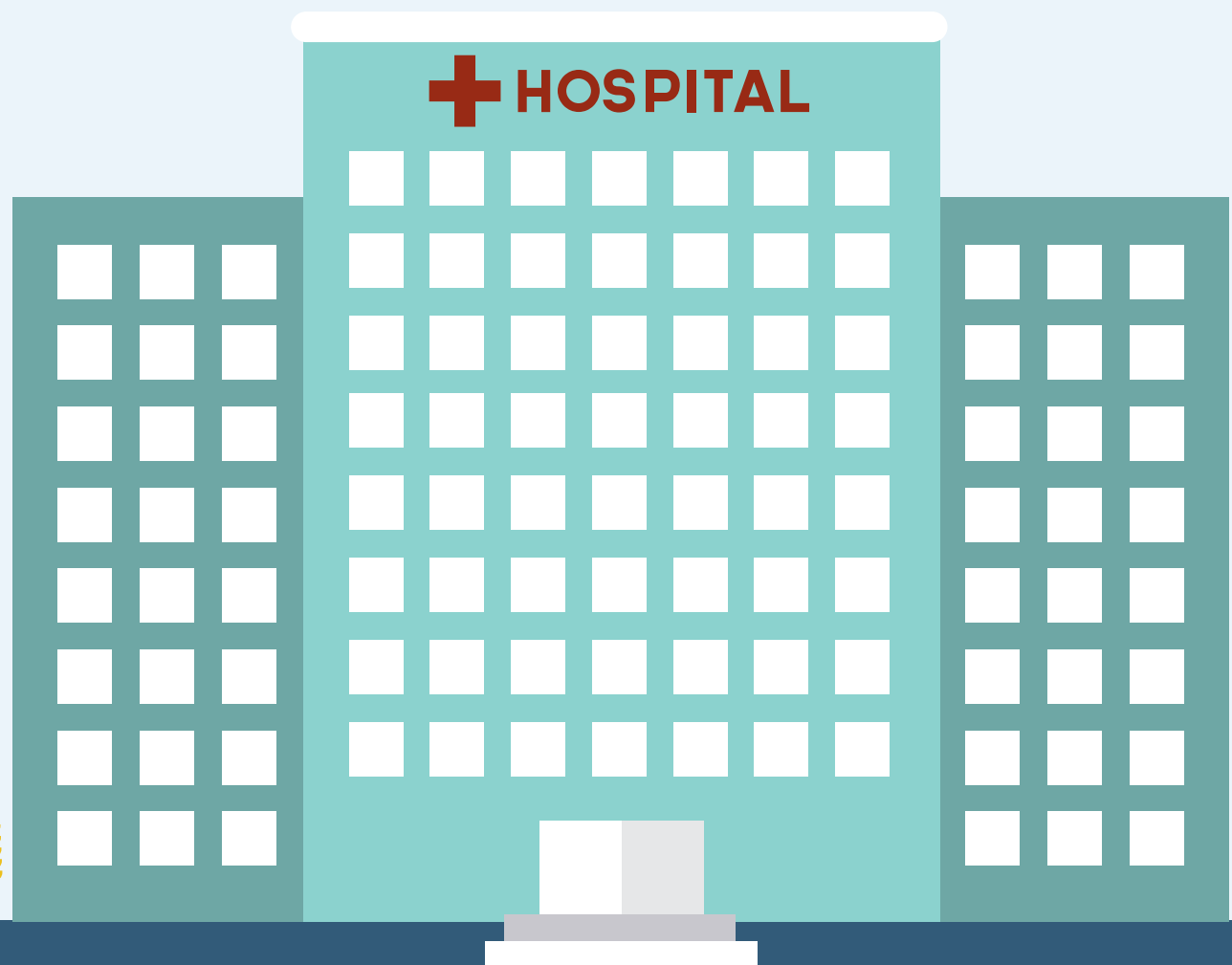


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Adams County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

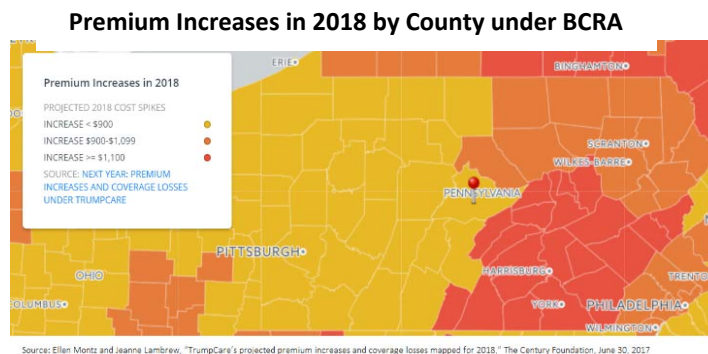
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Adams County residents could pay \$1,339 more for marketplace health insurance.^{vi}*



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

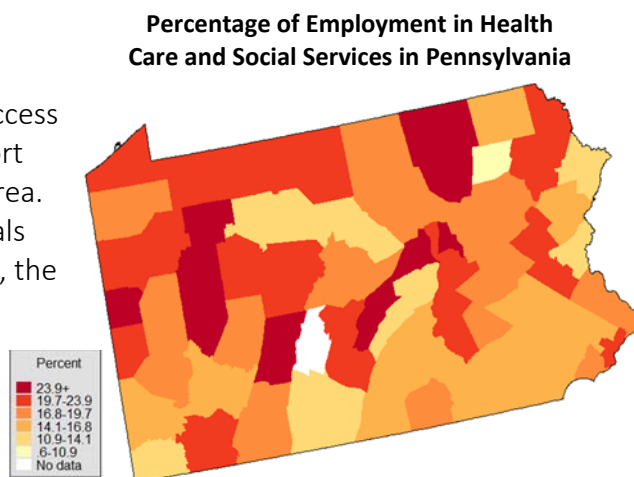
Adams County: Worse Off Under the Better Care Reconciliation Act

In Adams County, 15,585 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 3,007 residents purchase insurance through the marketplace. If BCRA passed, Adams County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 4,330 residents of Adams County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
 Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 117 health care sector jobs in Adams County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Adams County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Adams County.

- *In Adams County, 746 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Adams County received \$25,098,173 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 48 residents over age 55 in Adams County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$1,671,300 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Adams County received \$104,144 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*

- *Federal Medicaid funds paid \$4,100,147 to the Intermediate Unit serving Adams, Franklin and York Counties during the 2014 fiscal year.*^{xvii}

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

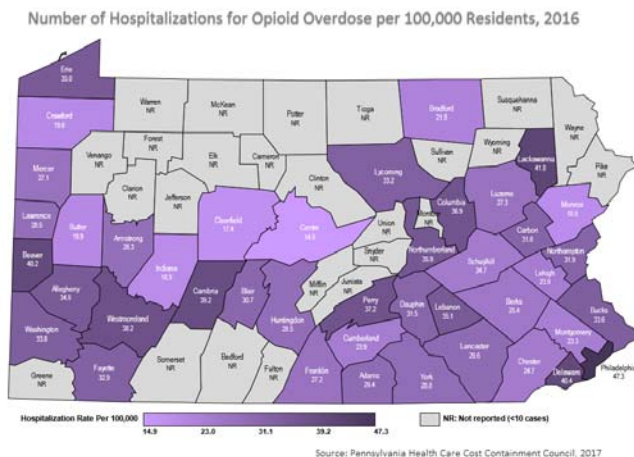
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Adams County, 140 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$72,105,764 (data for Adams and York Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}
- *Medicaid paid providers \$652,189 to support individuals with autism.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 10 residents of Adams County died of an opioid overdose.*^{xix} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}
- *In 2016, 25 Adams County residents were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Adams County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, "Pennsylvania has 1M in path of Obamacare Repeal," *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, "TrumpCare Threatens Rural Hospitals," June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

^{ix} Senator Casey staff analysis of Ku, et al., "The American Health Care Act: Economic and employment consequences for states."

^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., "Medicaid expansion affects rural and urban hospitals differently," *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, "Data shows rural hospitals at risk without special attention from lawmakers," 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

^{xii} The Kaiser Family Foundation estimated that in Fiscal Year 2013, Medicaid covered 51% of all LTSS costs. Note that this calculation excluded Medicare spending on post-acute care from its calculation of total LTSS spending. Erica Reaves and MaryBeth Musumeci, "Medicaid and Long-Term Services and Supports: A Primer," Henry J. Kaiser Family Foundation (2015), available at <http://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>, (last accessed July 2, 2017).

^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

^{xiv} Data provided by the Pennsylvania Department of Human Services (May 2017) are for Nursing Homes only, not Intermediate Care Facilities.

^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, "Long-Term Care Trends and Statistics," Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.

^{xix} Pennsylvania State Coroner's Association, "Report on overdose death statistics: 2015," Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, "Medicaid's role in addressing the opioid epidemic," June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, "Keep Obamacare to keep progress on treating opioid disorders and mental illnesses," *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-OD%20v3corrected.pdf>, (last accessed July 2, 2017).

^{xxiv} For additional information, please see the report prepared by U.S. Senator Bob Casey entitled “The Republican Plan: Retreating from the fight Against the Opioid Epidemic.” Released June 2017.

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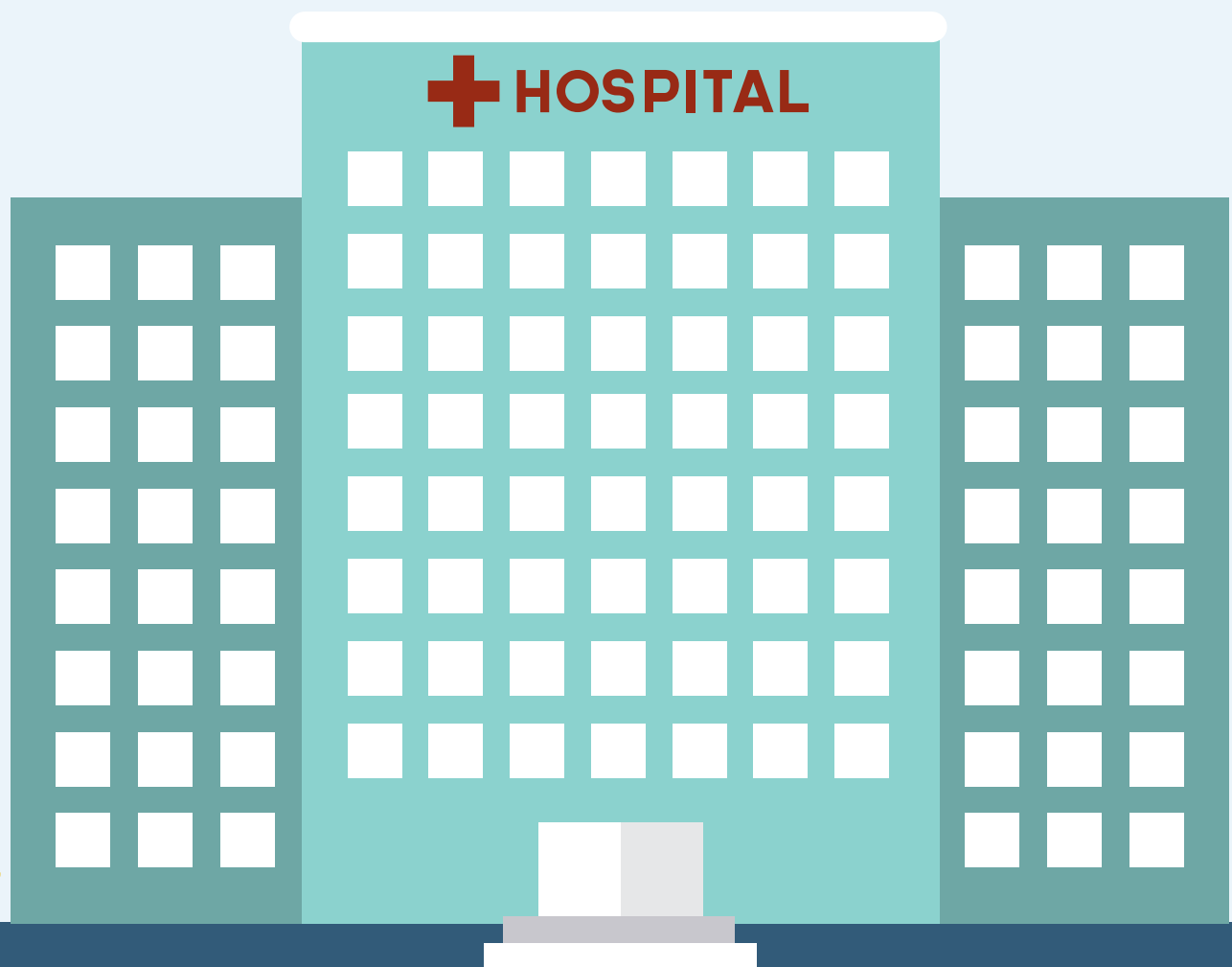


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THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Armstrong County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

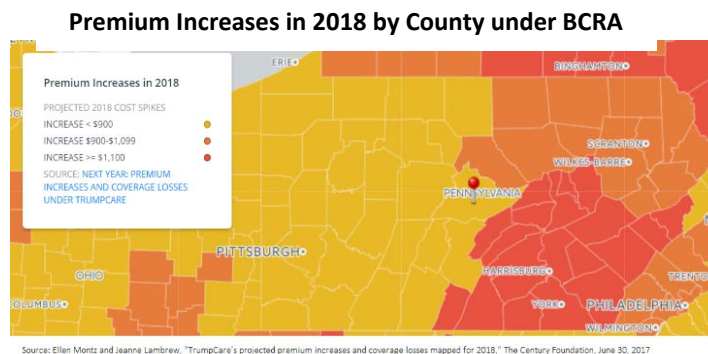
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities – could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Armstrong County residents could pay \$703 more for marketplace health insurance.^{vi}*



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

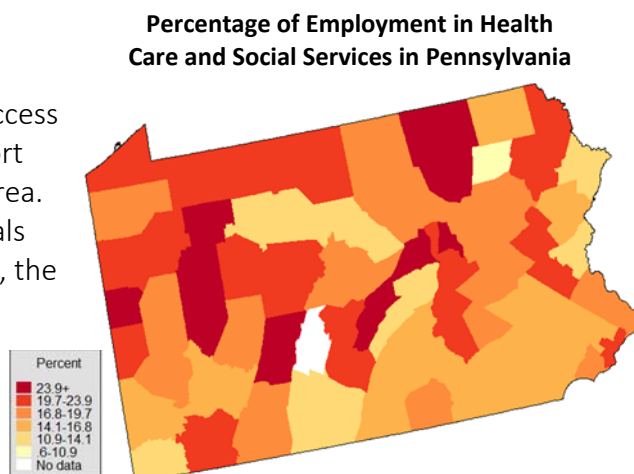
Armstrong County: Worse Off Under the Better Care Reconciliation Act

In Armstrong County, 15,928 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 1,840 residents purchase insurance through the marketplace. If BCRA passed, Armstrong County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 3,030 residents of Armstrong County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Armstrong County, hospitals employ approximately 5.2% of all employees.^{vii}*
- *The health care and social services sector employs 24.1% percent of all workers in Armstrong County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Armstrong County, Medicaid revenues and related funding comprise 11.2% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 179 health care sector jobs in Armstrong County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Armstrong County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Armstrong County.

- *In Armstrong County, 425 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Armstrong County received \$12,547,232 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 178 residents over age 55 in Armstrong County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$3,941,651 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Armstrong County received \$824,205 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$197,689 to the Intermediate Unit serving Armstrong and Indiana counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

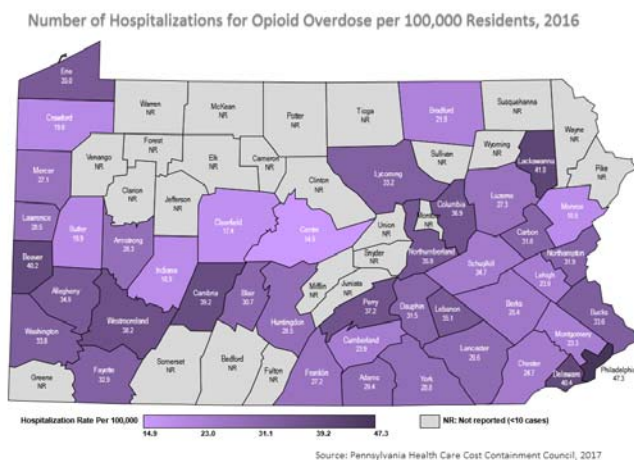
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Armstrong County, 251 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$36,269,896 (data for Armstrong and Indiana Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 28 residents of Armstrong County died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 16 Armstrong County residents were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal

payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Armstrong County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, "Pennsylvania has 1M in path of Obamacare Repeal," *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, "TrumpCare Threatens Rural Hospitals," June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

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^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., "Medicaid expansion affects rural and urban hospitals differently," *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, "Data shows rural hospitals at risk without special attention from lawmakers," 2017. Available at <https://hcmplc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

^{xii} The Kaiser Family Foundation estimated that in Fiscal Year 2013, Medicaid covered 51% of all LTSS costs. Note that this calculation excluded Medicare spending on post-acute care from its calculation of total LTSS spending. Erica Reaves and MaryBeth Musumeci, "Medicaid and Long-Term Services and Supports: A Primer," Henry J. Kaiser Family Foundation (2015), available at <http://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>, (last accessed July 2, 2017).

^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

^{xiv} Data provided by the Pennsylvania Department of Human Services (May 2017) are for Nursing Homes only, not Intermediate Care Facilities.

^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, "Long-Term Care Trends and Statistics," Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.

^{xix} Pennsylvania State Coroner's Association, "Report on overdose death statistics: 2015," Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, “Medicaid’s role in addressing the opioid epidemic,” June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, “Keep Obamacare to keep progress on treating opioid disorders and mental illnesses,” *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-OD%20v3corrected.pdf>, (last accessed July 2, 2017).

^{xxiv} For additional information, please see the report prepared by U.S. Senator Bob Casey entitled “The Republican Plan: Retreating from the fight Against the Opioid Epidemic.” Released June 2017.

U.S. SENATOR BOB CASEY

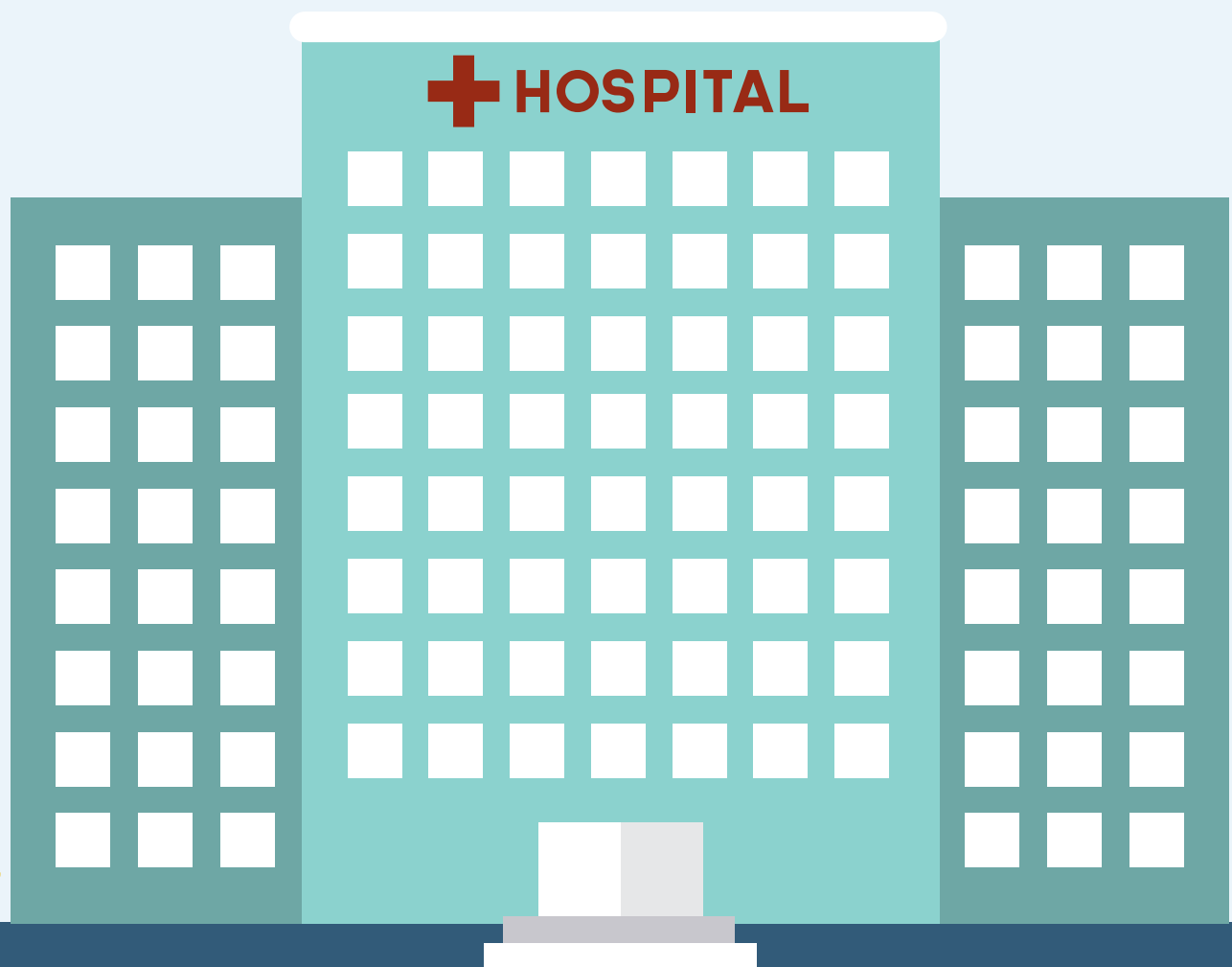


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Bedford County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

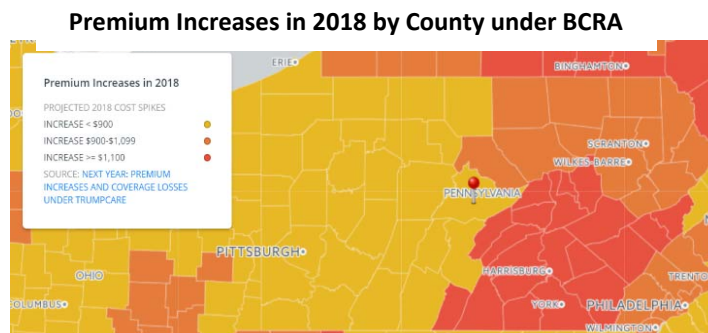
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Bedford County residents could pay \$565 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

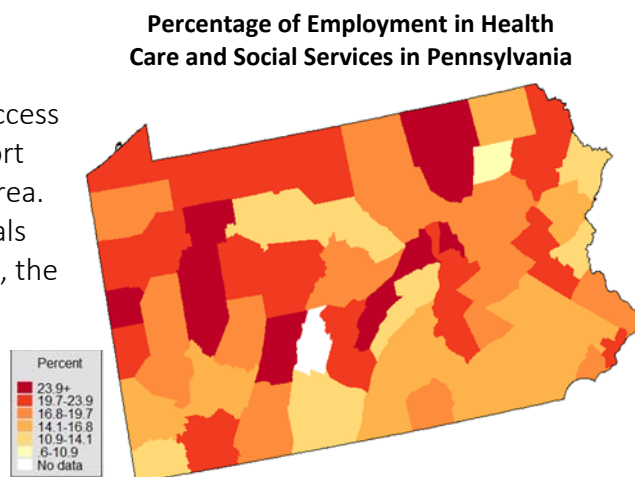
Bedford County: Worse Off Under the Better Care Reconciliation Act

In Bedford County, 11,458 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 1,536 residents purchase insurance through the marketplace. If BCRA passed, Bedford County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 2,150 residents of Bedford County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Bedford County, hospitals employ approximately 2.8% of all employees.^{vii}*
- *The health care and social services sector employs 13.9% percent of all workers in Bedford County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Bedford County, Medicaid revenues and related funding comprise 9.5% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 51 health care sector jobs in Bedford County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Bedford County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Bedford County.

- *In Bedford County, 247 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Bedford County received \$6,458,055 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 91 residents over age 55 in Bedford County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$1,976,523 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Bedford County received \$201,085 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$796,391 to the Intermediate Unit serving Bedford, Blaire, Cambria and Somerset Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

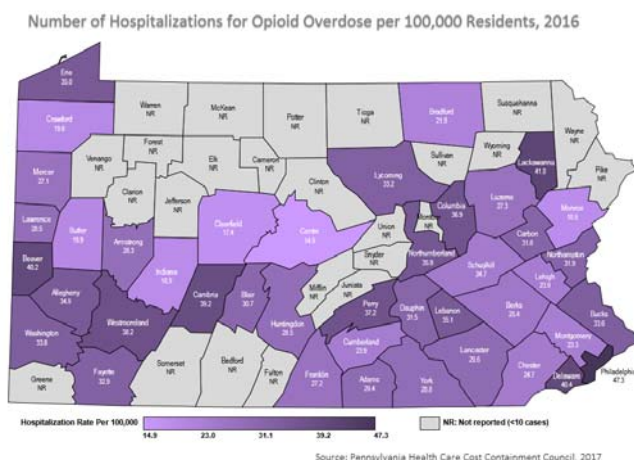
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Bedford County, 115 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$20,169,498 (data for Bedford and Somerset Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment

coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Bedford County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, “Pennsylvania has 1M in path of Obamacare Repeal,” *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, “Coverage losses by state for the Senate health care repeal bill,” Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, “Monthly data report: May 2017,” Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, “TrumpCare’s projected premium increases and coverage losses mapped for 2018.” Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, “Rural urban definitions,” Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, “TrumpCare Threatens Rural Hospitals,” June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., “The American Health Care Act: Economic and employment consequences for states,” The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

^{ix} Senator Casey staff analysis of Ku, et al., “The American Health Care Act: Economic and employment consequences for states.”

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^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

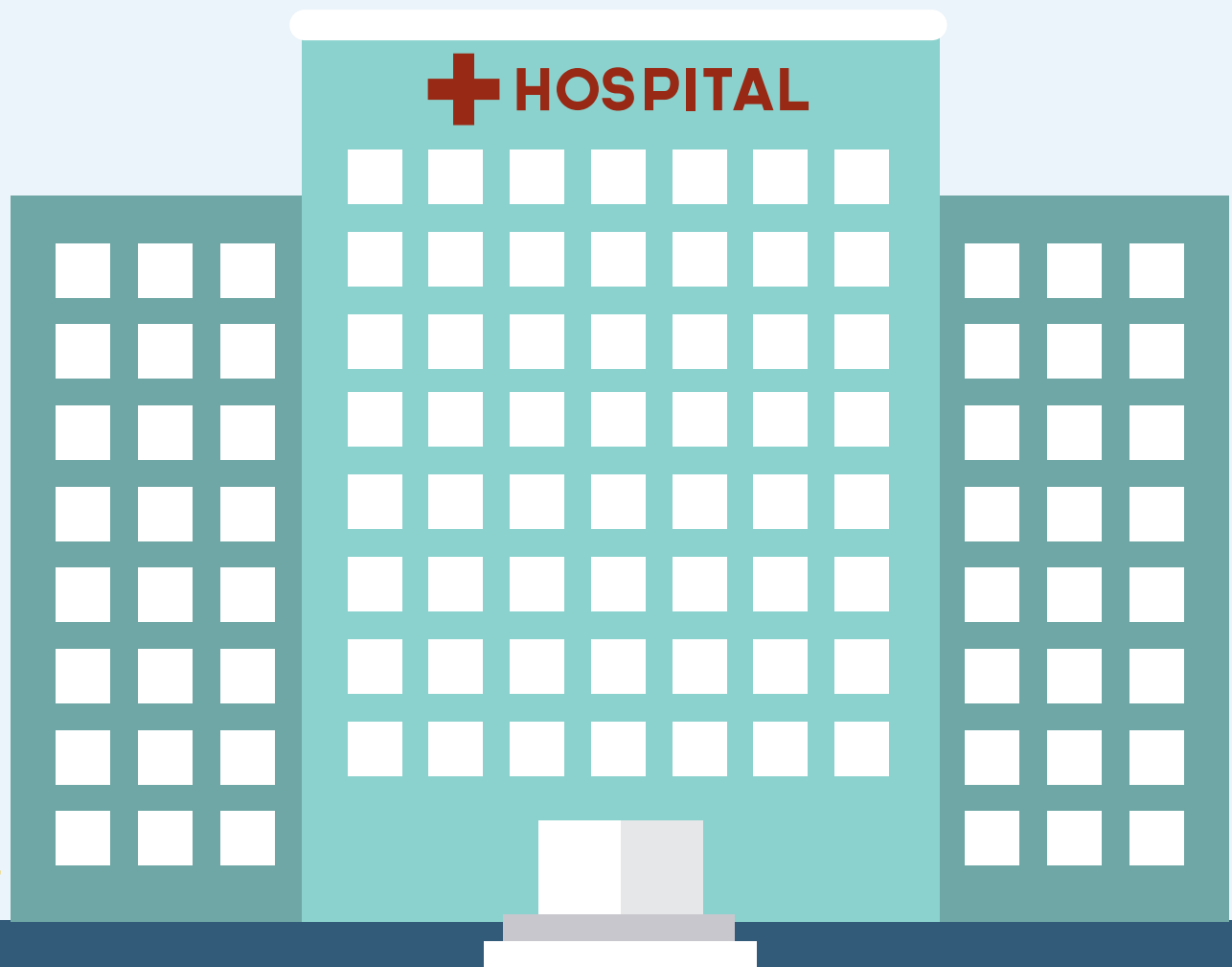


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Blair County



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Health Care Coverage in Pennsylvania

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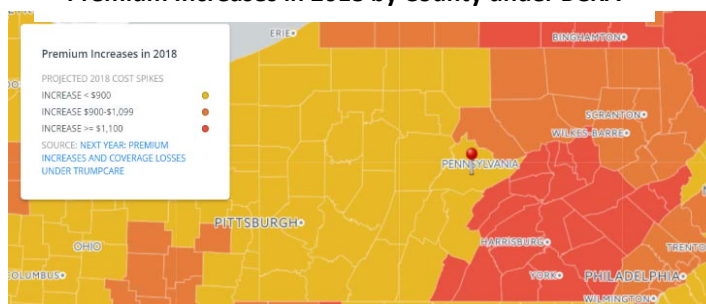
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

Premium Increases in 2018 by County under BCRA



Source: Ellen Montz and Jeanne Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018," The Century Foundation, June 30, 2017.

- *In 2018, Blair County residents could pay \$565 more for marketplace health insurance.^{vi}*

Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Blair County: Worse Off Under the Better Care Reconciliation Act

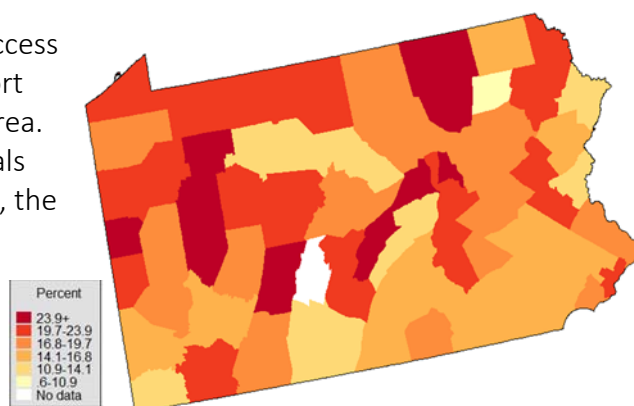
In Blair County, 32,960 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 2,913 residents purchase insurance through the marketplace. If BCRA passed, Blair County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 5,280 residents of Blair County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 499 health care sector jobs in Blair County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Blair County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Blair County.

- *In Blair County, 1,139 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Blair County received \$36,547,898 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 380 residents over age 55 in Blair County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$7,788,816 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Blair County received \$1,620,452 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*

- *Federal Medicaid funds paid \$796,391 to the Intermediate Unit serving Bedford, Blaire, Cambria and Somerset Counties during the 2014 fiscal year.*^{xvii}

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

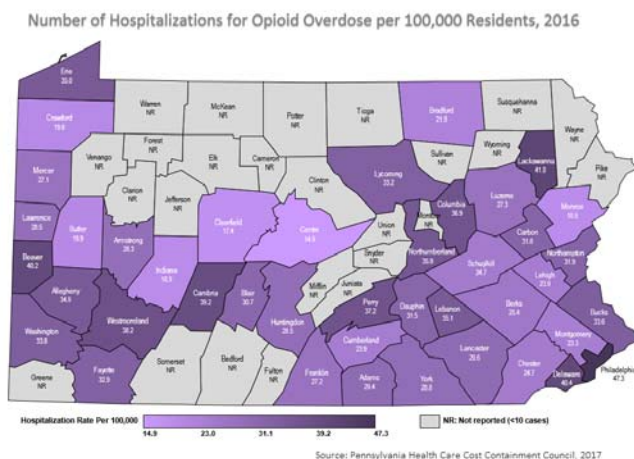
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Blair County, 486 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$35,528,988 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}
- *Medicaid paid providers \$69,072 to support individuals with autism.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 38 residents of Blair County died of an opioid overdose.*^{xix} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}
- *In 2016, 32 Blair County residents were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Blair County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

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^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

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^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

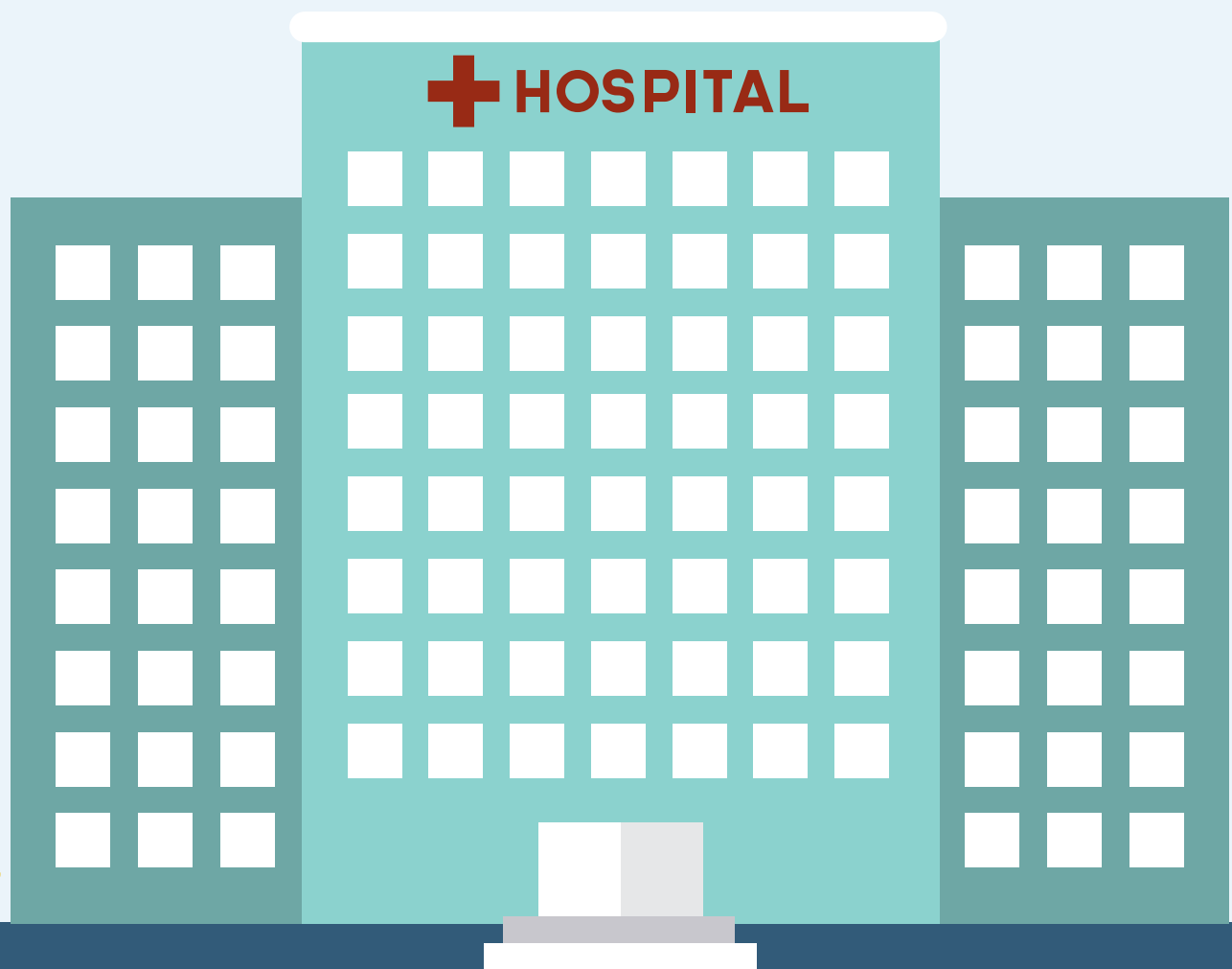


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Bradford County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

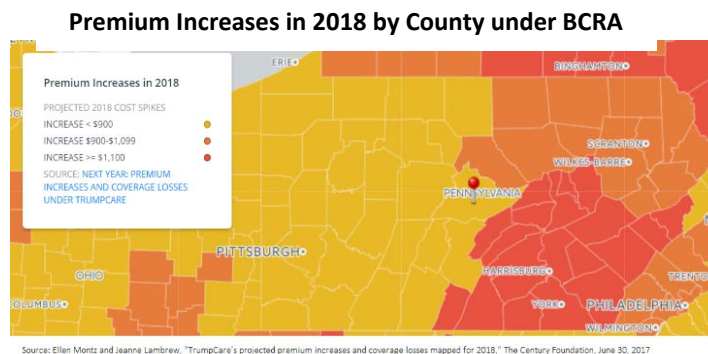
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Bradford County residents could pay \$966 more for marketplace health insurance.^{vi}*



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Bradford County: Worse Off Under the Better Care Reconciliation Act

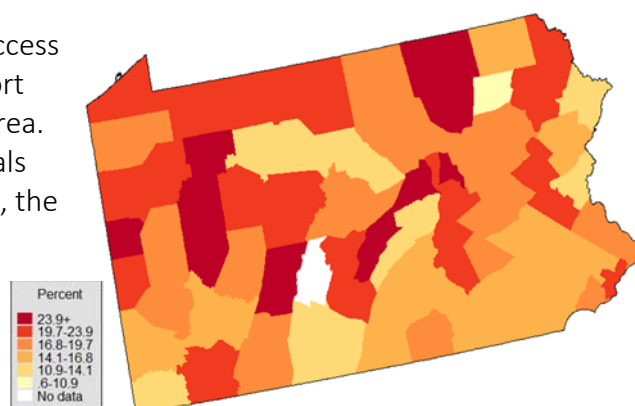
In Bradford County, 14,077 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 2,021 residents purchase insurance through the marketplace. If BCRA passed, Bradford County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 2,960 residents of Bradford County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Bradford County, hospitals employ approximately 11.7% of all employees.^{vii}*
- *The health care and social services sector employs 25.7% percent of all workers in Bradford County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Bradford County, Medicaid revenues and related funding comprise 8.5% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 328 health care sector jobs in Bradford County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Bradford County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Bradford County.

- *In Bradford County, 405 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Bradford County received \$11,000,791 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 314 residents over age 55 in Bradford County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$5,583,078 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Bradford County received \$396,330 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$305,308 to the Intermediate Unit serving Bradford, Lycoming, Sullivan and Tioga Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

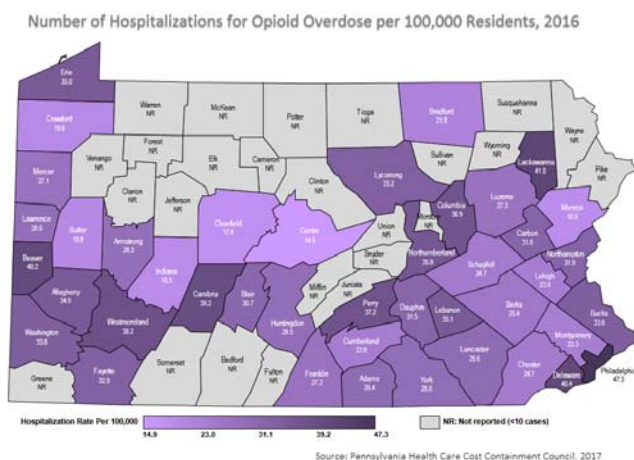
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Bradford County, 229 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$13,383,983 (data for Bradford and Sullivan Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$159,372 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 16 residents of Bradford County died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 11 Bradford County residents were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Bradford County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

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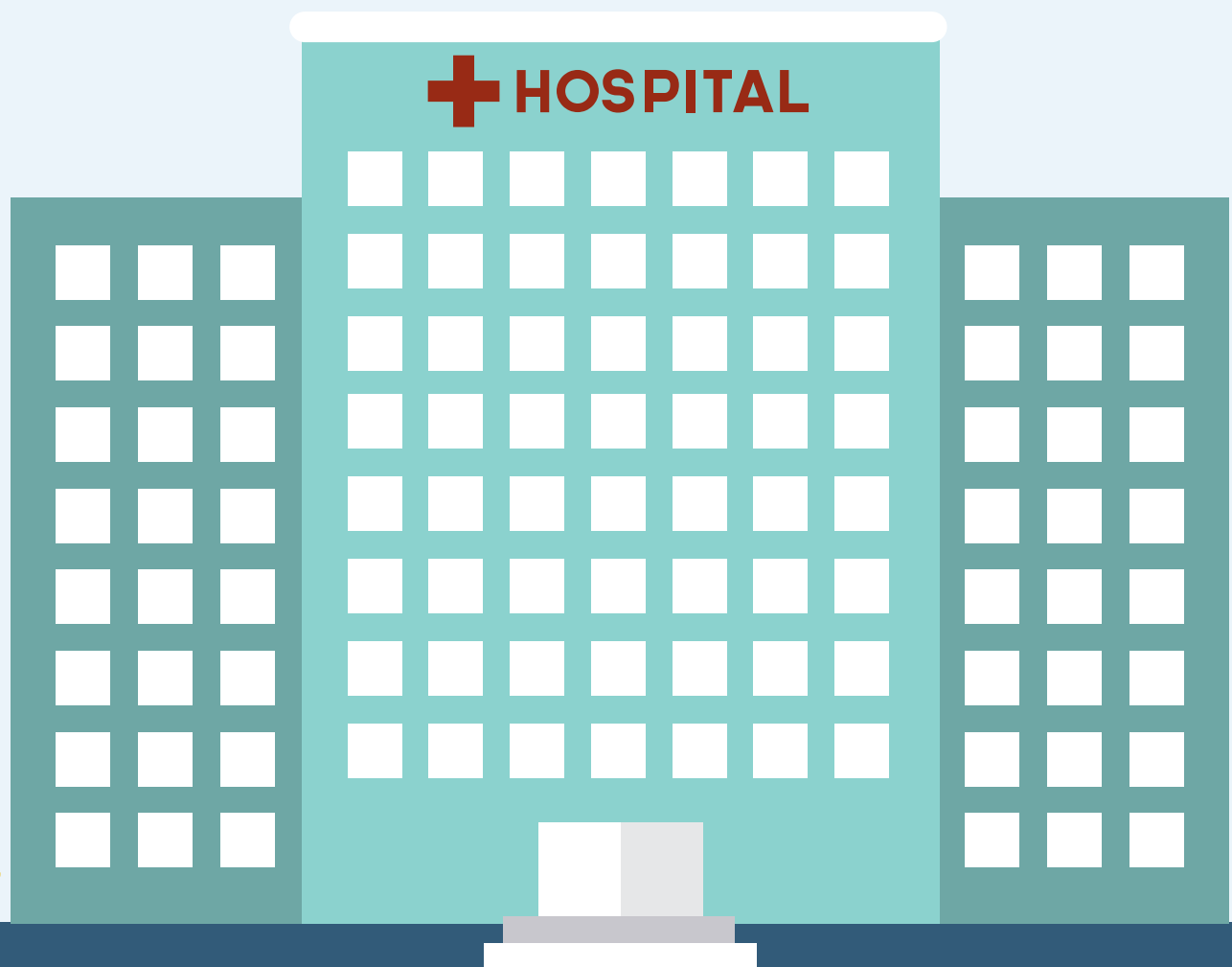


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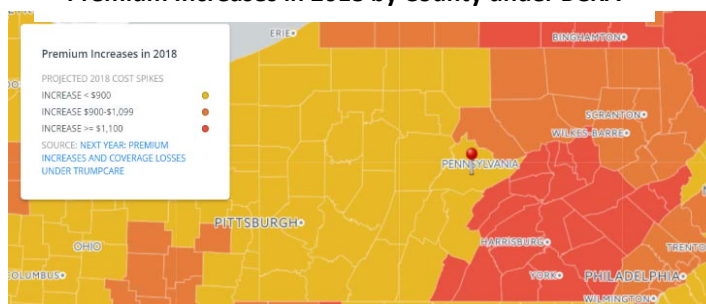
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BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

Premium Increases in 2018 by County under BCRA



- *In 2018, Butler County residents could pay \$585 more for marketplace health insurance.^{vi}*

Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

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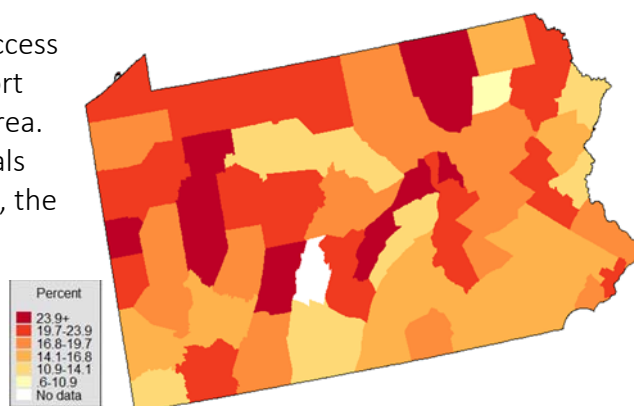
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- *An estimated 8,150 residents of Butler County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

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- *In Butler County, Medicaid revenues and related funding comprise 6.9% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 312 health care sector jobs in Butler County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Butler County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Butler County.

- *In Butler County, 1,236 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Butler County received \$49,814,368 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 193 residents over age 55 in Butler County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$4,020,584 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Butler County received \$1,091,328 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$1,365,469 to the Intermediate Unit serving Butler, Lawrence and Mercer Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

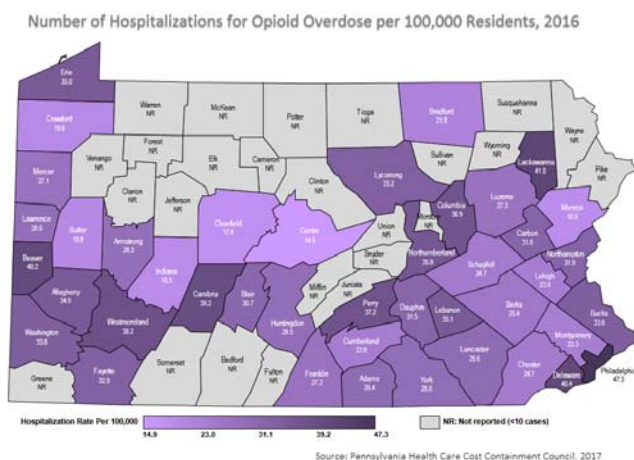
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Butler County, 364 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$23,736,359 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$276,279 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 48 residents of Butler County died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 31 Butler County residents were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Butler County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, “Pennsylvania has 1M in path of Obamacare Repeal,” *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, “Coverage losses by state for the Senate health care repeal bill,” Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, “Monthly data report: May 2017,” Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, “TrumpCare’s projected premium increases and coverage losses mapped for 2018.” Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, “Rural urban definitions,” Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, “TrumpCare Threatens Rural Hospitals,” June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., “The American Health Care Act: Economic and employment consequences for states,” The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

^{ix} Senator Casey staff analysis of Ku, et al., “The American Health Care Act: Economic and employment consequences for states.”

^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., “Medicaid expansion affects rural and urban hospitals differently,” *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, “Data shows rural hospitals at risk without special attention from lawmakers,” 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

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^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

^{xiv} Data provided by the Pennsylvania Department of Human Services (May 2017) are for Nursing Homes only, not Intermediate Care Facilities.

^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, “Long-Term Care Trends and Statistics,” Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.

^{xix} Pennsylvania State Coroner’s Association, “Report on overdose death statistics: 2015,” Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, "Medicaid's role in addressing the opioid epidemic," June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, "Keep Obamacare to keep progress on treating opioid disorders and mental illnesses," *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-OUD%20v3corrected.pdf>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

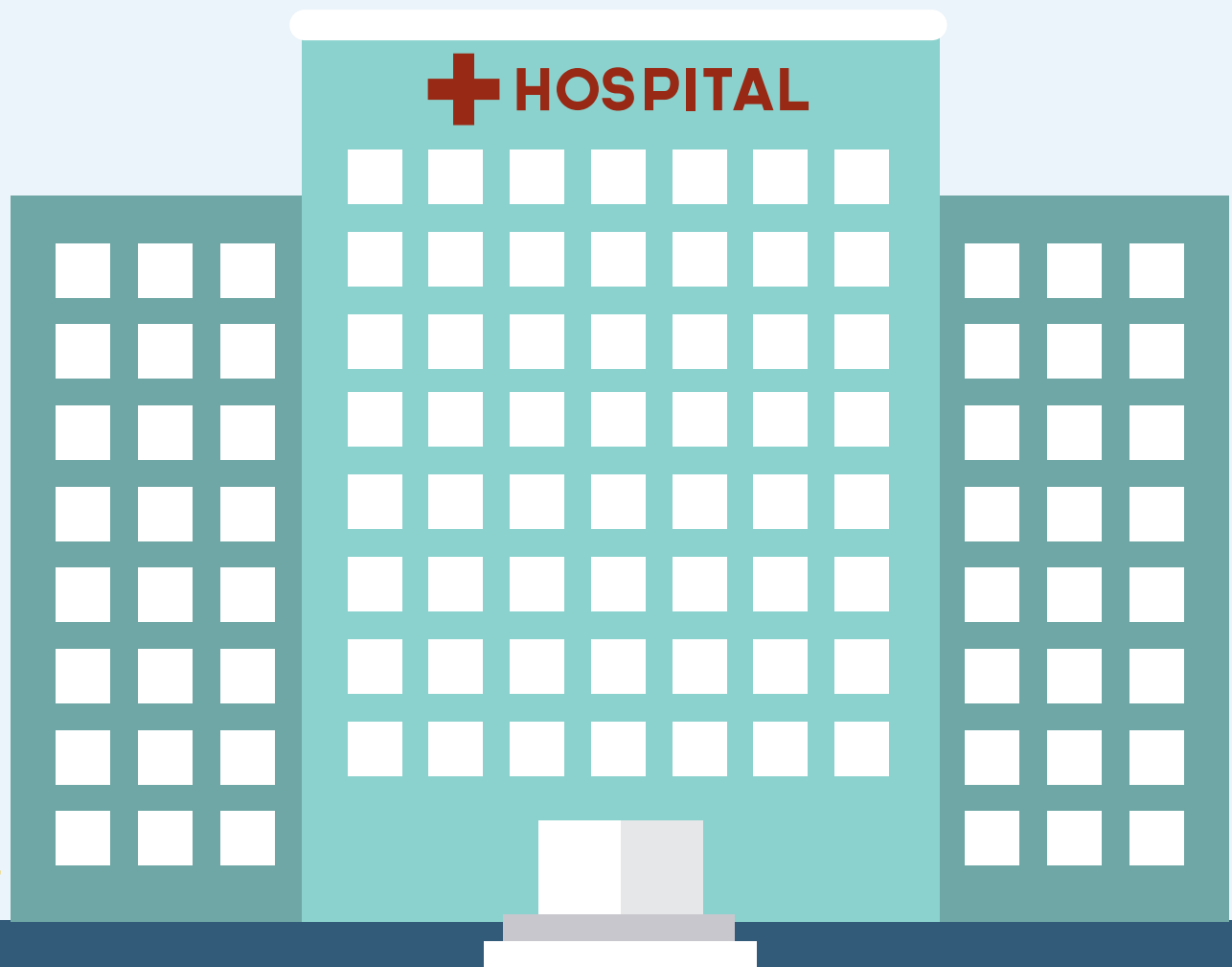


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Cambria County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

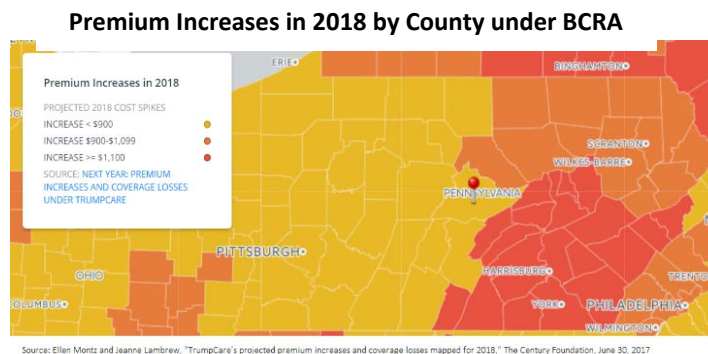
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities – could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Cambria County residents could pay \$703 more for marketplace health insurance.^{vi}*



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

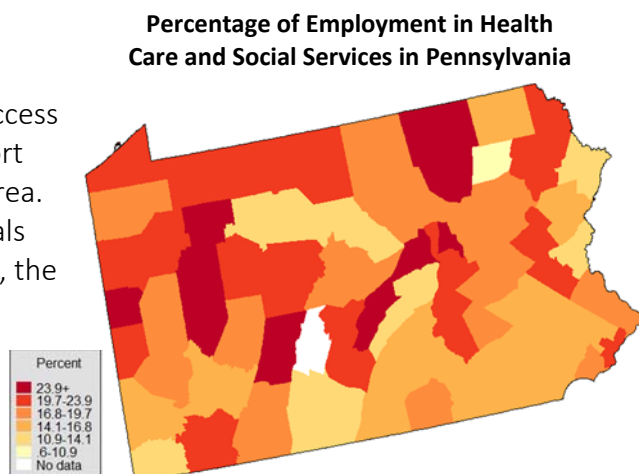
Cambria County: Worse Off Under the Better Care Reconciliation Act

In Cambria County, 34,582 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 3,574 residents purchase insurance through the marketplace. If BCRA passed, Cambria County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 6,060 residents of Cambria County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Cambria County, hospitals employ approximately 8.1% of all employees.^{vii}*
- *The health care and social services sector employs 24.3% percent of all workers in Cambria County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Cambria County, Medicaid revenues and related funding comprise 9.2% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 666 health care sector jobs in Cambria County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Cambria County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Cambria County.

- *In Cambria County, 933 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Cambria County received \$29,671,608 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 246 residents over age 55 in Cambria County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$6,770,801 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Cambria County received \$997,397 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$796,391 to the Intermediate Unit serving Bedford, Blaire, Cambria and Somerset Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

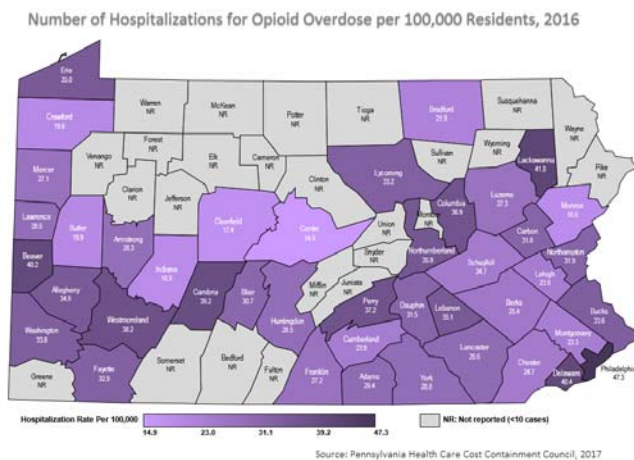
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Cambria County, 402 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$30,765,526 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$355,861 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 57 residents of Cambria County died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 45 Cambria County residents were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Cambria County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

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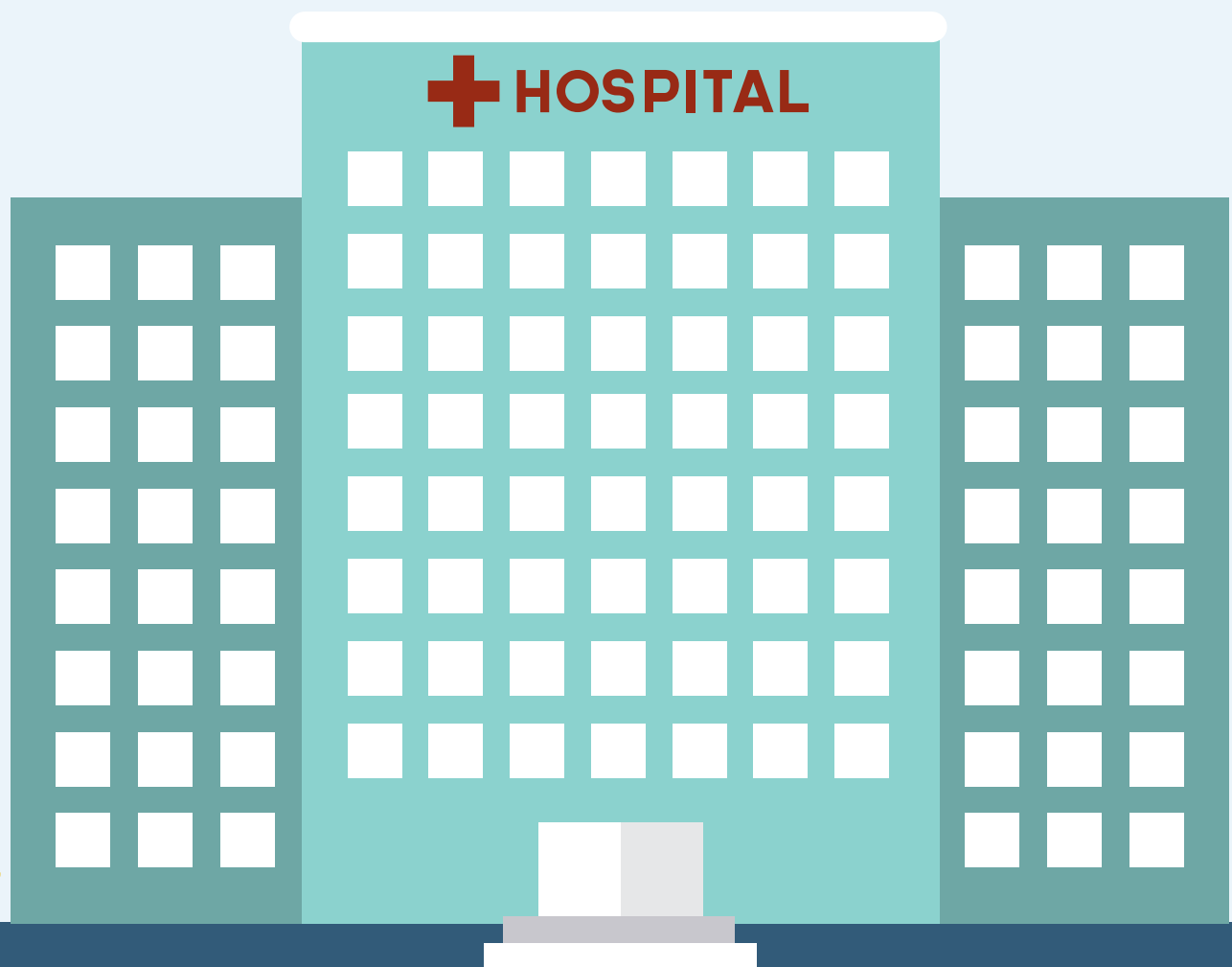


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The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

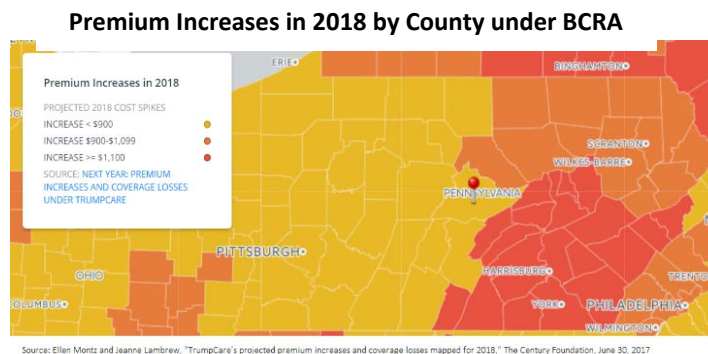
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Cameron County residents could pay \$703 more for marketplace health insurance.^{vi}*



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Cameron County: Worse Off Under the Better Care Reconciliation Act

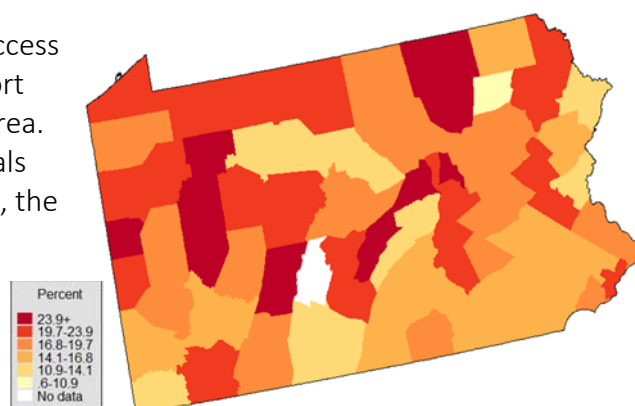
In Cameron County, 1,412 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 129 residents purchase insurance through the marketplace. If BCRA passed, Cameron County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 220 residents of Cameron County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Cameron County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Cameron County.

- *In Cameron County, 39 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.*^{xiii}
- *Providers in Cameron County received \$969,251 in Medicaid spending for nursing home care during between July 2015 and June 2016.*^{xiii}
- *Approximately 39 residents over age 55 in Cameron County received Medicaid home and community-based services last year.*^{xiii}
- *In total, providers in the county received \$776,326 in Medicaid reimbursements for home and community-based services.*^{xiv}

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *Federal Medicaid funds paid \$428,866 to the Intermediate Unit serving Cameron, Elk, Mckean and Potter counties during the 2014 fiscal year.*^{xvii}

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xviii}

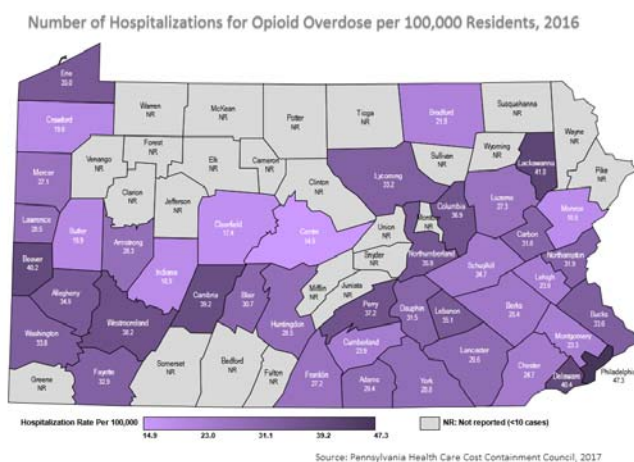
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Cameron County, 7 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$6,555,342 (data for Cameron and Elk Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.*^{xix} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}
- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii}

Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Cameron County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for

Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, “Pennsylvania has 1M in path of Obamacare Repeal,” *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, “Coverage losses by state for the Senate health care repeal bill,” Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, “Monthly data report: May 2017,” Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, “TrumpCare’s projected premium increases and coverage losses mapped for 2018.” Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, “Rural urban definitions,” Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, “TrumpCare Threatens Rural Hospitals,” June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., “The American Health Care Act: Economic and employment consequences for states,” The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

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^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., “Medicaid expansion affects rural and urban hospitals differently,” *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, “Data shows rural hospitals at risk without special attention from lawmakers,” 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

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^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

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^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, “Long-Term Care Trends and Statistics,” Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

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^{xx} Sam Wood & Dan Sapatkin, “DEA: Fatal ODs rose 37% across Pa. in 2016,” *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, “Hospitalizations for opioid overdoses – 2016,” Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, “Medicaid’s role in addressing the opioid epidemic,” June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, “Keep Obamacare to keep progress on treating opioid disorders and mental illnesses,” *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-OUD%20v3corrected.pdf>, (last accessed July 2, 2017).

^{xxiv} For additional information, please see the report prepared by U.S. Senator Bob Casey entitled “The Republican Plan: Retreating from the fight Against the Opioid Epidemic.” Released June 2017.

U.S. SENATOR BOB CASEY

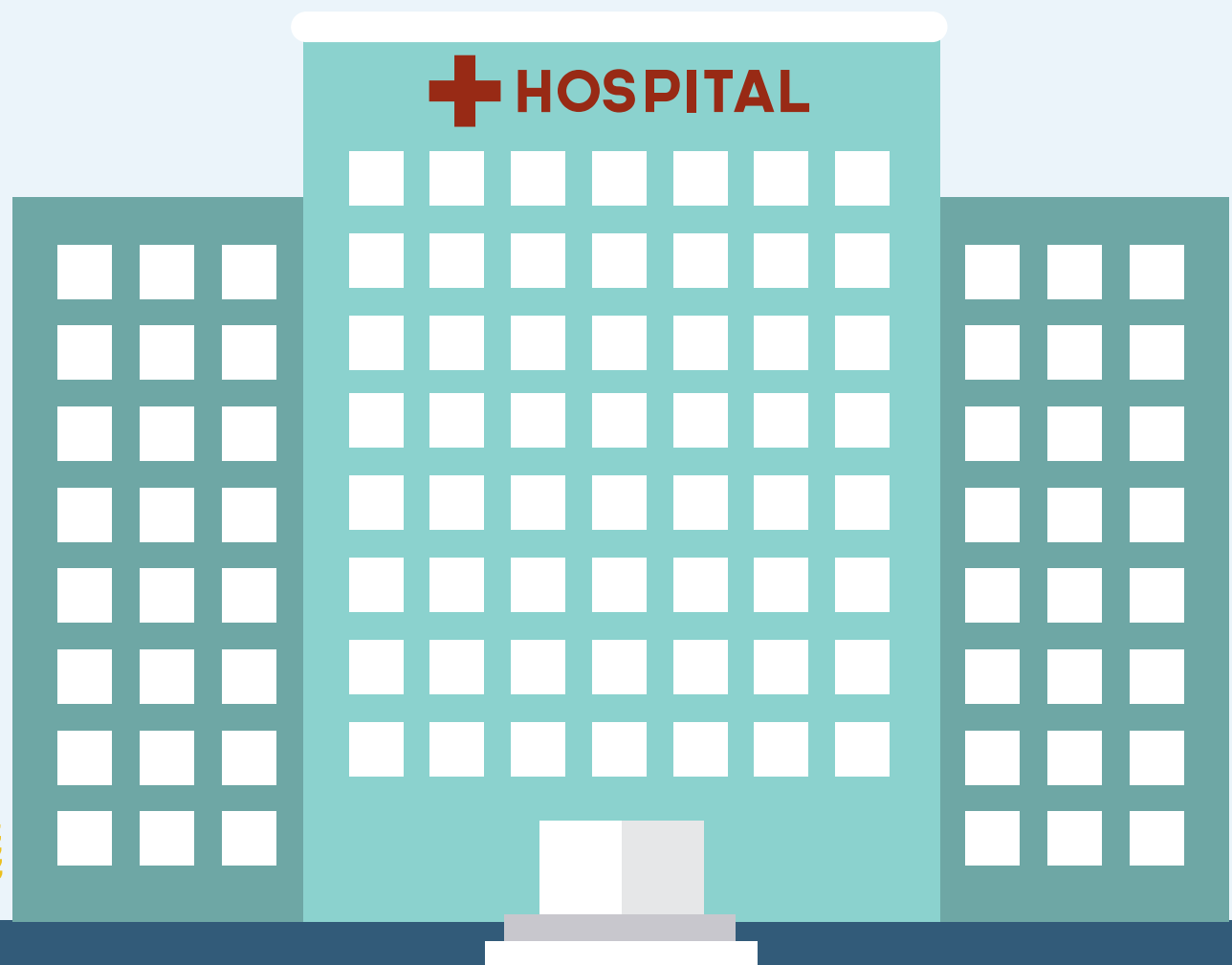


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Carbon County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

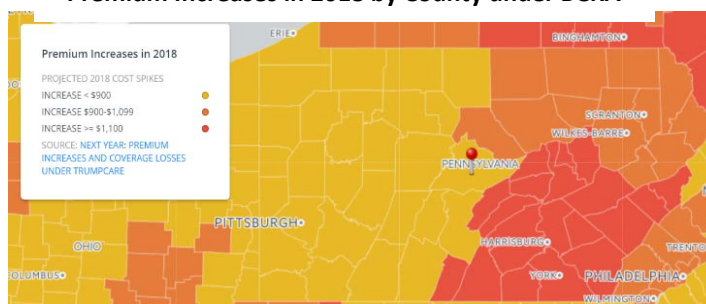
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities – could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

Premium Increases in 2018 by County under BCRA



- *In 2018, Carbon County residents could pay \$966 more for marketplace health insurance.^{vi}*

Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Carbon County: Worse Off Under the Better Care Reconciliation Act

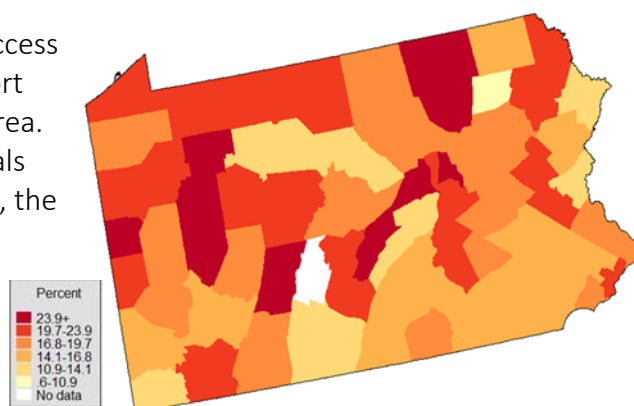
In Carbon County, 13,434 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 2,409 residents purchase insurance through the marketplace. If BCRA passed, Carbon County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 3,220 residents of Carbon County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 180 health care sector jobs in Carbon County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Carbon County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Carbon County.

- *In Carbon County, 455 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Carbon County received \$17,607,007 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 109 residents over age 55 in Carbon County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$2,804,165 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Carbon County received \$139,561 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

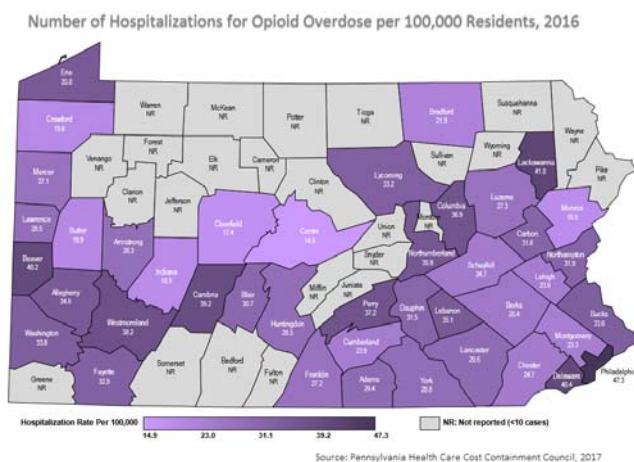
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Carbon County, 153 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$43,099,083 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}
- *Medicaid paid providers \$73,691 to support individuals with autism.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 18 residents of Carbon County died of an opioid overdose.*^{xi} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}
- *In 2016, 17 Carbon County residents were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate

Carbon County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

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^{xi} Brystana Kaufman et al., “Medicaid expansion affects rural and urban hospitals differently,” *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, “Data shows rural hospitals at risk without special attention from lawmakers,” 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

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^{xx} Sam Wood & Dan Sapatkin, “DEA: Fatal ODs rose 37% across Pa. in 2016,” *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

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^{xxii} Henry J. Kaiser Family Foundation, “Medicaid’s role in addressing the opioid epidemic,” June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, “Keep Obamacare to keep progress on treating opioid disorders and mental illnesses,” *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-QUOD%20v3corrected.pdf>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

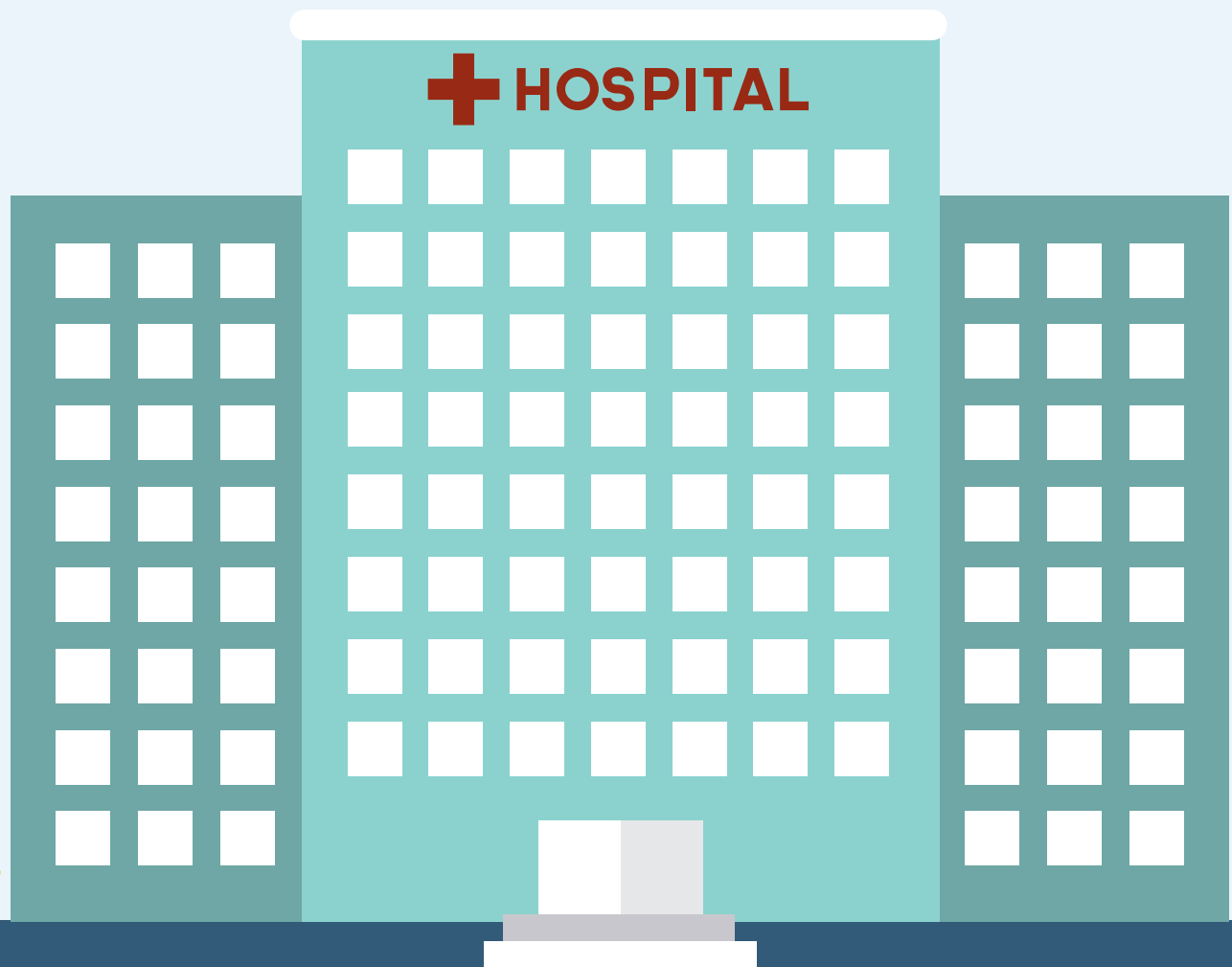


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Centre County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

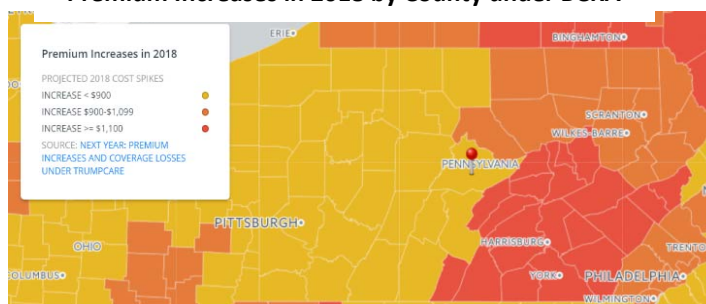
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

Premium Increases in 2018 by County under BCRA



- *In 2018, Centre County residents could pay \$703 more for marketplace health insurance.^{vi}*

Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Centre County: Worse Off Under the Better Care Reconciliation Act

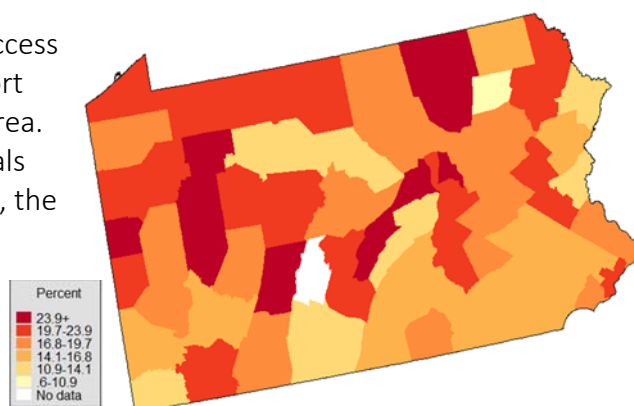
In Centre County, 15,040 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 3,588 residents purchase insurance through the marketplace. If BCRA passed, Centre County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 5,940 residents of Centre County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 371 health care sector jobs in Centre County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Centre County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Centre County.

- *In Centre County, 556 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Centre County received \$19,459,513 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 244 residents over age 55 in Centre County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$7,366,378 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Centre County received \$462,243 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*

- *Federal Medicaid funds paid \$515,243 to the Intermediate Unit serving Centre, Clearfield and Clinton Counties during the 2014 fiscal year.*^{xvii}

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

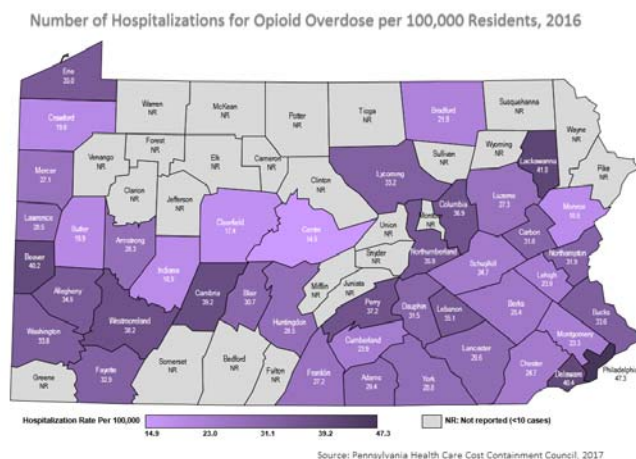
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Centre County, 269 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$16,961,948 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}
- *Medicaid paid providers \$206,251 to support individuals with autism.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 17 residents of Centre County died of an opioid overdose.*^{xix} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}
- *In 2016, 21 Centre County residents were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Centre County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

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^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, "TrumpCare Threatens Rural Hospitals," June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

^{ix} Senator Casey staff analysis of Ku, et al., "The American Health Care Act: Economic and employment consequences for states."

^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., "Medicaid expansion affects rural and urban hospitals differently," *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, "Data shows rural hospitals at risk without special attention from lawmakers," 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

^{xii} The Kaiser Family Foundation estimated that in Fiscal Year 2013, Medicaid covered 51% of all LTSS costs. Note that this calculation excluded Medicare spending on post-acute care from its calculation of total LTSS spending. Erica Reaves and MaryBeth Musumeci, "Medicaid and Long-Term Services and Supports: A Primer," Henry J. Kaiser Family Foundation (2015), available at <http://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>, (last accessed July 2, 2017).

^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

^{xiv} Data provided by the Pennsylvania Department of Human Services (May 2017) are for Nursing Homes only, not Intermediate Care Facilities.

^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, "Long-Term Care Trends and Statistics," Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.

^{xix} Pennsylvania State Coroner's Association, "Report on overdose death statistics: 2015," Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

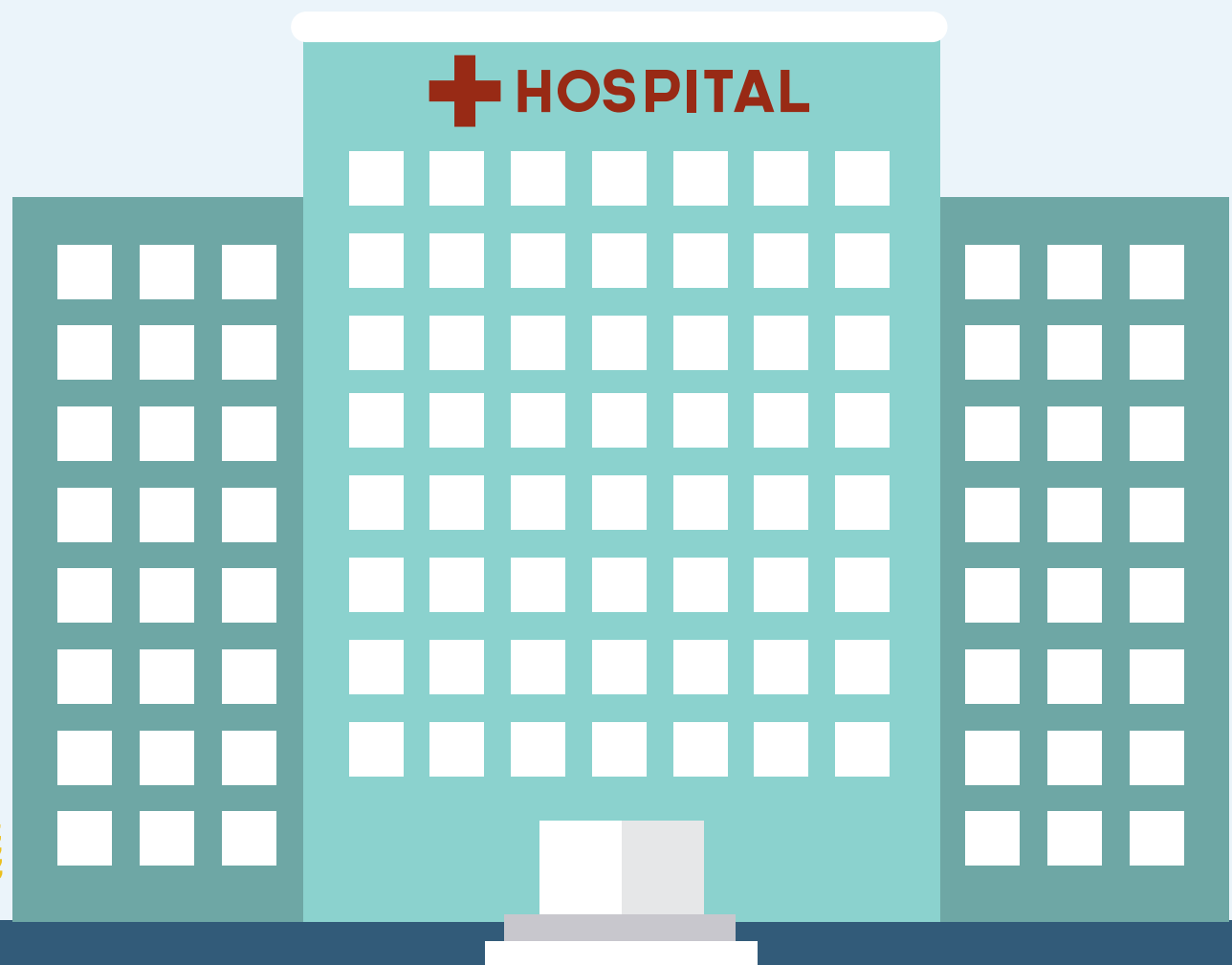


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Clarion County



U.S. SENATOR *for* PENNSYLVANIA

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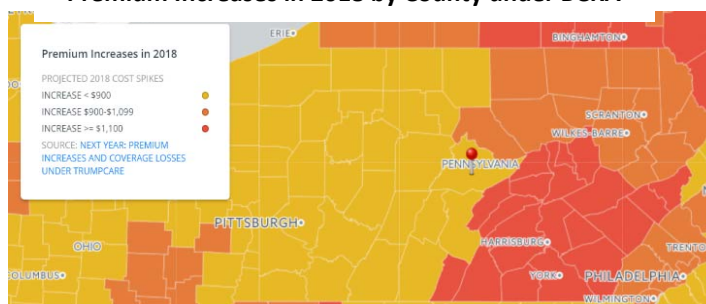
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- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

Premium Increases in 2018 by County under BCRA



- *In 2018, Clarion County residents could pay \$703 more for marketplace health insurance.^{vi}*

Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Clarion County: Worse Off Under the Better Care Reconciliation Act

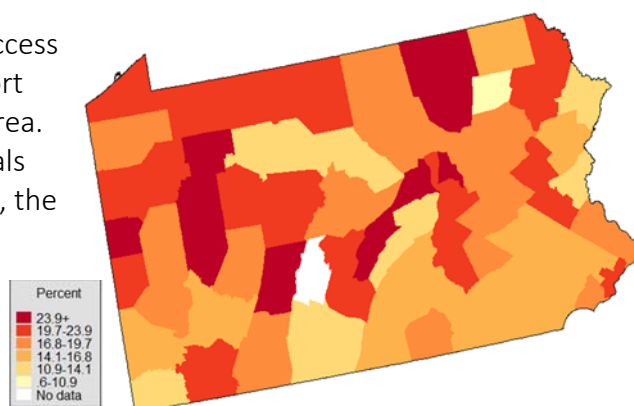
In Clarion County, 8,304 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 1,484 residents purchase insurance through the marketplace. If BCRA passed, Clarion County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 2,040 residents of Clarion County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
 Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Clarion County, hospitals employ approximately 6.7% of all employees.^{vii}*
- *The health care and social services sector employs 26.0% percent of all workers in Clarion County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Clarion County, Medicaid revenues and related funding comprise 7.5% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 119 health care sector jobs in Clarion County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Clarion County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Clarion County.

- *In Clarion County, 287 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Clarion County received \$7,678,737 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 87 residents over age 55 in Clarion County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$2,553,706 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Clarion County received \$271,875 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$826,726 to the Intermediate Units serving Clarion, Forest, Jefferson and Venango Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

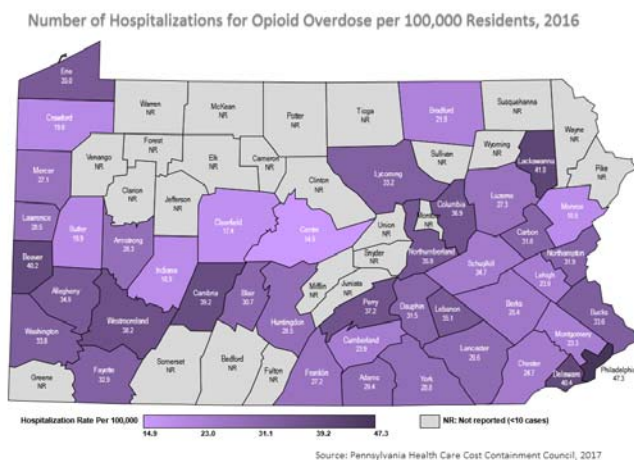
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- *In Clarion County, 221 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$17,259,969 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii}

Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Clarion County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

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^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, "TrumpCare Threatens Rural Hospitals," June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

^{ix} Senator Casey staff analysis of Ku, et al., "The American Health Care Act: Economic and employment consequences for states."

^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., "Medicaid expansion affects rural and urban hospitals differently," *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, "Data shows rural hospitals at risk without special attention from lawmakers," 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

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^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

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^{xvi} Pennsylvania Health Care Association, "Long-Term Care Trends and Statistics," Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.

^{xix} Pennsylvania State Coroner's Association, "Report on overdose death statistics: 2015," Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, "Medicaid's role in addressing the opioid epidemic," June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, "Keep Obamacare to keep progress on treating opioid disorders and mental illnesses," *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-QUID%20v3corrected.pdf>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

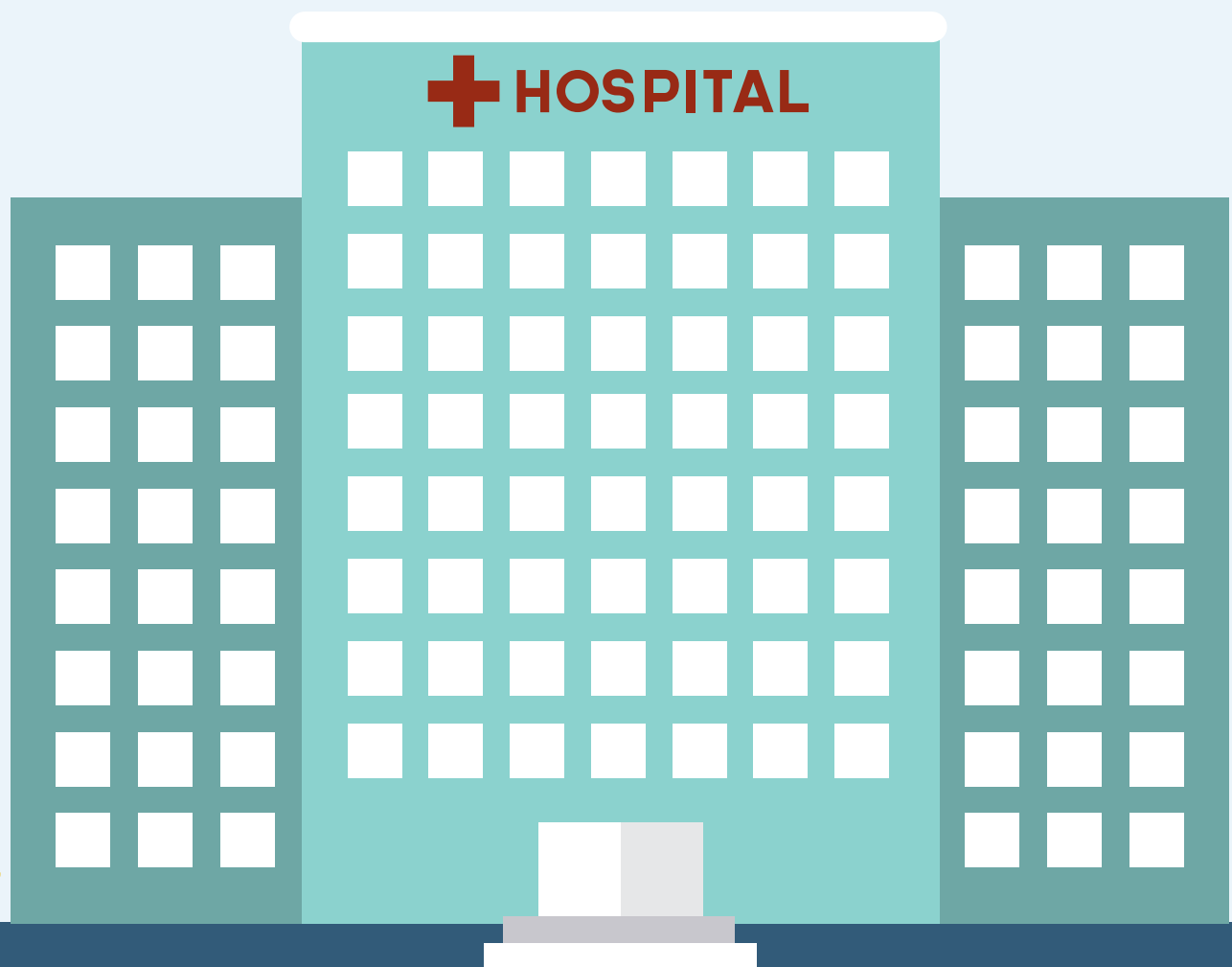


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Clearfield County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

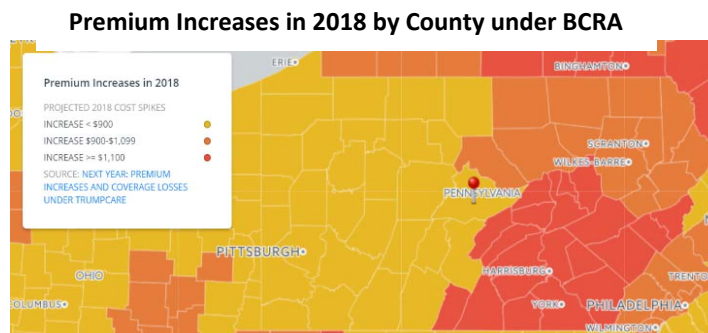
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Clearfield County residents could pay \$703 more for marketplace health insurance.^{vi}*



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

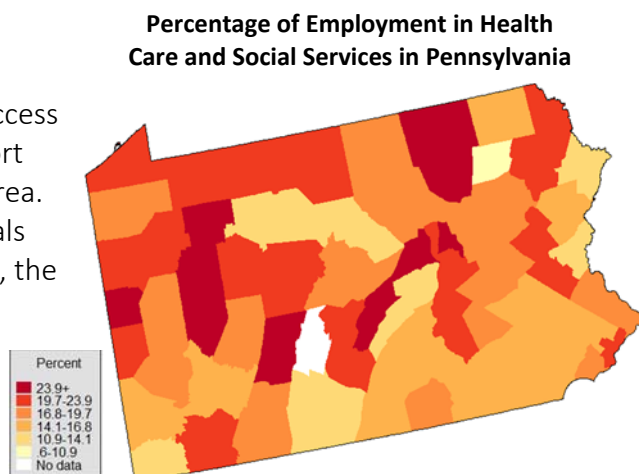
Clearfield County: Worse Off Under the Better Care Reconciliation Act

In Clearfield County, 21,077 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 2,187 residents purchase insurance through the marketplace. If BCRA passed, Clearfield County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 3,580 residents of Clearfield County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Clearfield County, hospitals employ approximately 6.7% of all employees.^{vii}*
- *The health care and social services sector employs 21.6% percent of all workers in Clearfield County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Clearfield County, Medicaid revenues and related funding comprise 9.7% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 415 health care sector jobs in Clearfield County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Clearfield County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Clearfield County.

- *In Clearfield County, 744 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Clearfield County received \$22,010,740 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 383 residents over age 55 in Clearfield County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$9,608,942 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

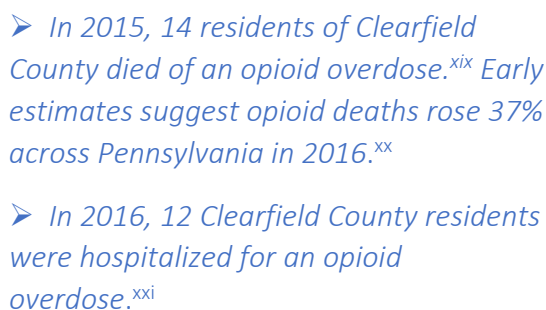
School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

- *School districts across Clearfield County received \$668,094 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$515,243 to the Intermediate Unit serving Centre, Clearfield and Clinton Counties during the 2014 fiscal year.^{xvii}*

Services for Adults with Autism and Intellectual Disabilities

- *In Clearfield County, 199 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$24,318,584 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$224,766 to support individuals with autism.^{xviii}*

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



4

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Clearfield County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, “Pennsylvania has 1M in path of Obamacare Repeal,” *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, “Coverage losses by state for the Senate health care repeal bill,” Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

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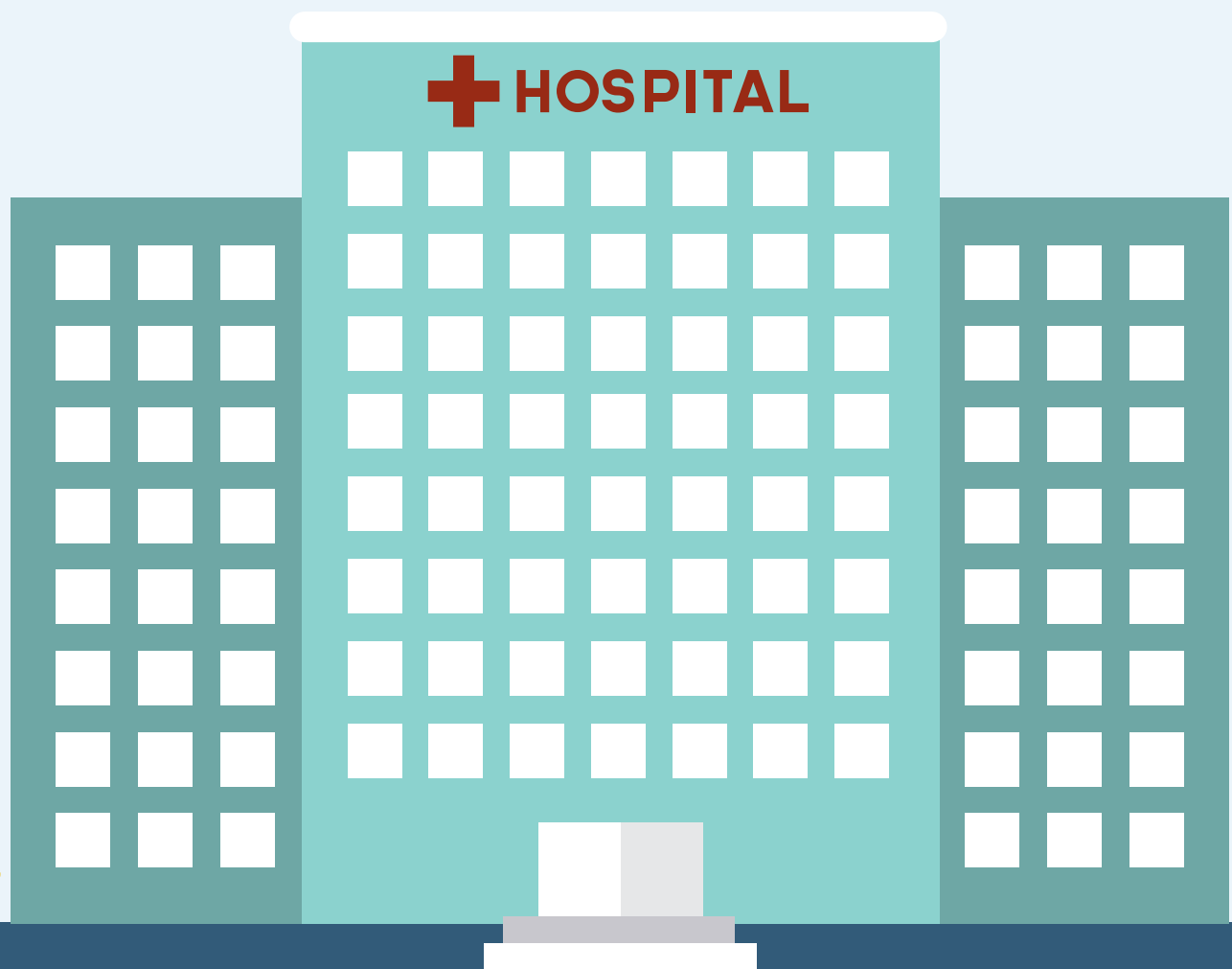


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Clinton County



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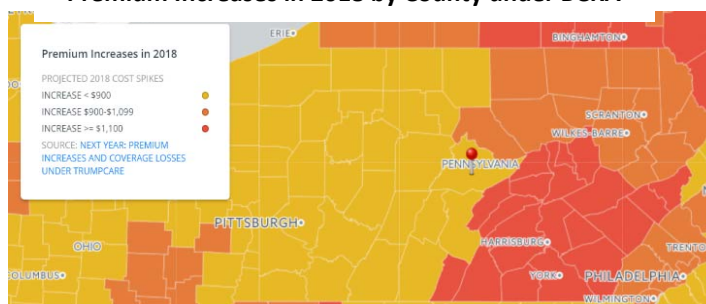
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- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

Premium Increases in 2018 by County under BCRA



- *In 2018, Clinton County residents could pay \$966 more for marketplace health insurance.^{vi}*

Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Clinton County: Worse Off Under the Better Care Reconciliation Act

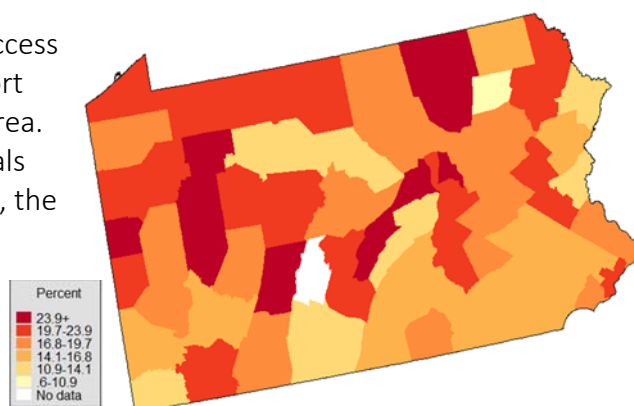
In Clinton County, 8,925 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 842 residents purchase insurance through the marketplace. If BCRA passed, Clinton County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 1,650 residents of Clinton County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Clinton County, hospitals employ approximately 3.5% of all employees.^{vii}*
- *The health care and social services sector employs 11.7% percent of all workers in Clinton County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Clinton County, Medicaid revenues and related funding comprise 9.2% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 38 health care sector jobs in Clinton County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Clinton County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Clinton County.

- *In Clinton County, 304 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Clinton County received \$9,568,337 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 93 residents over age 55 in Clinton County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$3,872,723 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Clinton County received \$128,610 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$515,243 to the Intermediate Unit serving Centre, Clearfield and Clinton Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

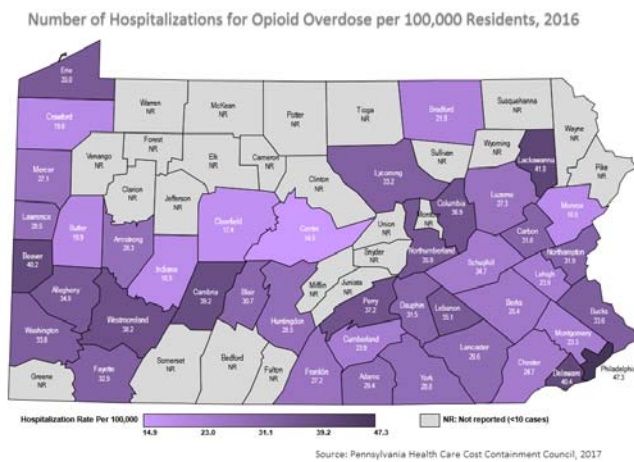
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Clinton County, 81 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$26,762,756 (data for Clinton and Lycoming Counties, combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$71,135 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.^{xi} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Clinton County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, "Pennsylvania has 1M in path of Obamacare Repeal," *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, "TrumpCare Threatens Rural Hospitals," June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

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^{xi} Brystana Kaufman et al., "Medicaid expansion affects rural and urban hospitals differently," *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, "Data shows rural hospitals at risk without special attention from lawmakers," 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

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^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, "Medicaid's role in addressing the opioid epidemic," June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, "Keep Obamacare to keep progress on treating opioid disorders and mental illnesses," *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-OUD%20v3corrected.pdf>, (last accessed July 2, 2017).

^{xxiv} For additional information, please see the report prepared by U.S. Senator Bob Casey entitled "The Republican Plan: Retreating from the fight Against the Opioid Epidemic." Released June 2017.

U.S. SENATOR BOB CASEY

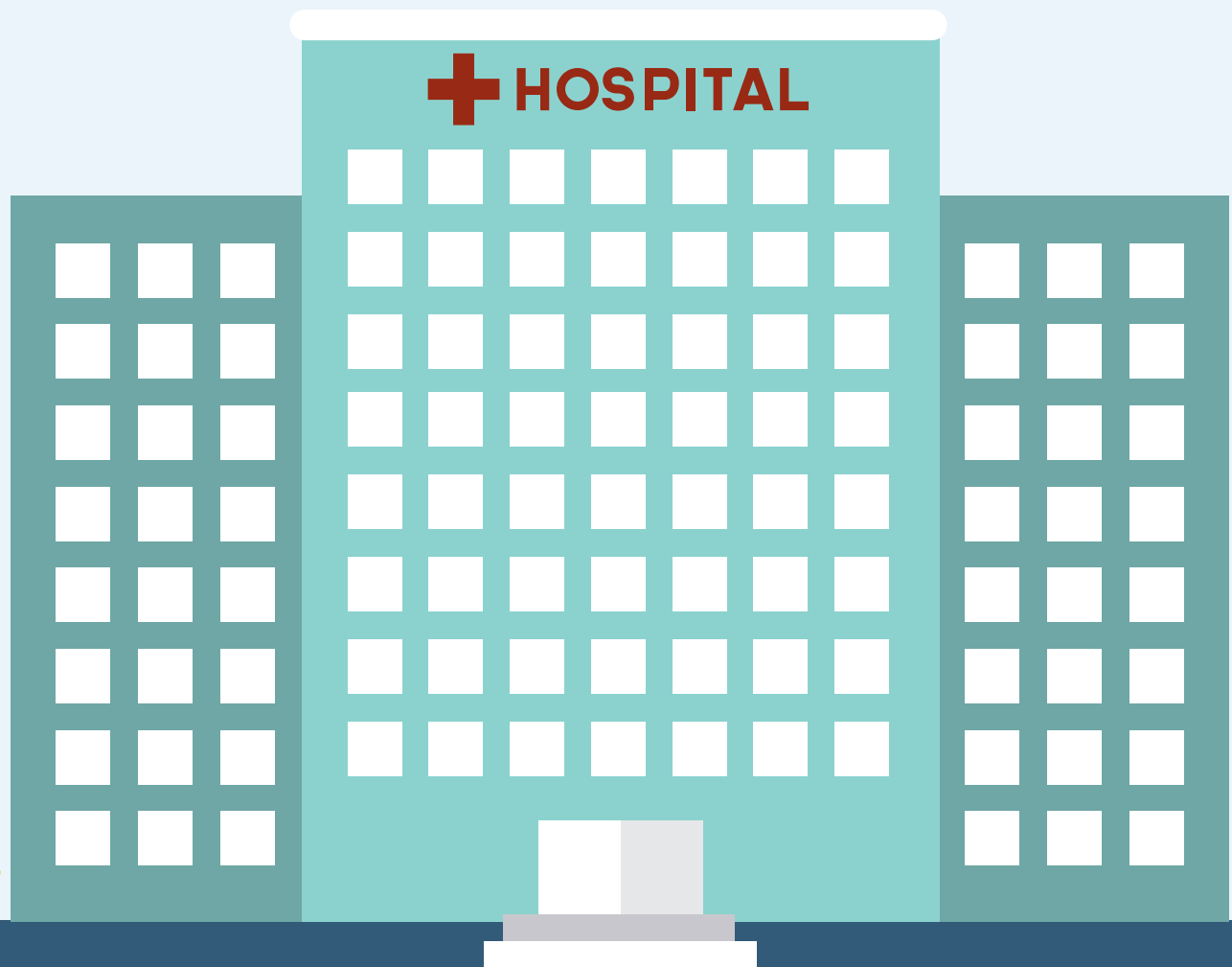


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Columbia County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

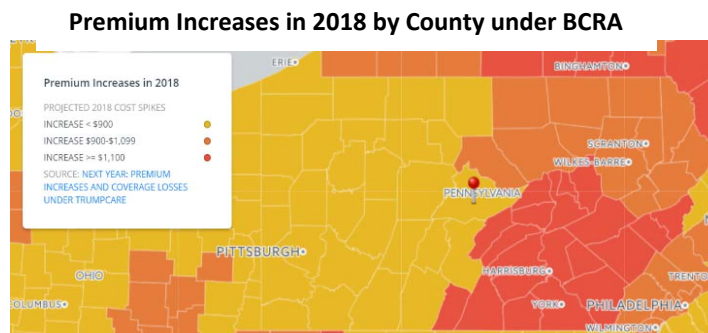
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Columbia County residents could pay \$1,217 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

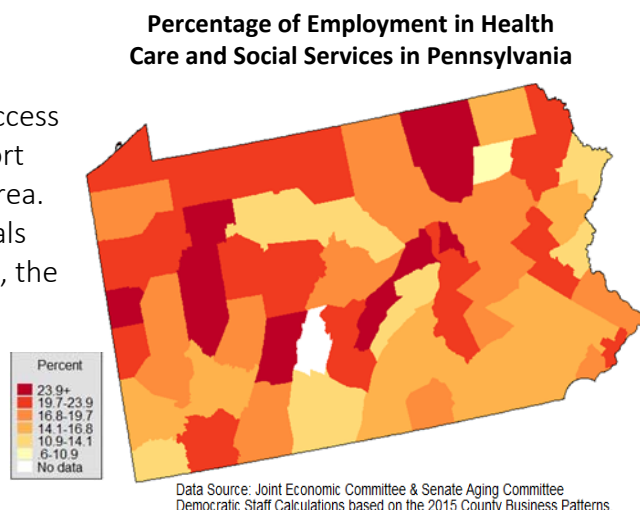
Columbia County: Worse Off Under the Better Care Reconciliation Act

In Columbia County, 12,643 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 1,828 residents purchase insurance through the marketplace. If BCRA passed, Columbia County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 2,930 residents of Columbia County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 102 health care sector jobs in Columbia County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Columbia County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Columbia County.

- *In Columbia County, 515 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Columbia County received \$17,703,056 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 262 residents over age 55 in Columbia County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$8,299,817 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Columbia County received \$563,526 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

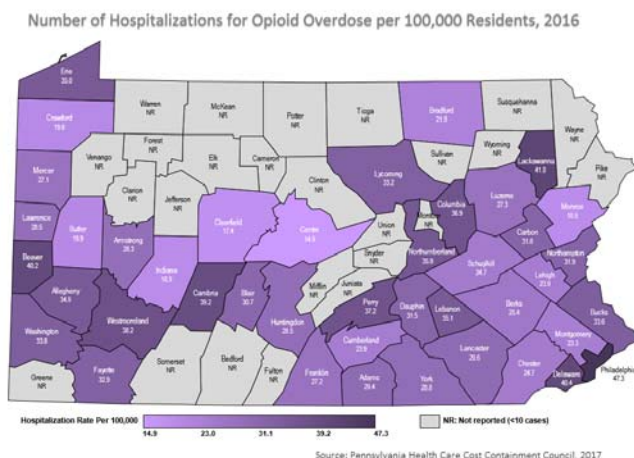
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Columbia County, 157 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$26,102,063 (data for Columbia, Montour, Snyder and Union Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}
- *Medicaid paid providers \$65,815 to support individuals with autism.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 16 residents of Columbia County died of an opioid overdose.*^{xix} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}
- *In 2016, 21 Columbia County residents were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health

care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Columbia County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

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U.S. SENATOR BOB CASEY

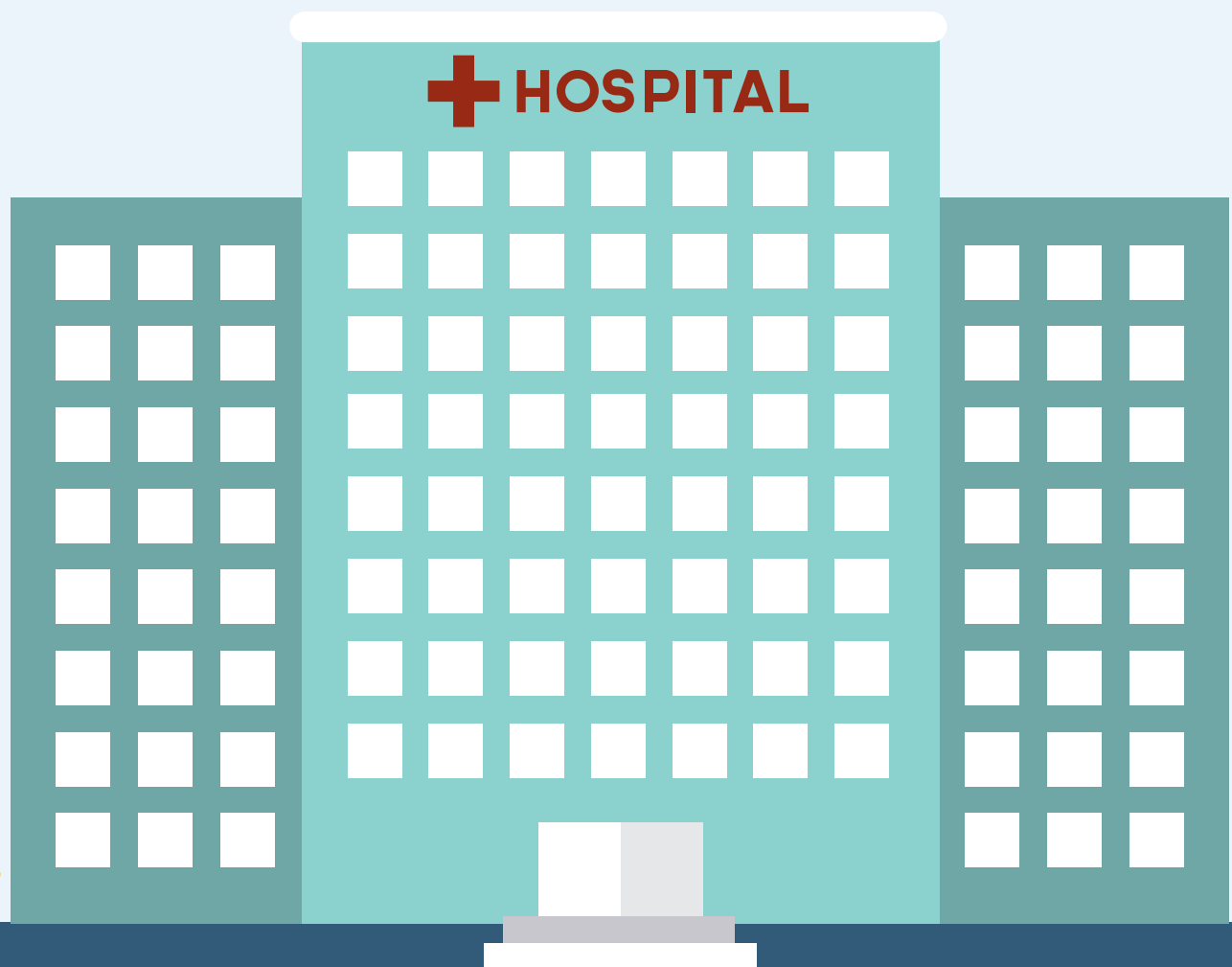


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Crawford County



U.S. SENATOR *for* PENNSYLVANIA

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Health Care Coverage in Pennsylvania

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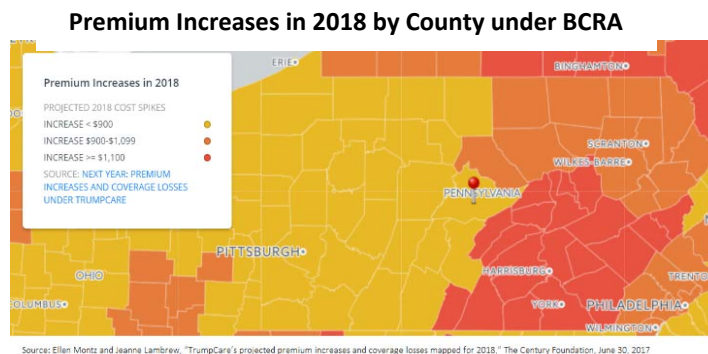
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- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities – could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Crawford County residents could pay \$703 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

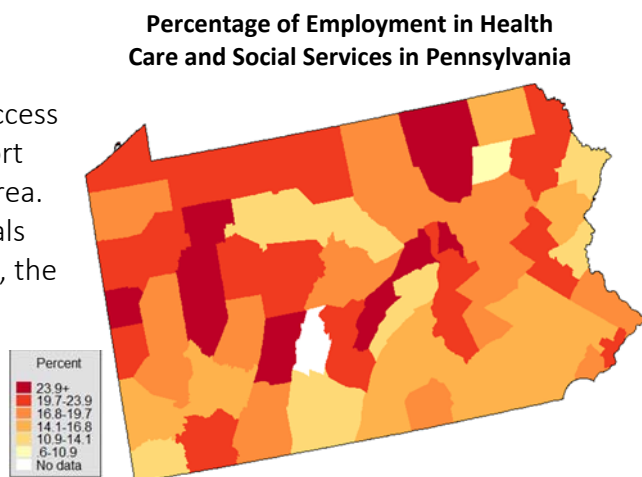
Crawford County: Worse Off Under the Better Care Reconciliation Act

In Crawford County, 20,419 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 2,143 residents purchase insurance through the marketplace. If BCRA passed, Crawford County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 3,670 residents of Crawford County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Crawford County, hospitals employ approximately 6.3% of all employees.^{vii}*
- *The health care and social services sector employs 19.2% percent of all workers in Crawford County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Crawford County, Medicaid revenues and related funding comprise 9.7% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 264 health care sector jobs in Crawford County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Crawford County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Crawford County.

- *In Crawford County, 801 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Crawford County received \$25,212,559 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 346 residents over age 55 in Crawford County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$9,585,546 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

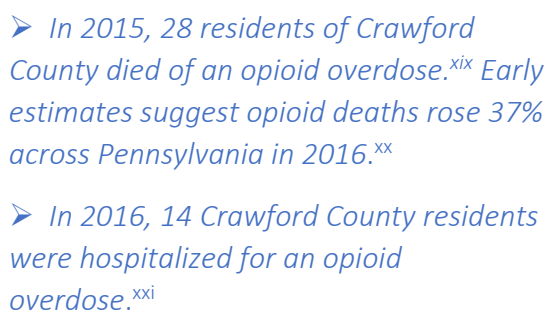
School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

➤ School districts across Crawford County received \$816,953 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}

Services for Adults with Autism and Intellectual Disabilities

- *In Crawford County, 321 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$18,371,581 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$393,749 to support individuals with autism.^{xviii}*

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

4

epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Crawford County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, "Pennsylvania has 1M in path of Obamacare Repeal," *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, "TrumpCare Threatens Rural Hospitals," June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

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^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., "Medicaid expansion affects rural and urban hospitals differently," *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, "Data shows rural hospitals at risk without special attention from lawmakers," 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

^{xii} The Kaiser Family Foundation estimated that in Fiscal Year 2013, Medicaid covered 51% of all LTSS costs. Note that this calculation excluded Medicare spending on post-acute care from its calculation of total LTSS spending. Erica Reaves and MaryBeth Musumeci, "Medicaid and Long-Term Services and Supports: A Primer," Henry J. Kaiser Family Foundation (2015), available at <http://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>, (last accessed July 2, 2017).

^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

^{xiv} Data provided by the Pennsylvania Department of Human Services (May 2017) are for Nursing Homes only, not Intermediate Care Facilities.

^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, "Long-Term Care Trends and Statistics," Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.

^{xix} Pennsylvania State Coroner's Association, "Report on overdose death statistics: 2015," Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, "Medicaid's role in addressing the opioid epidemic," June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, “Keep Obamacare to keep progress on treating opioid disorders and mental illnesses,” *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at [https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-
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U.S. SENATOR BOB CASEY

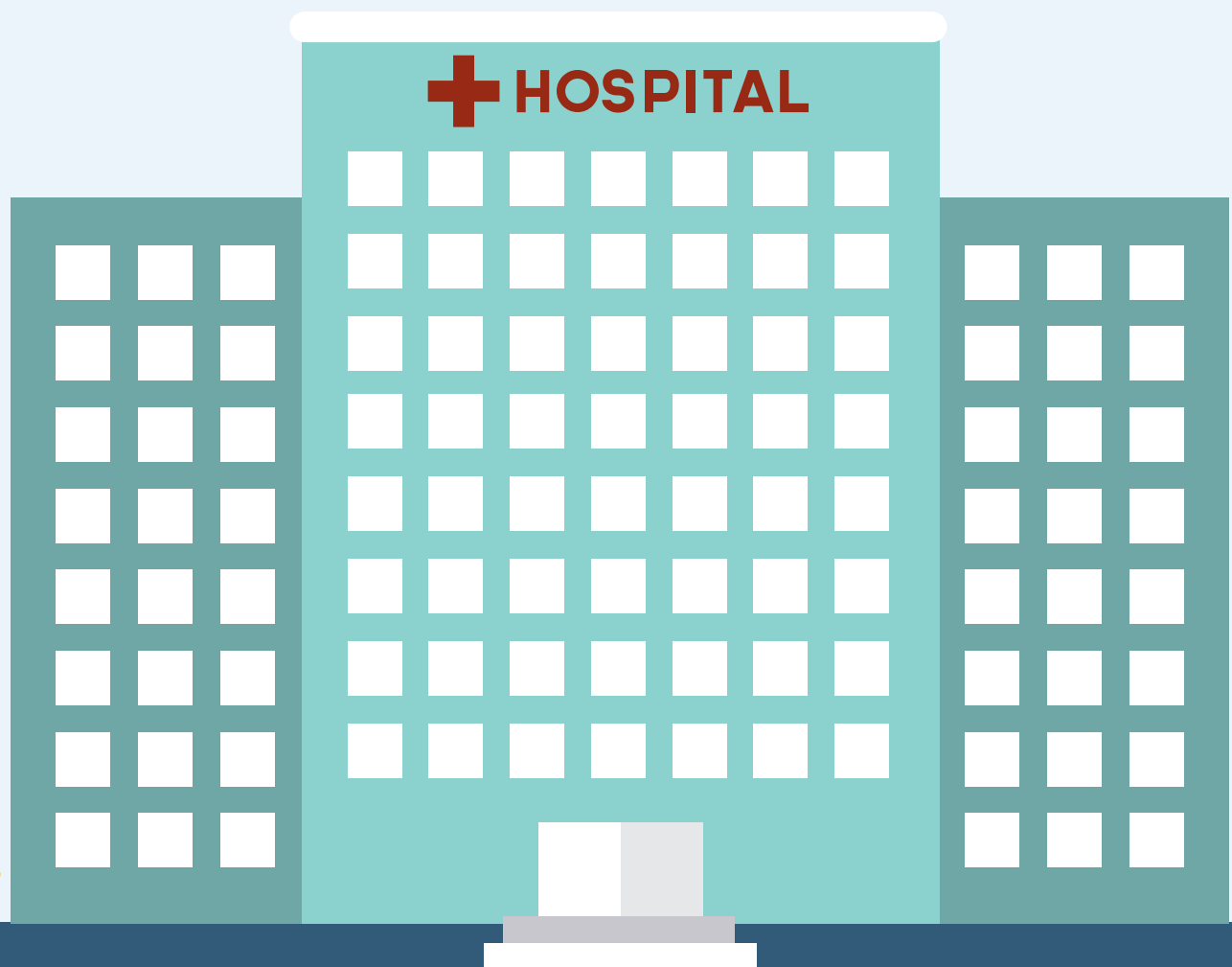


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Elk County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

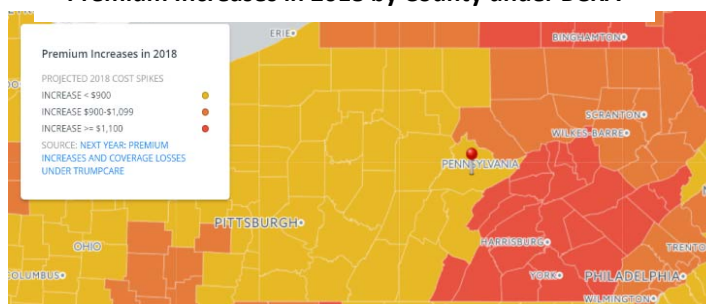
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

Premium Increases in 2018 by County under BCRA



Source: Ellen Montz and Jeanne Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018," The Century Foundation, June 30, 2017.

- *In 2018, Elk County residents could pay \$703 more for marketplace health insurance.^{vi}*

Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Elk County: Worse Off Under the Better Care Reconciliation Act

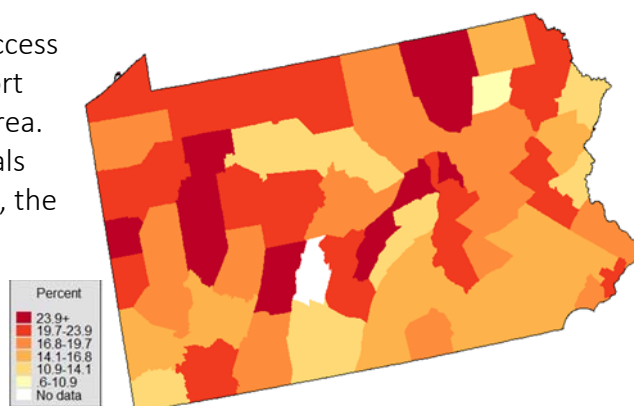
In Elk County, 6,040 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 851 residents purchase insurance through the marketplace. If BCRA passed, Elk County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 1,360 residents of Elk County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 114 health care sector jobs in Elk County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Elk County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Elk County.

- *In Elk County, 240 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Elk County received \$7,140,877 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 111 residents over age 55 in Elk County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$1,643,050 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Elk County received \$236,726 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*

- *Federal Medicaid funds paid \$428,866 to the Intermediate Unit serving Cameron, Elk, McKean and Potter counties during the 2014 fiscal year.*^{xvii}

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

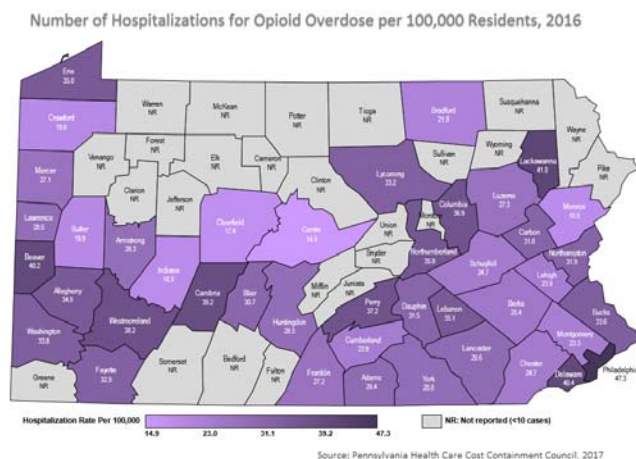
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Elk County, 97 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$6,555,342 (data for Elk and Cameron Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}
- *Medicaid paid providers \$23,257 to support individuals with autism.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.*^{xix} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}

- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii}

Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Elk County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

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^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

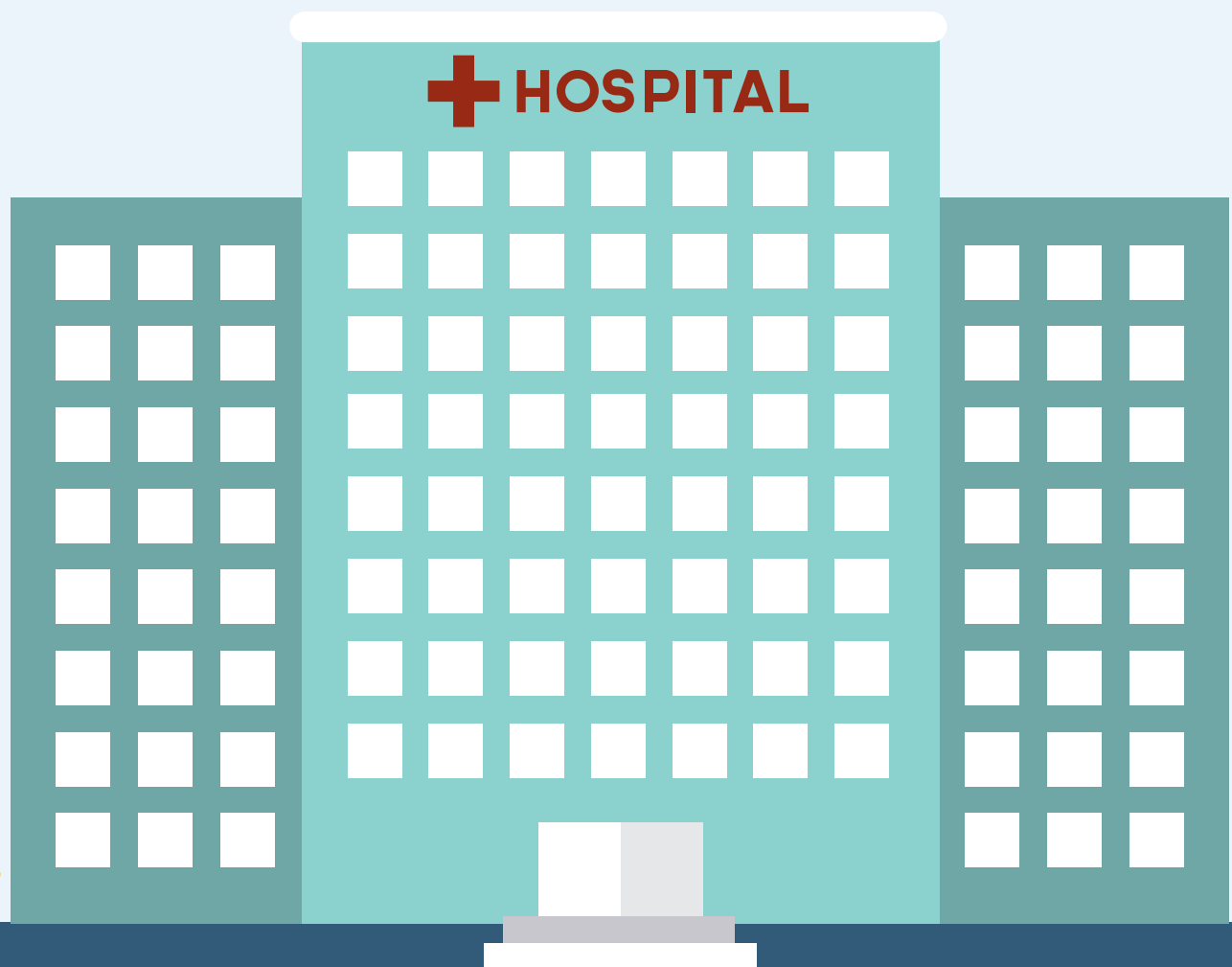


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Fayette County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

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Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

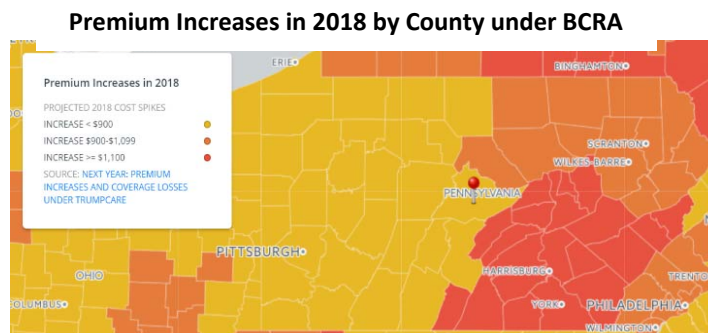
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- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Fayette County residents could pay \$703 more for marketplace health insurance.^{vi}*



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Fayette County: Worse Off Under the Better Care Reconciliation Act

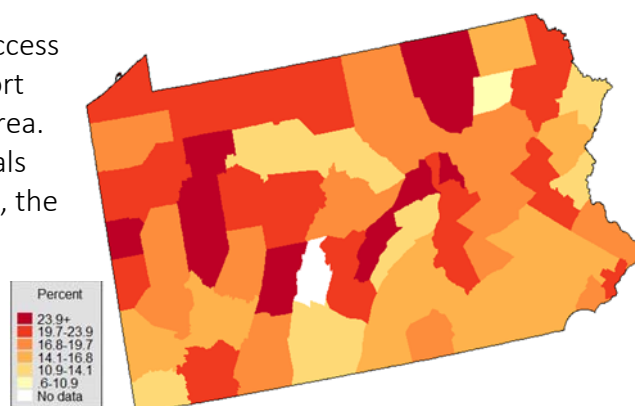
In Fayette County, 43,217 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 4,128 residents purchase insurance through the marketplace. If BCRA passed, Fayette County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 6,440 residents of Fayette County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 256 health care sector jobs in Fayette County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Fayette County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Fayette County.

- *In Fayette County, 750 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Fayette County received \$24,384,756 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 737 residents over age 55 in Fayette County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$15,581,895 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Fayette County received \$694,066 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*

- *Federal Medicaid funds paid \$1,552,300 to the Intermediate Unit serving Fayette, Greene and Washington Counties during the 2014 fiscal year.*^{xvii}

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

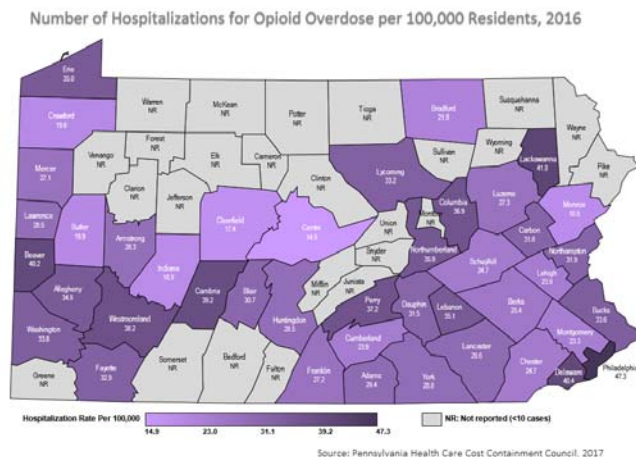
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Fayette County, 370 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$26,335,345 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}
- *Medicaid paid providers \$121,317 to support individuals with autism.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 40 residents of Fayette County died of an opioid overdose.*^{xix} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}
- *In 2016, 37 Fayette County residents were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Fayette County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, “Pennsylvania has 1M in path of Obamacare Repeal,” *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, “Coverage losses by state for the Senate health care repeal bill,” Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, “Monthly data report: May 2017,” Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, “TrumpCare’s projected premium increases and coverage losses mapped for 2018.” Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, “Rural urban definitions,” Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, “TrumpCare Threatens Rural Hospitals,” June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., “The American Health Care Act: Economic and employment consequences for states,” The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

^{ix} Senator Casey staff analysis of Ku, et al., “The American Health Care Act: Economic and employment consequences for states.”

^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., “Medicaid expansion affects rural and urban hospitals differently,” *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, “Data shows rural hospitals at risk without special attention from lawmakers,” 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

^{xii} The Kaiser Family Foundation estimated that in Fiscal Year 2013, Medicaid covered 51% of all LTSS costs. Note that this calculation excluded Medicare spending on post-acute care from its calculation of total LTSS spending. Erica Reaves and MaryBeth Musumeci, “Medicaid and Long-Term Services and Supports: A Primer,” Henry J. Kaiser Family Foundation (2015), available at <http://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>, (last accessed July 2, 2017).

^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

^{xiv} Data provided by the Pennsylvania Department of Human Services (May 2017) are for Nursing Homes only, not Intermediate Care Facilities.

^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, “Long-Term Care Trends and Statistics,” Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.

^{xix} Pennsylvania State Coroner’s Association, “Report on overdose death statistics: 2015,” Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, “DEA: Fatal ODs rose 37% across Pa. in 2016,” *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, “Hospitalizations for opioid overdoses – 2016,” Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, “Medicaid’s role in addressing the opioid epidemic,” June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, “Keep Obamacare to keep progress on treating opioid disorders and mental illnesses,” *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI- OUD%20v3corrected.pdf>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

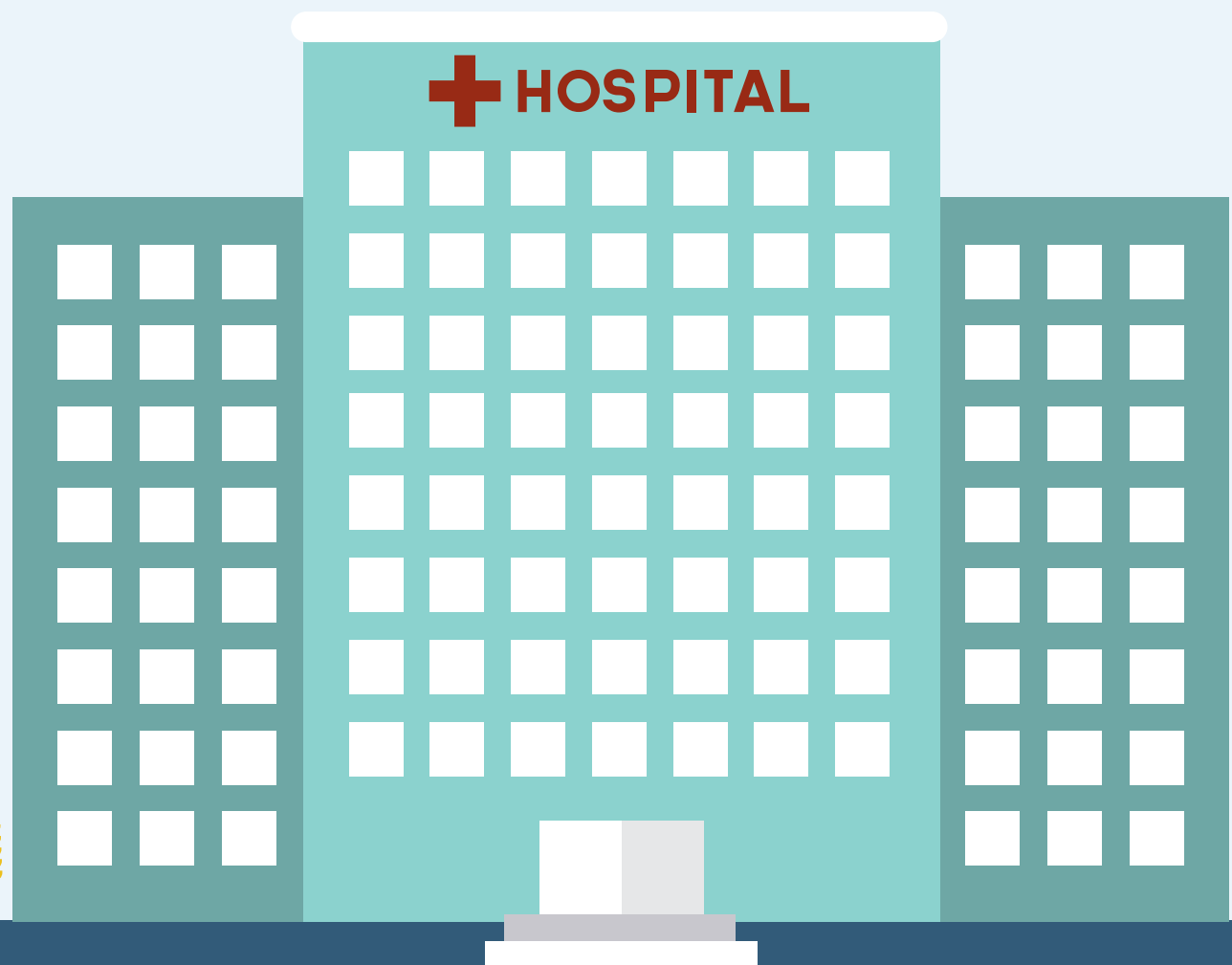


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Forest County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

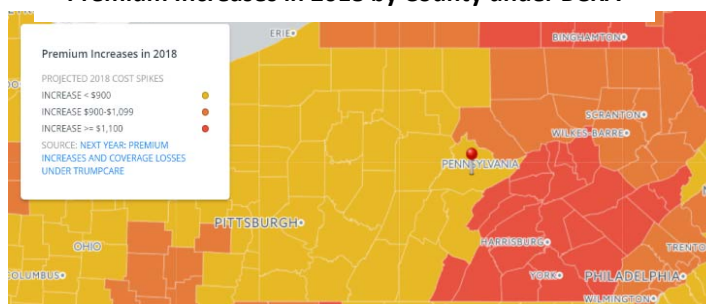
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

Premium Increases in 2018 by County under BCRA



- *In 2018, Forest County residents could pay \$703 more for marketplace health insurance.^{vi}*

Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Forest County: Worse Off Under the Better Care Reconciliation Act

In Forest County, 1,119 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 154 residents purchase insurance through the marketplace. If BCRA passed, Forest County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 180 residents of Forest County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Forest County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Forest County.

- *In Forest County, 100 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.*^{xiii}
- *Providers in Forest County received \$3,842,062 in Medicaid spending for nursing home care during between July 2015 and June 2016.*^{xiii}
- *Approximately 49 residents over age 55 in Forest County received Medicaid home and community-based services last year.*^{xiii}
- *In total, providers in the county received \$1,124,558 in Medicaid reimbursements for home and community-based services.*^{xiv}

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Forest County received \$111,796 through Pennsylvania's Medicaid program during the 2014 fiscal year.*^{xvii}
- *Federal Medicaid funds paid \$826,726 to the Intermediate Units serving Clarion, Forest, Jefferson and Venango Counties during the 2014 fiscal year.*^{xvii}

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

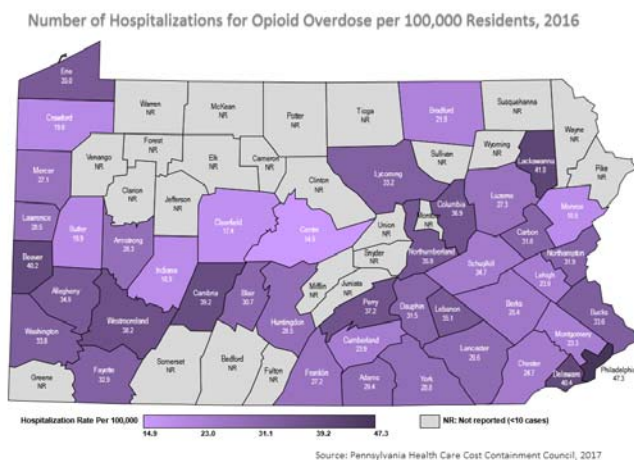
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Forest County, 9 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$9,053,323 (data for Forest and Warren Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.*^{xi} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}
- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii}

Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate

Forest County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

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^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., “Medicaid expansion affects rural and urban hospitals differently,” *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, “Data shows rural hospitals at risk without special attention from lawmakers,” 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

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U.S. SENATOR BOB CASEY

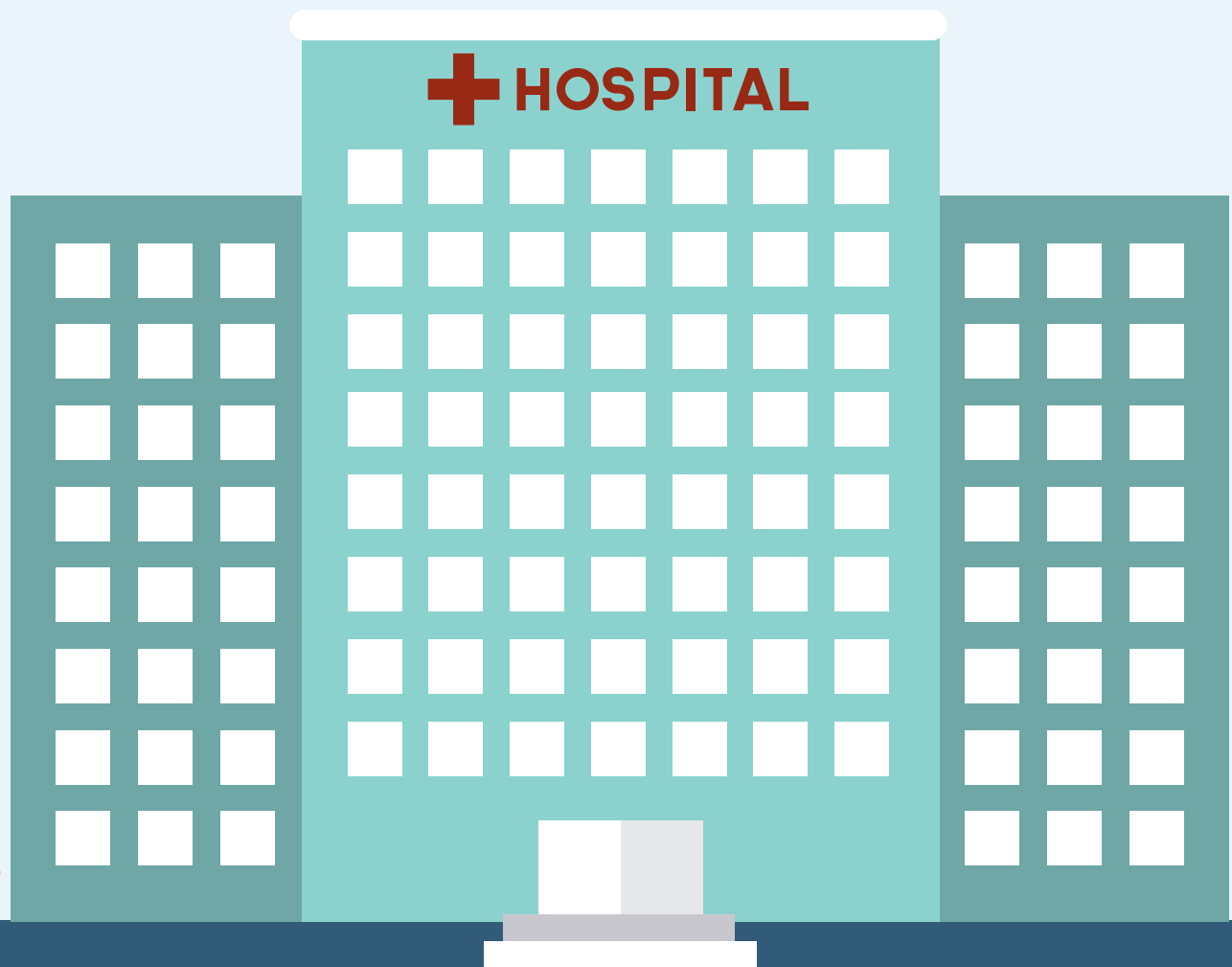


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Franklin County



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The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

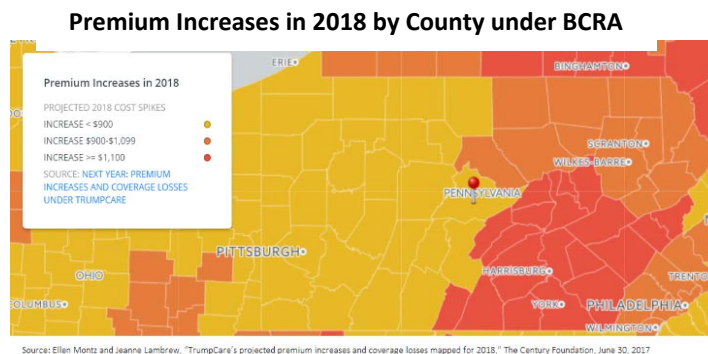
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Franklin County residents could pay \$1,252 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

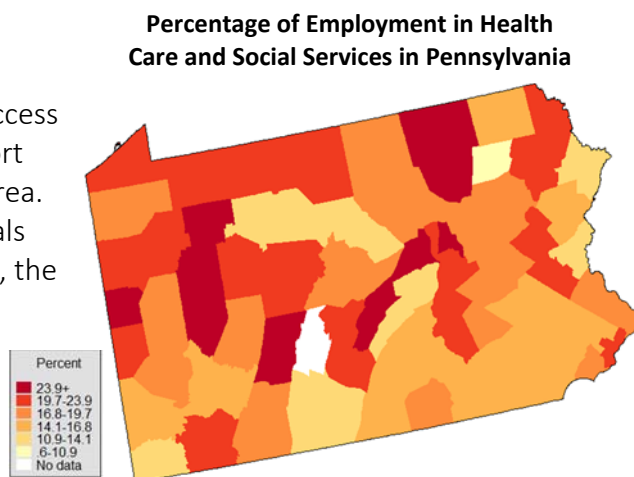
Franklin County: Worse Off Under the Better Care Reconciliation Act

In Franklin County, 28,128 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 3,920 residents purchase insurance through the marketplace. If BCRA passed, Franklin County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 6,090 residents of Franklin County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
 Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Franklin County, hospitals employ approximately 3.5% of all employees.^{vii}*
- *The health care and social services sector employs 16.5% percent of all workers in Franklin County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Franklin County, Medicaid revenues and related funding comprise 6.6% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 382 health care sector jobs in Franklin County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Franklin County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Franklin County.

- *In Franklin County, 749 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Franklin County received \$22,119,174 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 221 residents over age 55 in Franklin County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$6,147,086 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Franklin County received \$888,603 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$4,100,147 to the Intermediate Unit serving Adams, Franklin and York Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

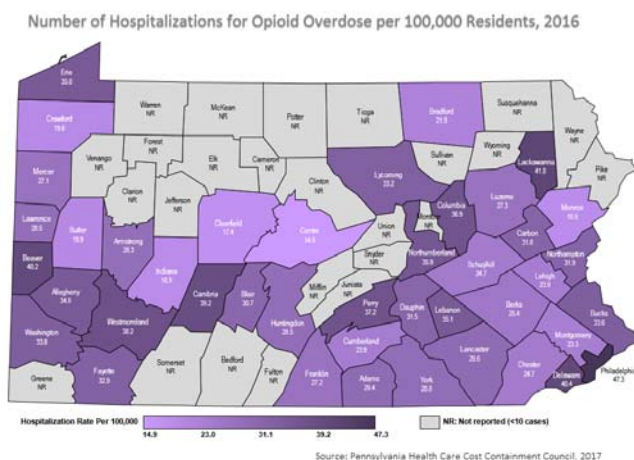
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Franklin County, 329 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$19,775,746 (data for Franklin and Fulton Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$249,201 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 21 residents of Franklin County died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 34 Franklin County residents were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Franklin County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

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^{iv} Emily Gee, “Coverage losses by state for the Senate health care repeal bill,” Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, “Monthly data report: May 2017,” Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, “TrumpCare’s projected premium increases and coverage losses mapped for 2018.” Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, “Rural urban definitions,” Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, “TrumpCare Threatens Rural Hospitals,” June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., “The American Health Care Act: Economic and employment consequences for states,” The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

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^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., “Medicaid expansion affects rural and urban hospitals differently,” *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, “Data shows rural hospitals at risk without special attention from lawmakers,” 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

^{xii} The Kaiser Family Foundation estimated that in Fiscal Year 2013, Medicaid covered 51% of all LTSS costs. Note that this calculation excluded Medicare spending on post-acute care from its calculation of total LTSS spending. Erica Reaves and MaryBeth Musumeci, “Medicaid and Long-Term Services and Supports: A Primer,” Henry J. Kaiser Family Foundation (2015), available at <http://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>, (last accessed July 2, 2017).

^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

^{xiv} Data provided by the Pennsylvania Department of Human Services (May 2017) are for Nursing Homes only, not Intermediate Care Facilities.

^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, “Long-Term Care Trends and Statistics,” Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.

^{xix} Pennsylvania State Coroner’s Association, “Report on overdose death statistics: 2015,” Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, "Medicaid's role in addressing the opioid epidemic," June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, "Keep Obamacare to keep progress on treating opioid disorders and mental illnesses," *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-OUD%20v3corrected.pdf>, (last accessed July 2, 2017).

^{xxiv} For additional information, please see the report prepared by U.S. Senator Bob Casey entitled "The Republican Plan: Retreating from the fight Against the Opioid Epidemic." Released June 2017.

U.S. SENATOR BOB CASEY

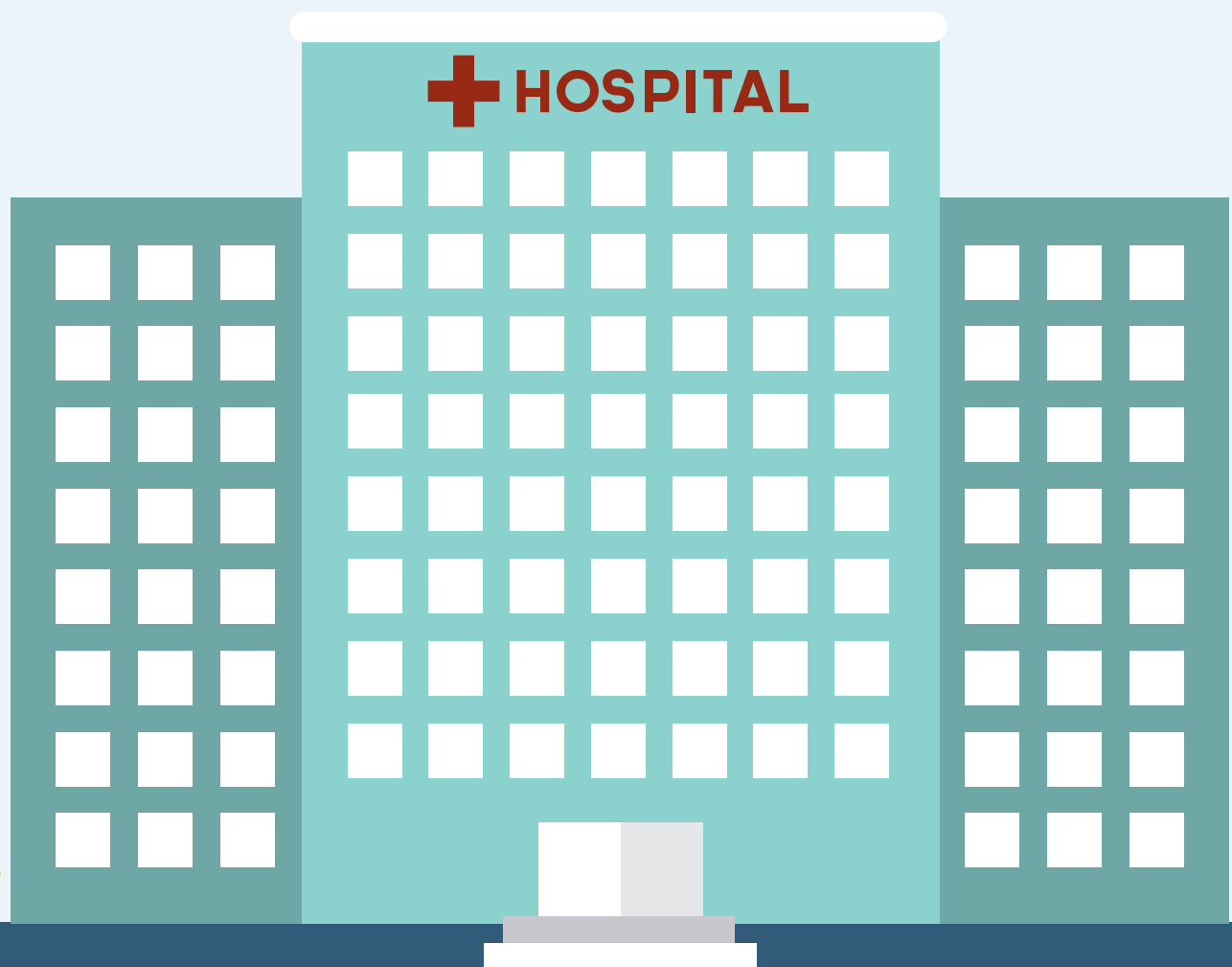


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Fulton County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

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Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

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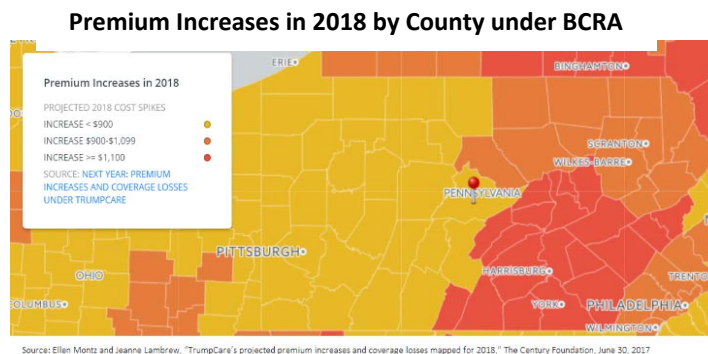
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- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities – could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Fulton County residents could pay \$1,193 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

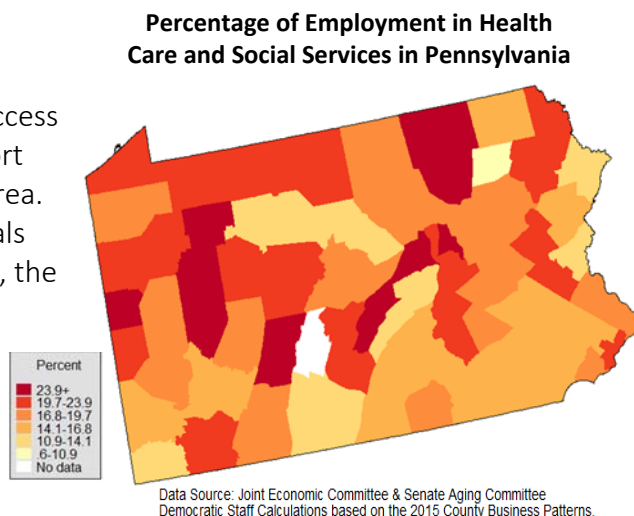
Fulton County: Worse Off Under the Better Care Reconciliation Act

In Fulton County, 3,266 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 382 residents purchase insurance through the marketplace. If BCRA passed, Fulton County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 640 residents of Fulton County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



- *In Fulton County, hospitals employ approximately 6.7% of all employees.^{vii}*
- *The health care and social services sector employs 11.9% percent of all workers in Fulton County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Fulton County, Medicaid revenues and related funding comprise 15.9% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 53 health care sector jobs in Fulton County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Fulton County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Fulton County.

- *In Fulton County, 83 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Fulton County received \$2,952,947 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 61 residents over age 55 in Fulton County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$1,937,512 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Fulton County received \$24,064 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$302,899 to the Intermediate Unit serving Fulton, Huntingdon, Juniata and Mifflin Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

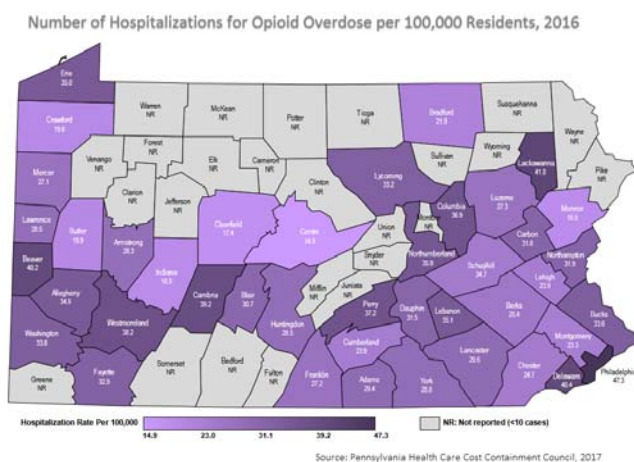
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

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- *A total of \$19,775,746 (data for Fulton and Franklin Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii}

Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Fulton County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

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^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

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^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

^{xiv} Data provided by the Pennsylvania Department of Human Services (May 2017) are for Nursing Homes only, not Intermediate Care Facilities.

^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, "Long-Term Care Trends and Statistics," Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.

^{xix} Pennsylvania State Coroner's Association, "Report on overdose death statistics: 2015," Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, "Medicaid's role in addressing the opioid epidemic," June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, "Keep Obamacare to keep progress on treating opioid disorders and mental illnesses," *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-QUID%20v3corrected.pdf>, (last accessed July 2, 2017).

^{xxiv} For additional information, please see the report prepared by U.S. Senator Bob Casey entitled "The Republican Plan: Retreating from the fight Against the Opioid Epidemic." Released June 2017.

U.S. SENATOR BOB CASEY

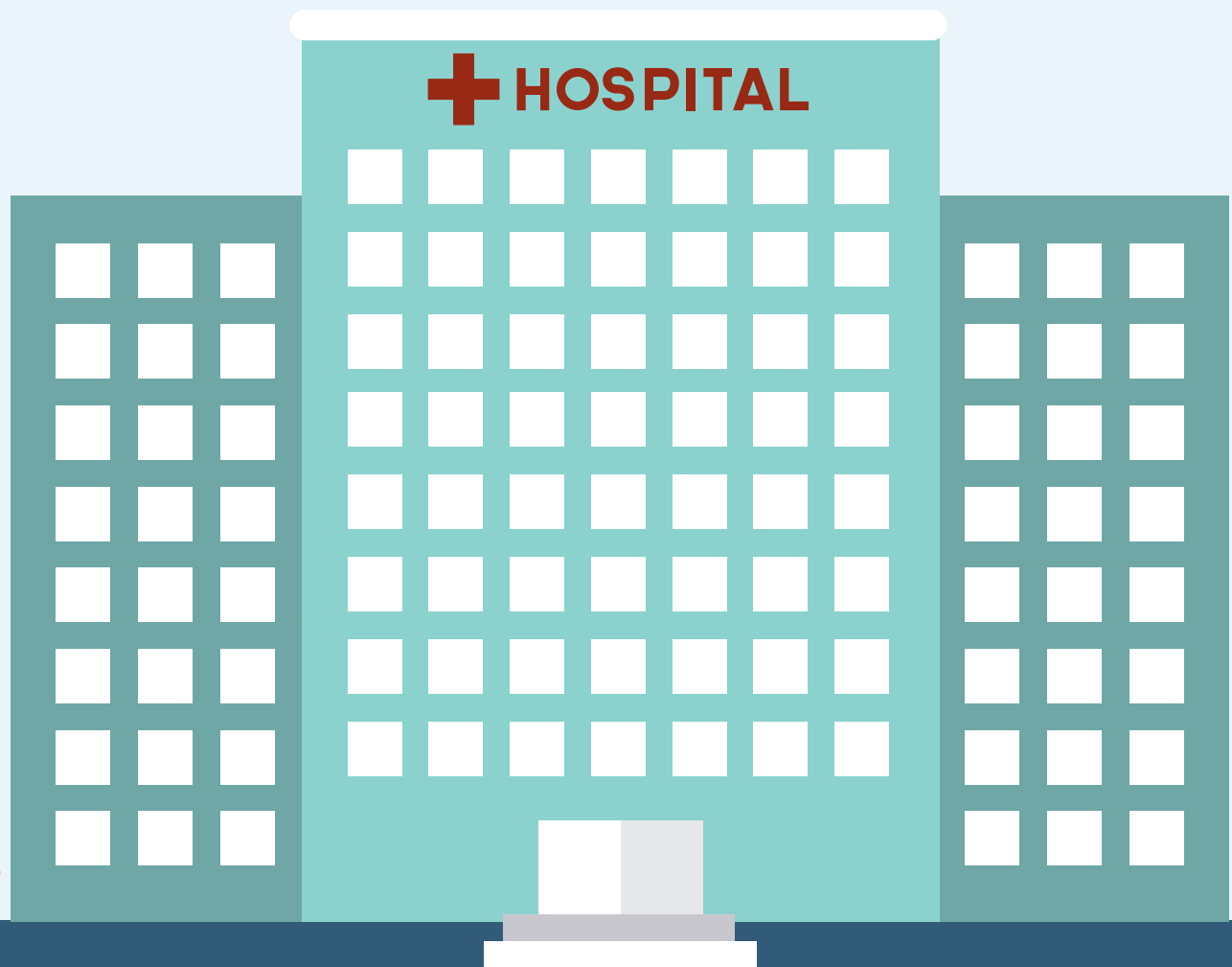


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Greene County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

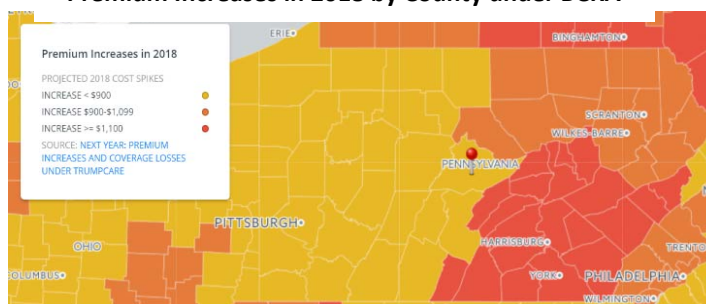
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities – could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

Premium Increases in 2018 by County under BCRA



- *In 2018, Greene County residents could pay \$703 more for marketplace health insurance.^{vi}*

Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Greene County: Worse Off Under the Better Care Reconciliation Act

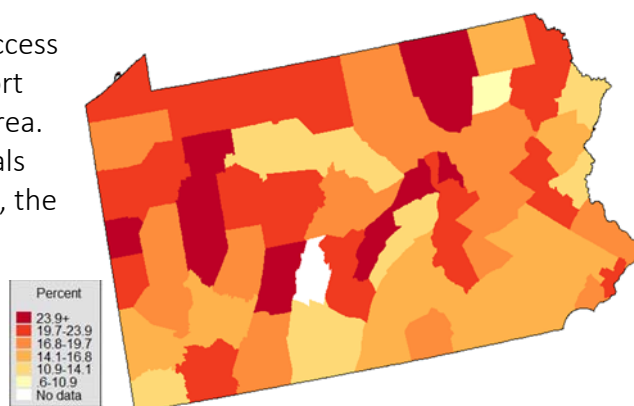
In Greene County, 10,072 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 741 residents purchase insurance through the marketplace. If BCRA passed, Greene County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 1,430 residents of Greene County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Greene County, hospitals employ approximately 2.7% of all employees.^{vii}*
- *The health care and social services sector employs 11.7% percent of all workers in Greene County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Greene County, Medicaid revenues and related funding comprise 15.9% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 60 health care sector jobs in Greene County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Greene County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Greene County.

- *In Greene County, 276 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Greene County received \$7,453,280 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 220 residents over age 55 in Greene County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$4,948,705 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Greene County received \$225,480 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$1,552,300 to the Intermediate Unit serving Fayette, Greene and Washington Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

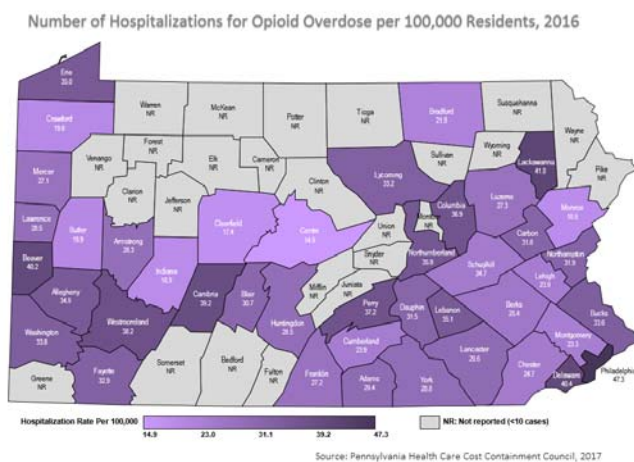
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Greene County, 104 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$7,209,236 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$56,763 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 14 residents of Greene County died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 577 Pennsylvanians were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Greene County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, “Pennsylvania has 1M in path of Obamacare Repeal,” *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, “Coverage losses by state for the Senate health care repeal bill,” Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, “Monthly data report: May 2017,” Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, “TrumpCare’s projected premium increases and coverage losses mapped for 2018.” Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, “Rural urban definitions,” Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, “TrumpCare Threatens Rural Hospitals,” June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., “The American Health Care Act: Economic and employment consequences for states,” The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

^{ix} Senator Casey staff analysis of Ku, et al., “The American Health Care Act: Economic and employment consequences for states.”

^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., “Medicaid expansion affects rural and urban hospitals differently,” *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, “Data shows rural hospitals at risk without special attention from lawmakers,” 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

^{xii} The Kaiser Family Foundation estimated that in Fiscal Year 2013, Medicaid covered 51% of all LTSS costs. Note that this calculation excluded Medicare spending on post-acute care from its calculation of total LTSS spending. Erica Reaves and MaryBeth Musumeci, “Medicaid and Long-Term Services and Supports: A Primer,” Henry J. Kaiser Family Foundation (2015), available at <http://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

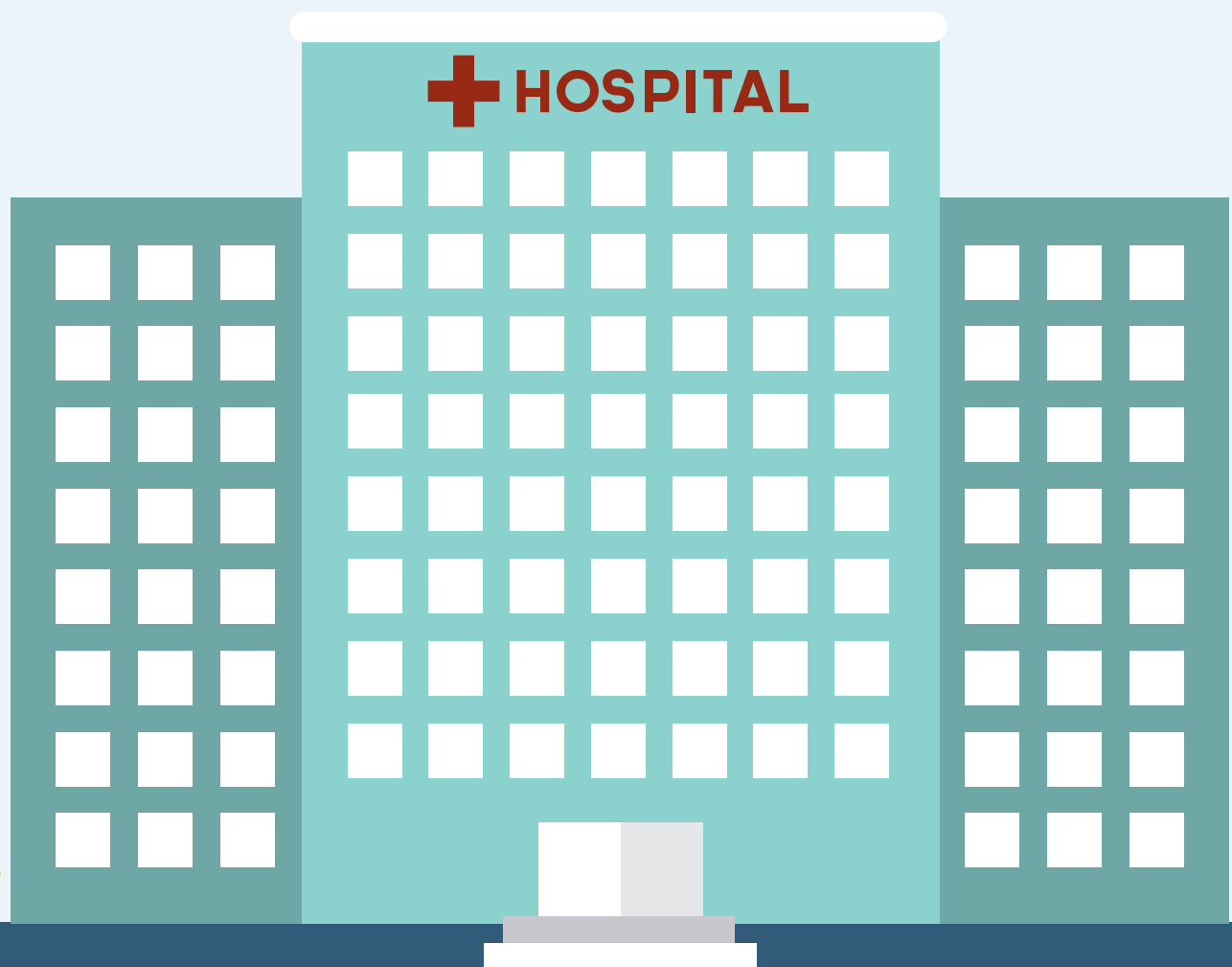


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Huntingdon County



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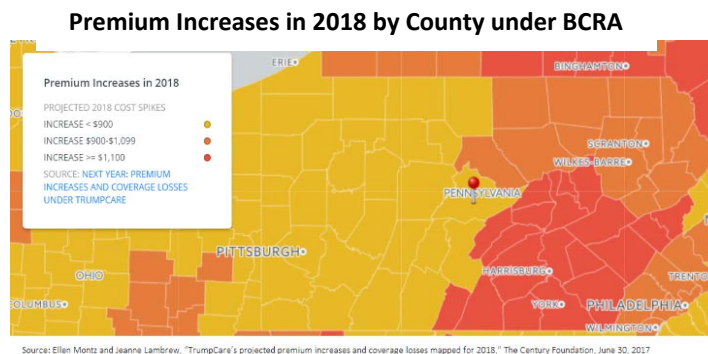
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- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Huntingdon County residents could pay \$703 more for marketplace health insurance.^{vi}*



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

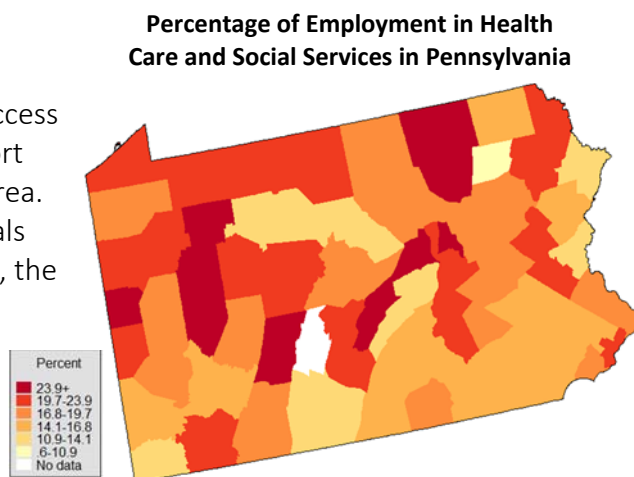
Huntingdon County: Worse Off Under the Better Care Reconciliation Act

In Huntingdon County, 9,909 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 1,093 residents purchase insurance through the marketplace. If BCRA passed, Huntingdon County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 1,860 residents of Huntingdon County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Huntingdon County, hospitals employ approximately 4.0% of all employees.^{vii}*
- *The health care and social services sector employs 20.6% percent of all workers in Huntingdon County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Huntingdon County, Medicaid revenues and related funding comprise 11.5% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 71 health care sector jobs in Huntingdon County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Huntingdon County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Huntingdon County.

- *In Huntingdon County, 314 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Huntingdon County received \$9,058,023 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 171 residents over age 55 in Huntingdon County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$4,666,494 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Huntingdon County received \$294,839 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$302,899 to the Intermediate Unit serving Fulton, Huntingdon, Juniata and Mifflin Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

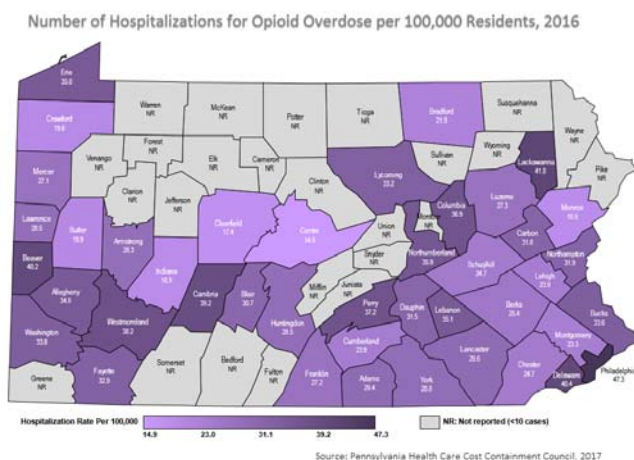
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Huntingdon County, 182 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$28,850,794 (data for Huntingdon, Mifflin and Juniata Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$98,112 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 10 residents of Huntingdon County died of an opioid overdose.^{xx} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 11 Huntingdon County residents were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Huntingdon County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, “Pennsylvania has 1M in path of Obamacare Repeal,” *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, “Coverage losses by state for the Senate health care repeal bill,” Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, “Monthly data report: May 2017,” Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, “TrumpCare’s projected premium increases and coverage losses mapped for 2018.” Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, “Rural urban definitions,” Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, “TrumpCare Threatens Rural Hospitals,” June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., “The American Health Care Act: Economic and employment consequences for states,” The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

^{ix} Senator Casey staff analysis of Ku, et al., “The American Health Care Act: Economic and employment consequences for states.”

^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., “Medicaid expansion affects rural and urban hospitals differently,” *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, “Data shows rural hospitals at risk without special attention from lawmakers,” 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

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^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

^{xiv} Data provided by the Pennsylvania Department of Human Services (May 2017) are for Nursing Homes only, not Intermediate Care Facilities.

^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, “Long-Term Care Trends and Statistics,” Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.

^{xix} Pennsylvania State Coroner’s Association, “Report on overdose death statistics: 2015,” Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

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^{xxiii} Richard G. Frank & Sherry A. Glied, "Keep Obamacare to keep progress on treating opioid disorders and mental illnesses," *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-OUD%20v3corrected.pdf>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

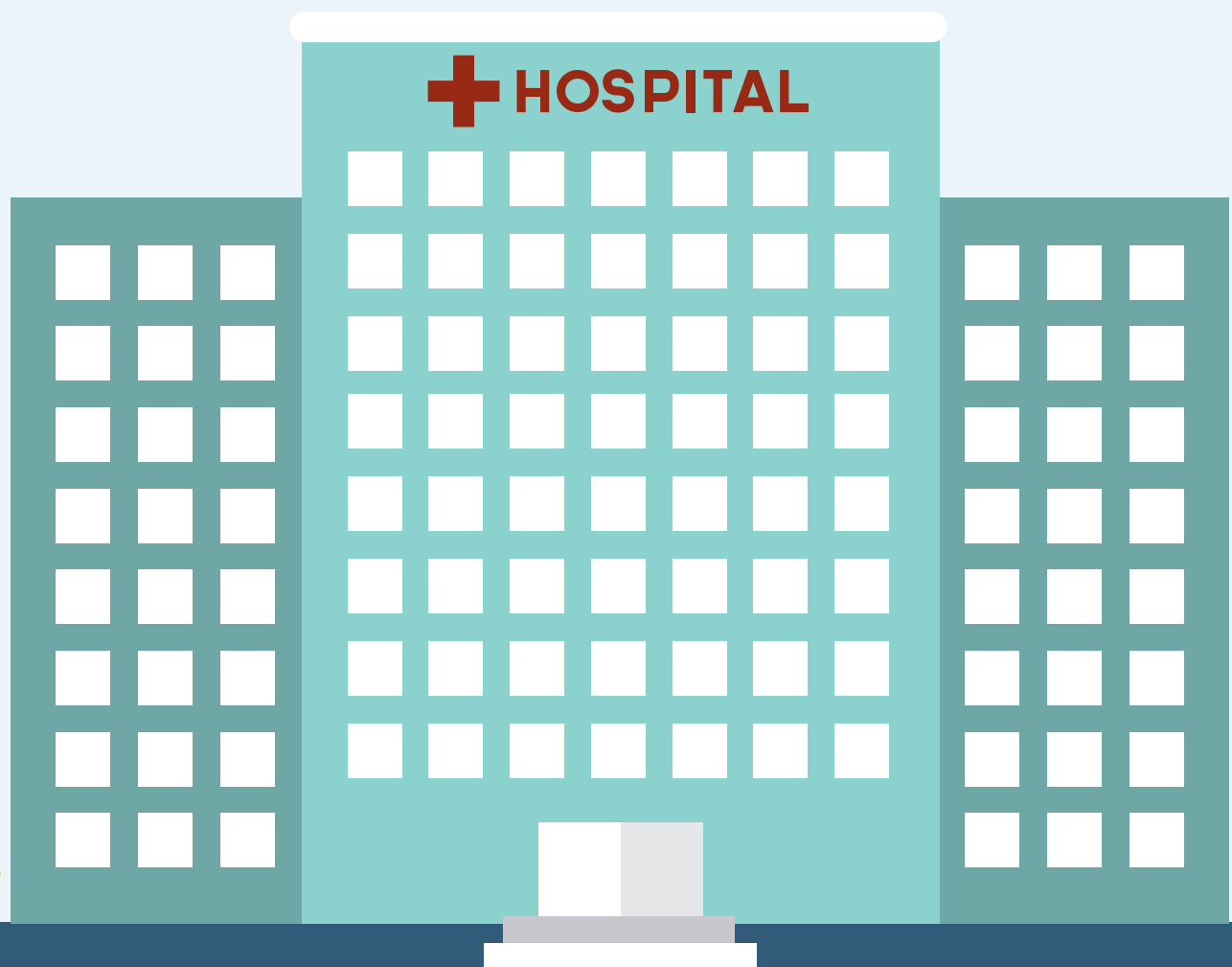


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Indiana County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

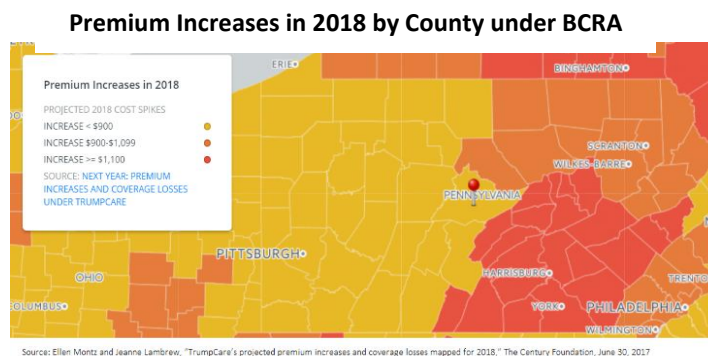
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Indiana County residents could pay \$703 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

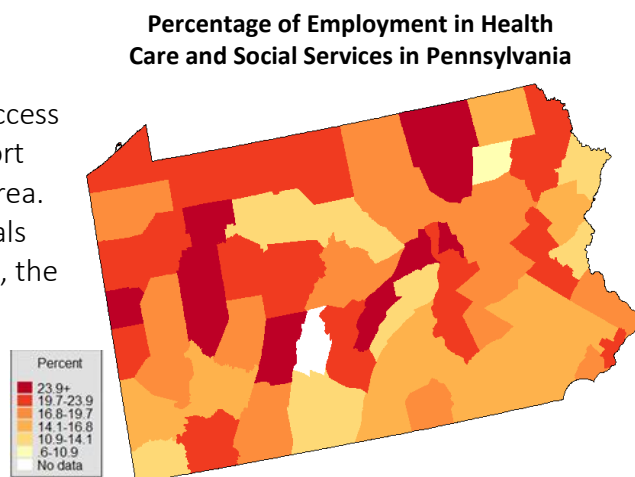
Indiana County: Worse Off Under the Better Care Reconciliation Act

In Indiana County, 18,286 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 2,128 residents purchase insurance through the marketplace. If BCRA passed, Indiana County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 3,490 residents of Indiana County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Indiana County, hospitals employ approximately 6.5% of all employees.^{vii}*
- *The health care and social services sector employs 18.5% percent of all workers in Indiana County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Indiana County, Medicaid revenues and related funding comprise 5.3% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 228 health care sector jobs in Indiana County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Indiana County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Indiana County.

- *In Indiana County, 446 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Indiana County received \$13,793,197 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 169 residents over age 55 in Indiana County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$3,695,654 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Indiana County received \$922,477 through Pennsylvania's Medicaid program during the 2014 fiscal year.*^{xvii}
- *Federal Medicaid funds paid \$197,689 to the Intermediate Unit serving Armstrong and Indiana counties during the 2014 fiscal year.*^{xvii}

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

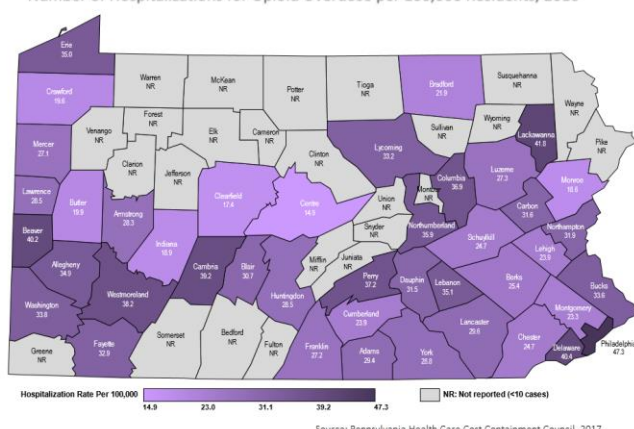
- *In Indiana County, 224 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$36,269,896 (data for Indiana and Armstrong Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}
- *Medicaid paid providers \$53,200 to support individuals with autism.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).

- *In 2015, 36 residents of Indiana County died of an opioid overdose.*^{xix} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}
- *In 2016, 14 Indiana County residents were hospitalized for an opioid overdose.*^{xxi}

Number of Hospitalizations for Opioid Overdose per 100,000 Residents, 2016



Source: Pennsylvania Health Care Cost Containment Council, 2017

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the

treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Indiana County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

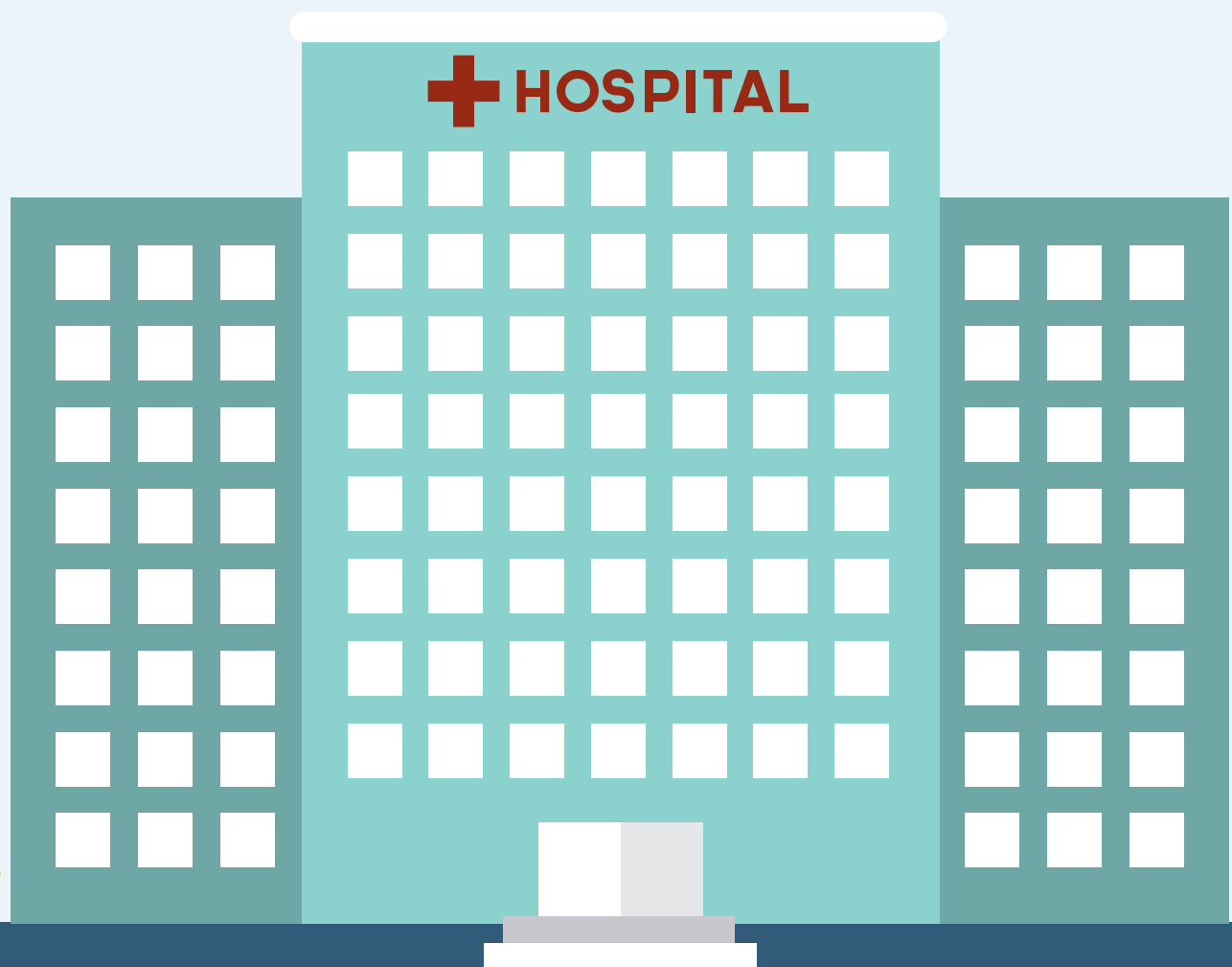


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Jefferson County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

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Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

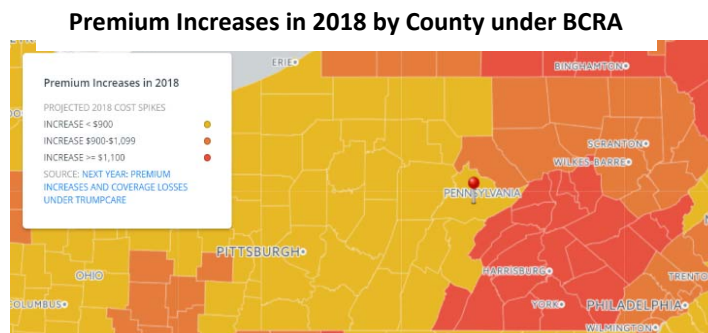
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Jefferson County residents could pay \$703 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

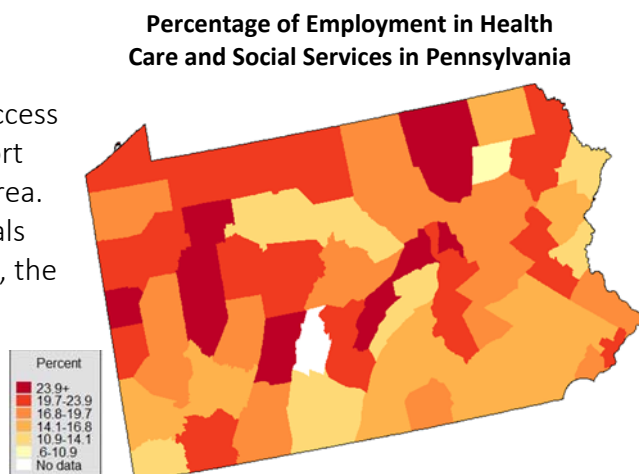
Jefferson County: Worse Off Under the Better Care Reconciliation Act

In Jefferson County, 11,356 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 1,428 residents purchase insurance through the marketplace. If BCRA passed, Jefferson County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 2,120 residents of Jefferson County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
 Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Jefferson County, hospitals employ approximately 5.2% of all employees.^{vii}*
- *The health care and social services sector employs 21.4% percent of all workers in Jefferson County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Jefferson County, Medicaid revenues and related funding comprise 11.0% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 111 health care sector jobs in Jefferson County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Jefferson County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Jefferson County.

- *In Jefferson County, 381 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Jefferson County received \$10,583,819 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 195 residents over age 55 in Jefferson County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$4,290,241 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Jefferson County received \$205,662 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$826,726 to the Intermediate Units serving Clarion, Forest, Jefferson and Venango Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

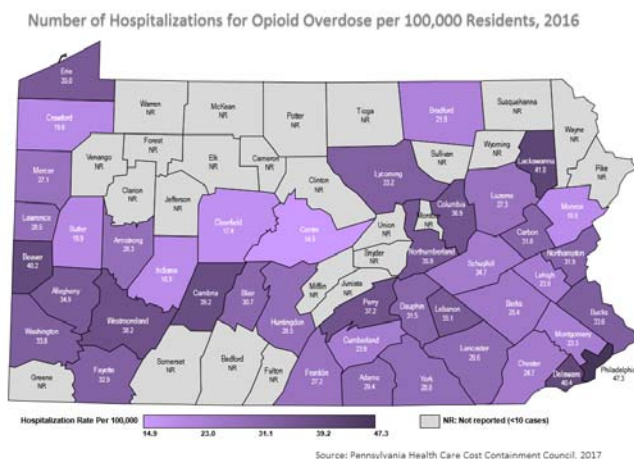
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Jefferson County, 136 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *Medicaid paid providers \$86,877 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii}

Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens

the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Jefferson County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, "Pennsylvania has 1M in path of Obamacare Repeal," *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, "TrumpCare Threatens Rural Hospitals," June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

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^{xi} Brystana Kaufman et al., "Medicaid expansion affects rural and urban hospitals differently," *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, "Data shows rural hospitals at risk without special attention from lawmakers," 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

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^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

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^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

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^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, "Medicaid's role in addressing the opioid epidemic," June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

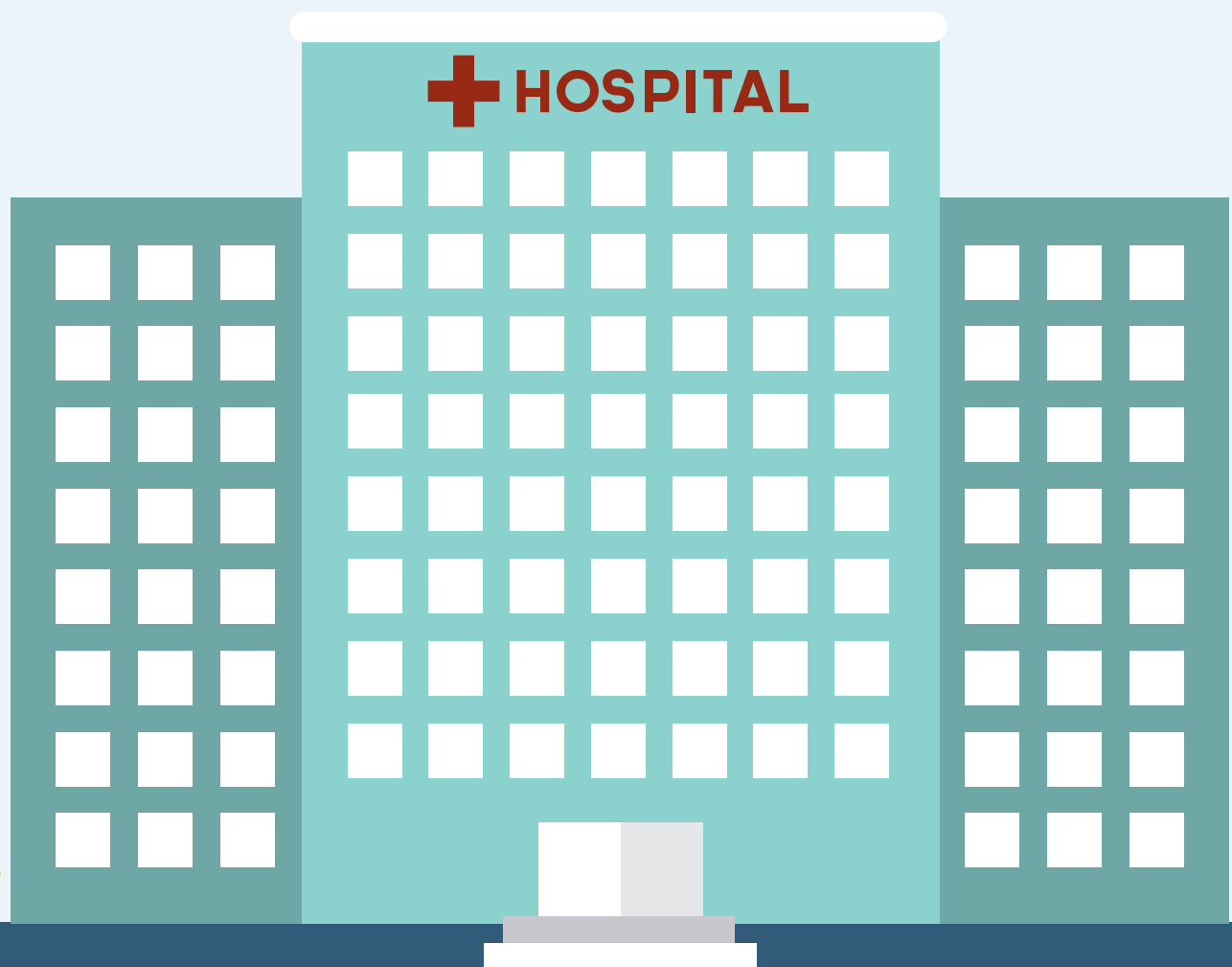


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Juniata County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

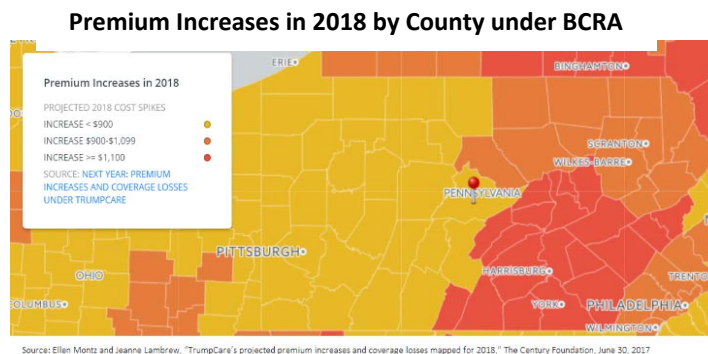
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Juniata County residents could pay \$1,193 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

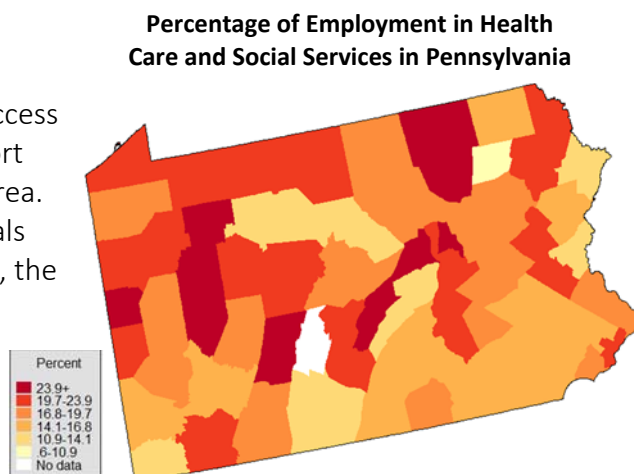
Juniata County: Worse Off Under the Better Care Reconciliation Act

In Juniata County, 4,231 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 762 residents purchase insurance through the marketplace. If BCRA passed, Juniata County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 1,090 residents of Juniata County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Juniata County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Juniata County.

- *In Juniata County, 220 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.*^{xiii}
- *Providers in Juniata County received \$6,633,902 in Medicaid spending for nursing home care during between July 2015 and June 2016.*^{xiii}
- *Approximately 51 residents over age 55 in Juniata County received Medicaid home and community-based services last year.*^{xiii}
- *In total, providers in the county received \$2,374,301 in Medicaid reimbursements for home and community-based services.*^{xiv}

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Juniata County received \$55,758 through Pennsylvania's Medicaid program during the 2014 fiscal year.*^{xvii}
- *Federal Medicaid funds paid \$302,899 to the Intermediate Unit serving Fulton, Huntingdon, Juniata and Mifflin Counties during the 2014 fiscal year.*^{xvii}

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

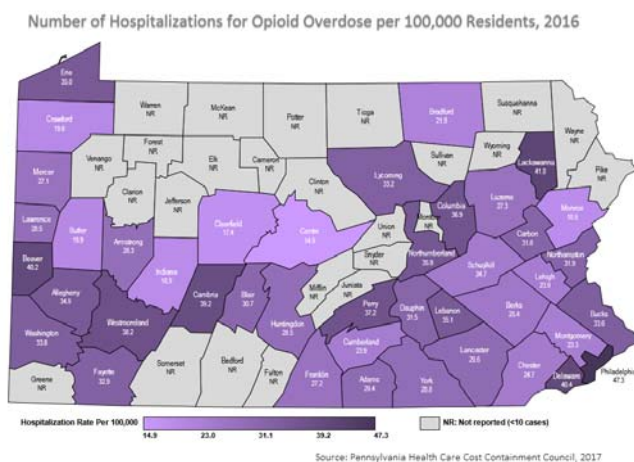
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Juniata County, 68 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$28,850,794 (data for Huntingdon, Mifflin and Juniata Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}
- *Medicaid paid providers \$3,335 to support individuals with autism.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.*^{xi} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}

- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii}

Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health

care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Juniata County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

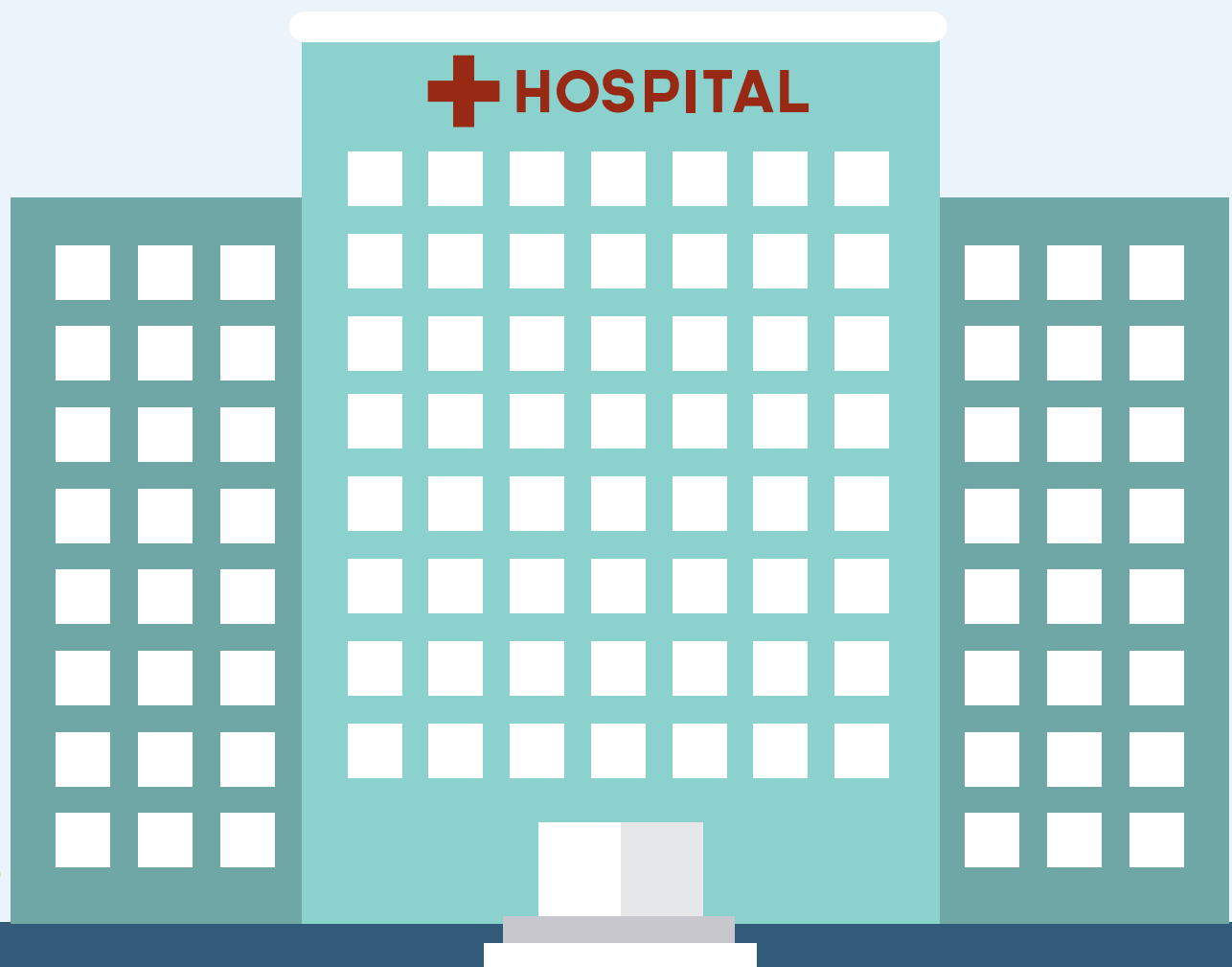


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Lawrence County



U.S. SENATOR *for* PENNSYLVANIA

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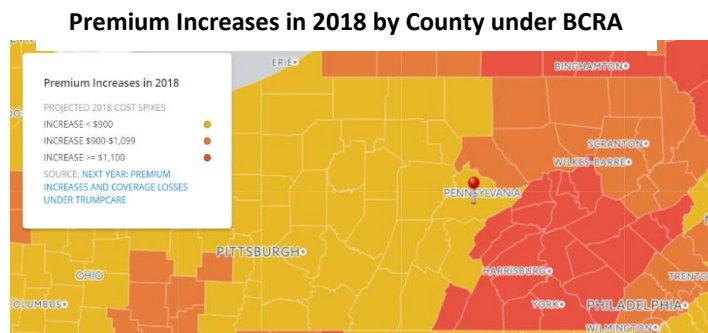
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- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Lawrence County residents could pay \$565 more for marketplace health insurance.^{vi}*



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

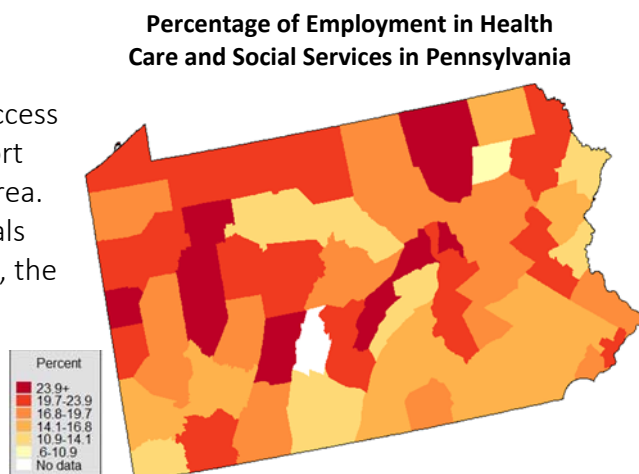
Lawrence County: Worse Off Under the Better Care Reconciliation Act

In Lawrence County, 22,688 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 2,329 residents purchase insurance through the marketplace. If BCRA passed, Lawrence County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 3,970 residents of Lawrence County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Lawrence County, hospitals employ approximately 6.5% of all employees.^{vii}*
- *The health care and social services sector employs 25.3% percent of all workers in Lawrence County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Lawrence County, Medicaid revenues and related funding comprise 9.2% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 272 health care sector jobs in Lawrence County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Lawrence County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Lawrence County.

- *In Lawrence County, 794 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Lawrence County received \$25,709,728 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 198 residents over age 55 in Lawrence County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$7,559,898 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Lawrence County received \$795,810 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$1,365,469 to the Intermediate Unit serving Butler, Lawrence and Mercer Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

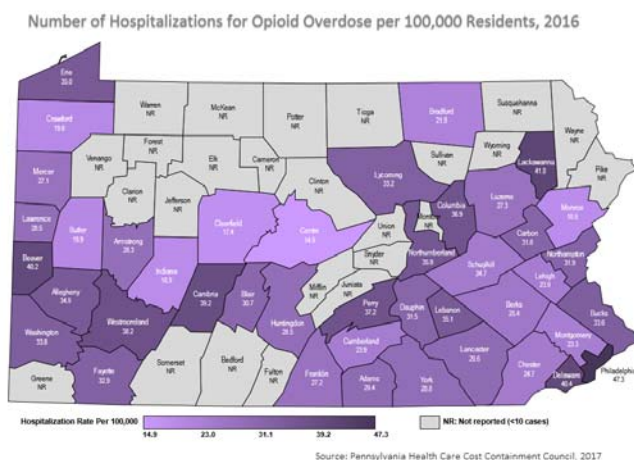
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Lawrence County, 257 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$16,796,087 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$72,060 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 30 residents of Lawrence County died of an opioid overdose.^{xx} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 21 Lawrence County residents were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Lawrence County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, “Pennsylvania has 1M in path of Obamacare Repeal,” *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, “Coverage losses by state for the Senate health care repeal bill,” Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, “Monthly data report: May 2017,” Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, “TrumpCare’s projected premium increases and coverage losses mapped for 2018.” Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, “Rural urban definitions,” Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, “TrumpCare Threatens Rural Hospitals,” June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., “The American Health Care Act: Economic and employment consequences for states,” The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

^{ix} Senator Casey staff analysis of Ku, et al., “The American Health Care Act: Economic and employment consequences for states.”

^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., “Medicaid expansion affects rural and urban hospitals differently,” *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, “Data shows rural hospitals at risk without special attention from lawmakers,” 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

^{xii} The Kaiser Family Foundation estimated that in Fiscal Year 2013, Medicaid covered 51% of all LTSS costs. Note that this calculation excluded Medicare spending on post-acute care from its calculation of total LTSS spending. Erica Reaves and MaryBeth Musumeci, “Medicaid and Long-Term Services and Supports: A Primer,” Henry J. Kaiser Family Foundation (2015), available at <http://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>, (last accessed July 2, 2017).

^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

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^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, “Long-Term Care Trends and Statistics,” Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.

^{xix} Pennsylvania State Coroner’s Association, “Report on overdose death statistics: 2015,” Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, "Medicaid's role in addressing the opioid epidemic," June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, "Keep Obamacare to keep progress on treating opioid disorders and mental illnesses," *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-OUD%20v3corrected.pdf>, (last accessed July 2, 2017).

^{xxiv} For additional information, please see the report prepared by U.S. Senator Bob Casey entitled "The Republican Plan: Retreating from the fight Against the Opioid Epidemic." Released June 2017.

U.S. SENATOR BOB CASEY

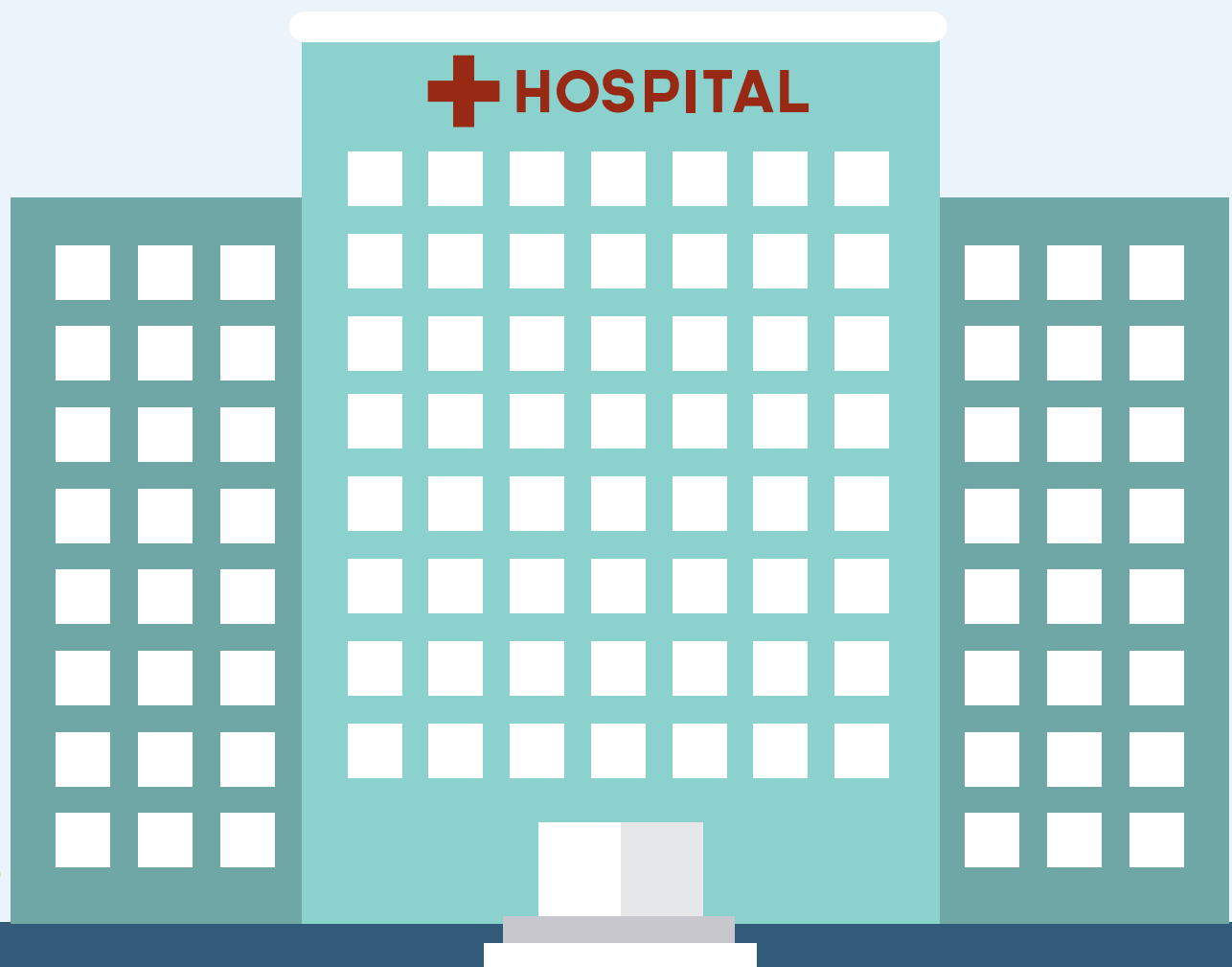


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Lycoming County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

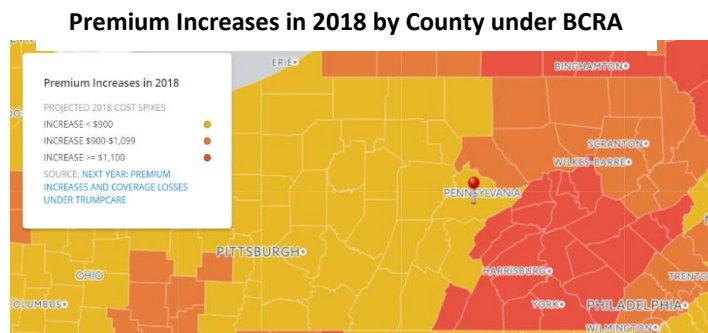
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Lycoming County residents could pay \$950 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

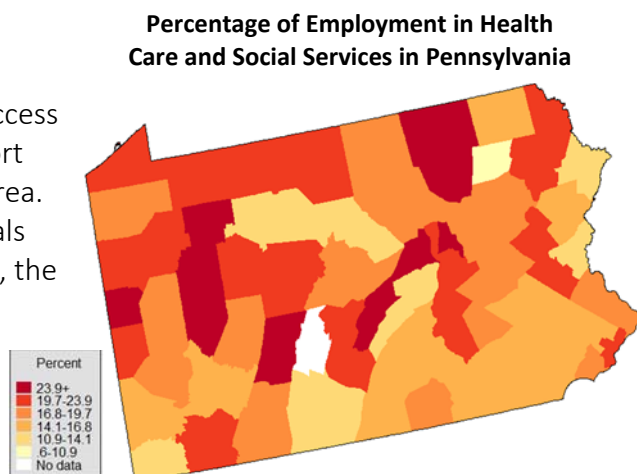
Lycoming County: Worse Off Under the Better Care Reconciliation Act

In Lycoming County, 27,208 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 3,115 residents purchase insurance through the marketplace. If BCRA passed, Lycoming County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 5,080 residents of Lycoming County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Lycoming County, hospitals employ approximately 8.1% of all employees.^{vii}*
- *The health care and social services sector employs 19.3% percent of all workers in Lycoming County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Lycoming County, Medicaid revenues and related funding comprise 20.5% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 852 health care sector jobs in Lycoming County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Lycoming County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Lycoming County.

- *In Lycoming County, 1,059 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Lycoming County received \$34,001,067 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 327 residents over age 55 in Lycoming County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$10,999,022 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Lycoming County received \$846,779 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$305,308 to the Intermediate Unit serving Bradford, Lycoming, Sullivan and Tioga Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

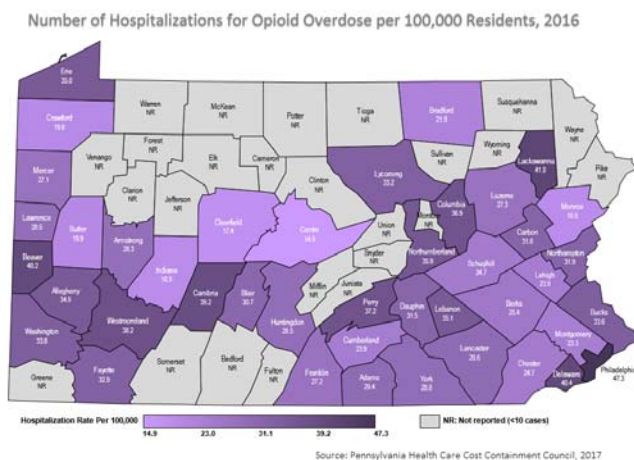
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Lycoming County, 352 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$26,762,756 (data for Lycoming and Clinton Counties, combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 25 residents of Lycoming County died of an opioid overdose.^{xx} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 32 Lycoming County residents were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal

payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Lycoming County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

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^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, "TrumpCare Threatens Rural Hospitals," June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

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^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, “Medicaid’s role in addressing the opioid epidemic,” June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, “Keep Obamacare to keep progress on treating opioid disorders and mental illnesses,” *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-OD%20v3corrected.pdf>, (last accessed July 2, 2017).

^{xxiv} For additional information, please see the report prepared by U.S. Senator Bob Casey entitled “The Republican Plan: Retreating from the fight Against the Opioid Epidemic.” Released June 2017.

U.S. SENATOR BOB CASEY

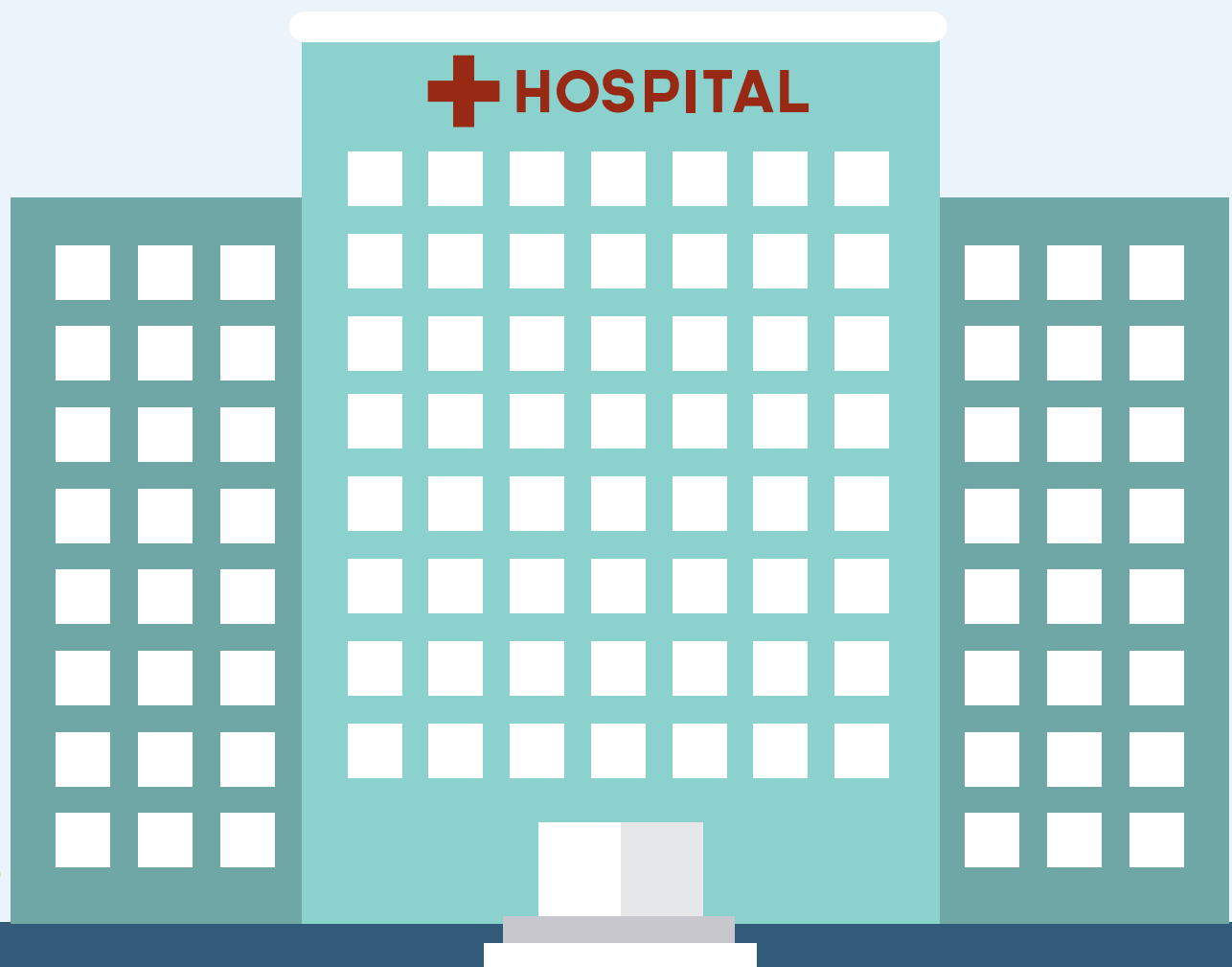


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

McKean County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

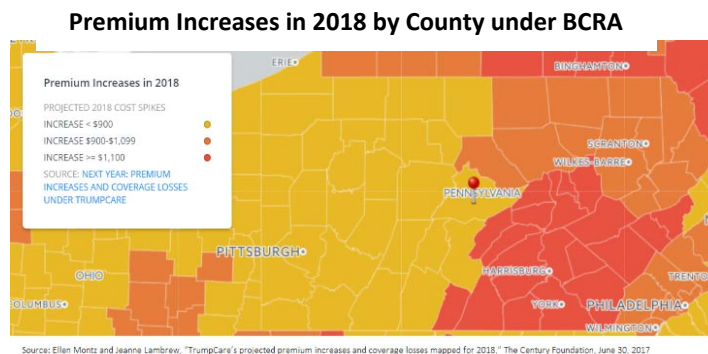
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, McKean County residents could pay \$703 more for marketplace health insurance.^{vi}*



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

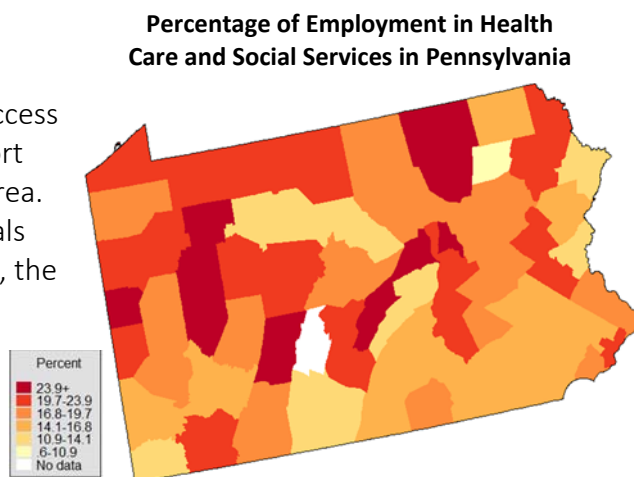
McKean County: Worse Off Under the Better Care Reconciliation Act

In McKean County, 11,308 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 782 residents purchase insurance through the marketplace. If BCRA passed, McKean County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 1,670 residents of McKean County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In McKean County, hospitals employ approximately 5.7% of all employees.^{vii}*
- *The health care and social services sector employs 20.8% percent of all workers in McKean County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In McKean County, Medicaid revenues and related funding comprise 16.2% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 136 health care sector jobs in McKean County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in McKean County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in McKean County.

- *In McKean County, 540 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in McKean County received \$18,349,022 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 187 residents over age 55 in McKean County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$3,423,396 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across McKean County received \$101,875 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$428,866 to the Intermediate Unit serving Cameron, Elk, McKean and Potter counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

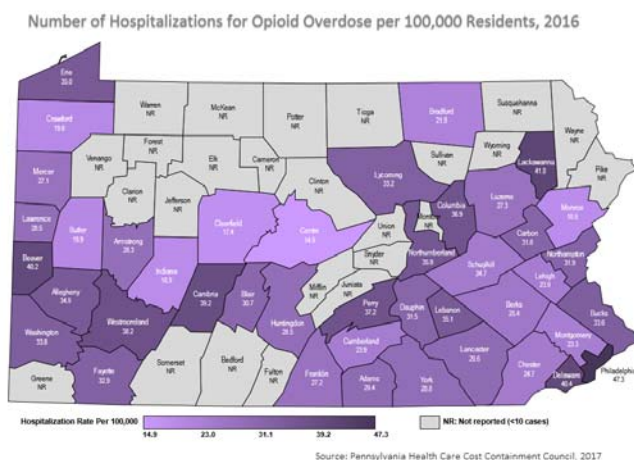
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In McKean County, 163 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$8,233,768 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$28,464 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}
- In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate McKean County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, "Pennsylvania has 1M in path of Obamacare Repeal," *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, "TrumpCare Threatens Rural Hospitals," June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

^{ix} Senator Casey staff analysis of Ku, et al., "The American Health Care Act: Economic and employment consequences for states."

^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., "Medicaid expansion affects rural and urban hospitals differently," *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, "Data shows rural hospitals at risk without special attention from lawmakers," 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

^{xii} The Kaiser Family Foundation estimated that in Fiscal Year 2013, Medicaid covered 51% of all LTSS costs. Note that this calculation excluded Medicare spending on post-acute care from its calculation of total LTSS spending. Erica Reaves and MaryBeth Musumeci, "Medicaid and Long-Term Services and Supports: A Primer," Henry J. Kaiser Family Foundation (2015), available at <http://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>, (last accessed July 2, 2017).

^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

^{xiv} Data provided by the Pennsylvania Department of Human Services (May 2017) are for Nursing Homes only, not Intermediate Care Facilities.

^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, "Long-Term Care Trends and Statistics," Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.

^{xix} Pennsylvania State Coroner's Association, "Report on overdose death statistics: 2015," Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, "Medicaid's role in addressing the opioid epidemic," June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

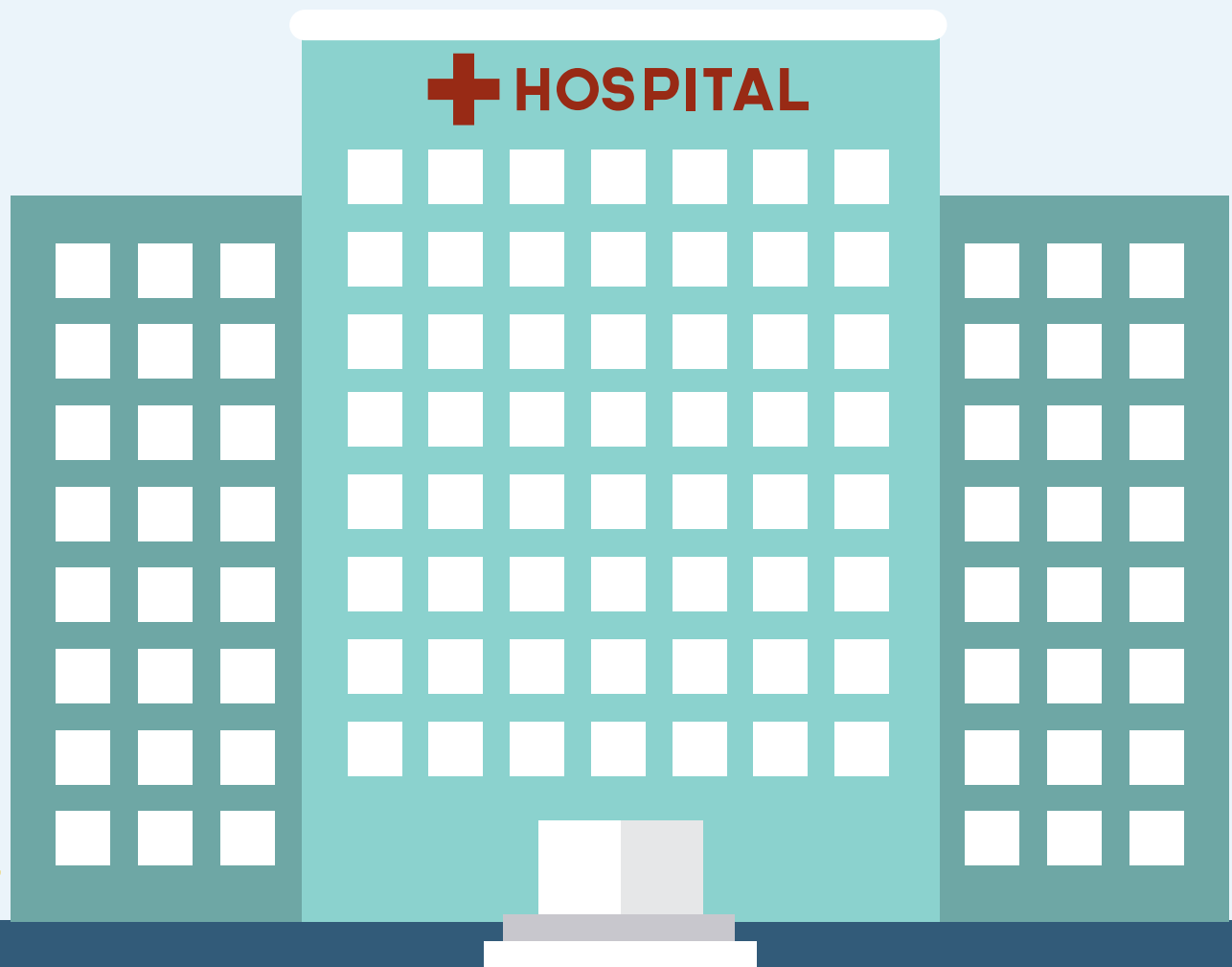


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Mercer County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

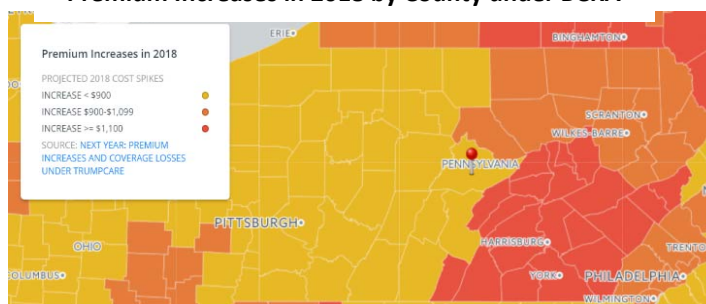
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

Premium Increases in 2018 by County under BCRA



- *In 2018, Mercer County residents could pay \$565 more for marketplace health insurance.^{vi}*

Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Mercer County: Worse Off Under the Better Care Reconciliation Act

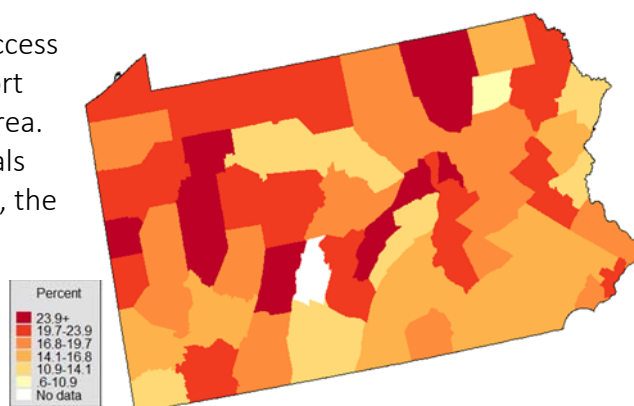
In Mercer County, 28,165 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 2,463 residents purchase insurance through the marketplace. If BCRA passed, Mercer County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 4,550 residents of Mercer County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Mercer County, hospitals employ approximately 5.8% of all employees.^{vii}*
- *The health care and social services sector employs 22.9% percent of all workers in Mercer County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Mercer County, Medicaid revenues and related funding comprise 9.1% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 456 health care sector jobs in Mercer County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Mercer County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Mercer County.

- *In Mercer County, 1,020 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Mercer County received \$32,951,259 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 249 residents over age 55 in Mercer County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$7,228,923 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Mercer County received \$1,030,717 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$1,365,469 to the Intermediate Unit serving Butler, Lawrence and Mercer Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

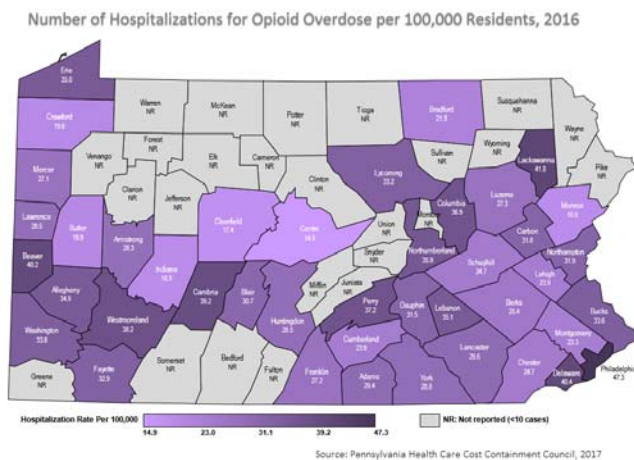
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Mercer County, 409 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$27,466,585 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$132,108 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 19 residents of Mercer County died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 26 Mercer County residents were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Mercer County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

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^v Pennsylvania Department of Human Services, “Monthly data report: May 2017,” Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, “TrumpCare’s projected premium increases and coverage losses mapped for 2018.” Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, “Rural urban definitions,” Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, “TrumpCare Threatens Rural Hospitals,” June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., “The American Health Care Act: Economic and employment consequences for states,” The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

^{ix} Senator Casey staff analysis of Ku, et al., “The American Health Care Act: Economic and employment consequences for states.”

^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., “Medicaid expansion affects rural and urban hospitals differently,” *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, “Data shows rural hospitals at risk without special attention from lawmakers,” 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

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^{xvi} Pennsylvania Health Care Association, “Long-Term Care Trends and Statistics,” Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.

^{xix} Pennsylvania State Coroner’s Association, “Report on overdose death statistics: 2015,” Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, "Medicaid's role in addressing the opioid epidemic," June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, "Keep Obamacare to keep progress on treating opioid disorders and mental illnesses," *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-OUD%20v3corrected.pdf>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

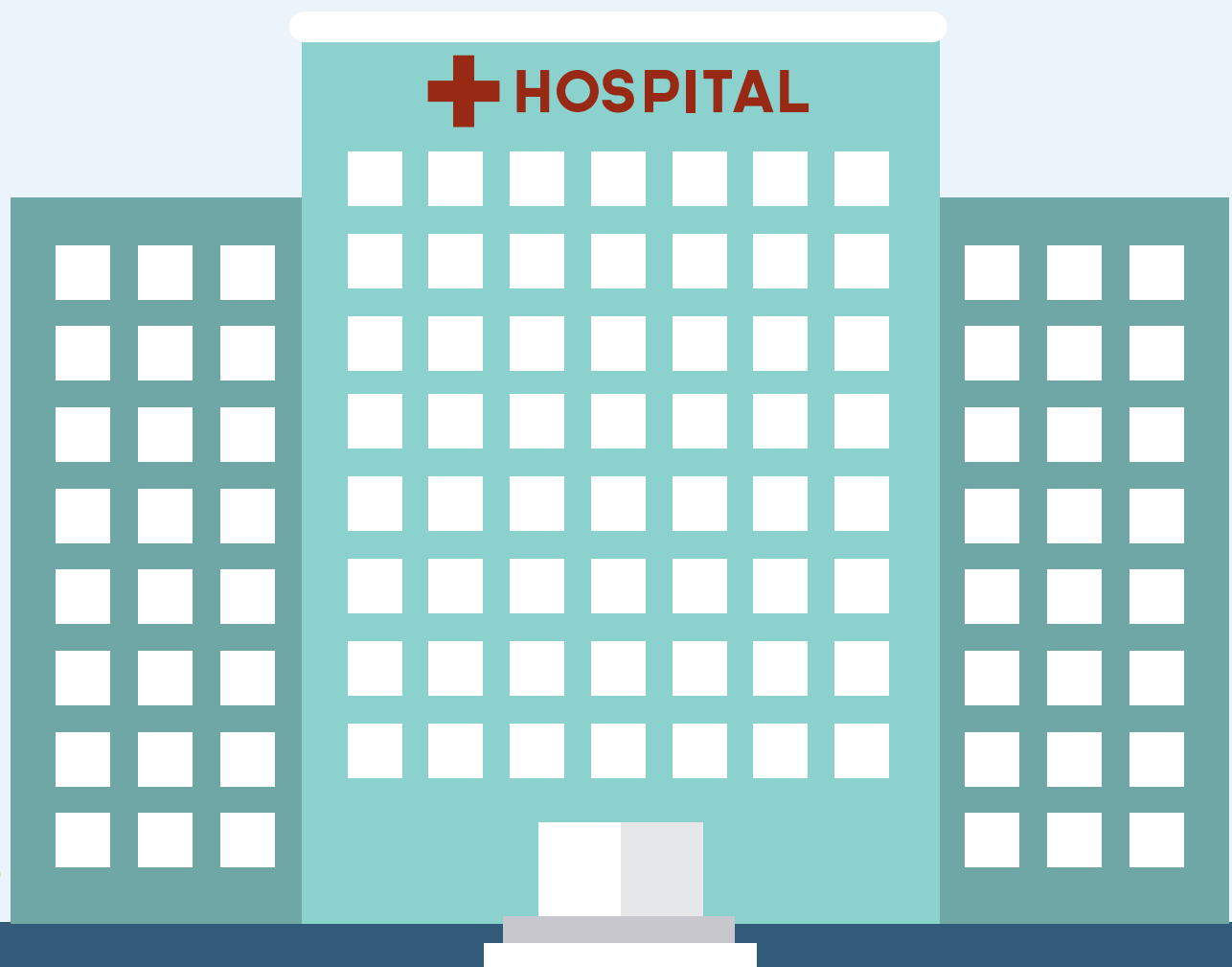


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Mifflin County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

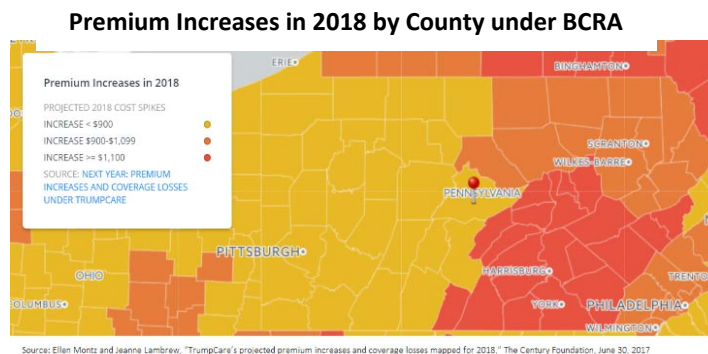
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities – could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Mifflin County residents could pay \$1,217 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

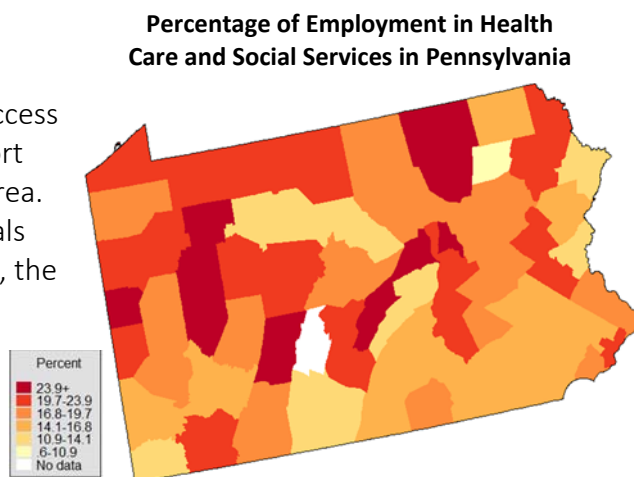
Mifflin County: Worse Off Under the Better Care Reconciliation Act

In Mifflin County, 11,091 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 1,113 residents purchase insurance through the marketplace. If BCRA passed, Mifflin County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 1,950 residents of Mifflin County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Mifflin County, hospitals employ approximately 5.3% of all employees.^{vii}*
- *The health care and social services sector employs 24.1% percent of all workers in Mifflin County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Mifflin County, Medicaid revenues and related funding comprise 10.7% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 147 health care sector jobs in Mifflin County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Mifflin County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Mifflin County.

- *In Mifflin County, 426 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Mifflin County received \$13,235,414 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 132 residents over age 55 in Mifflin County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$4,569,119 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Mifflin County received \$172,539 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$302,899 to the Intermediate Unit serving Fulton, Huntingdon, Juniata and Mifflin Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

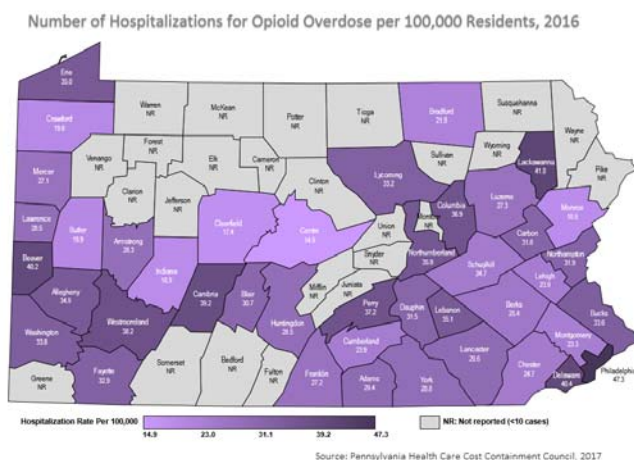
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Mifflin County, 224 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$28,850,794 (data for Huntingdon, Mifflin and Juniata Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$11,885 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 701 residents of rural Pennsylvania counties were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Mifflin County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, "Pennsylvania has 1M in path of Obamacare Repeal," *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

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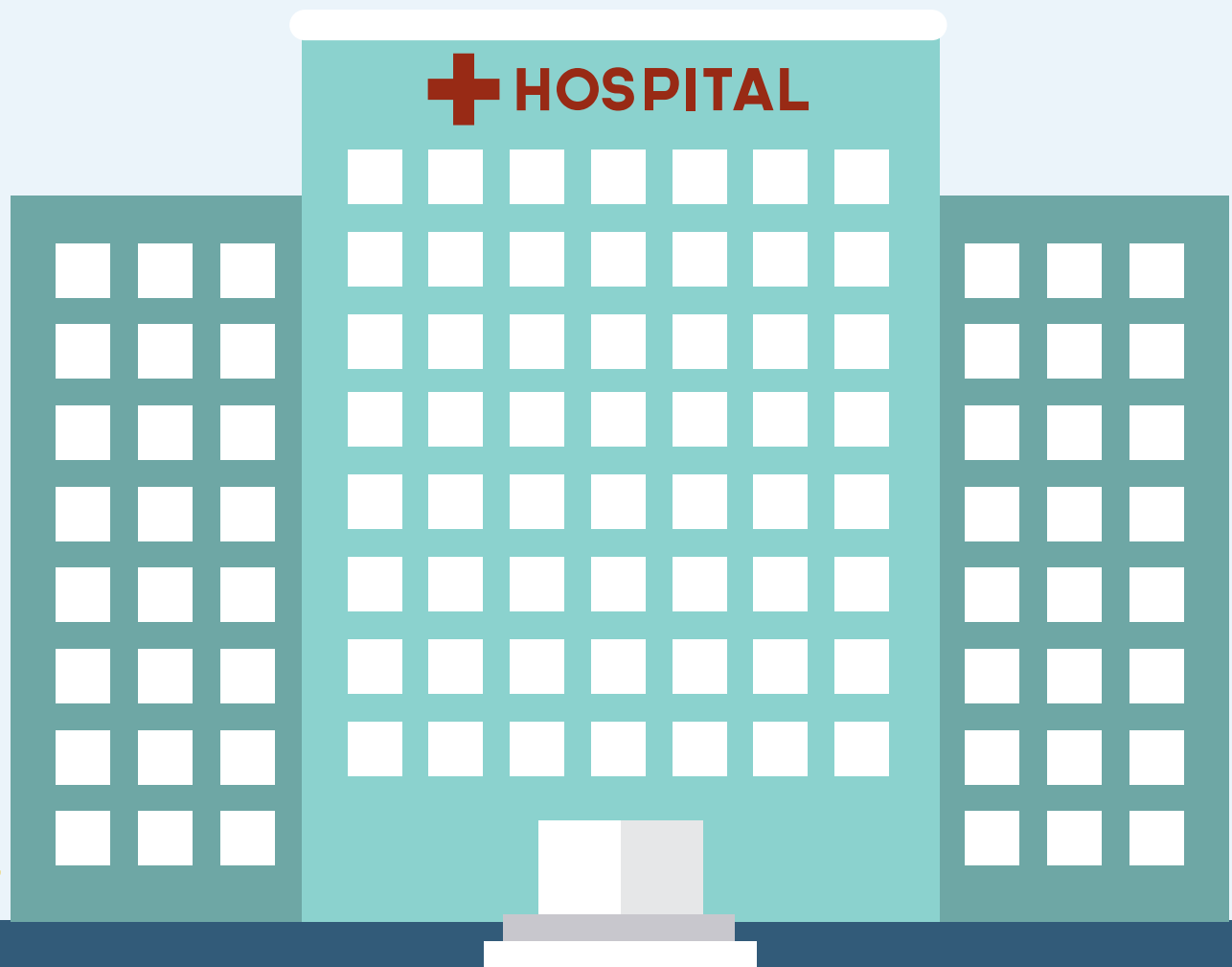


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Monroe County



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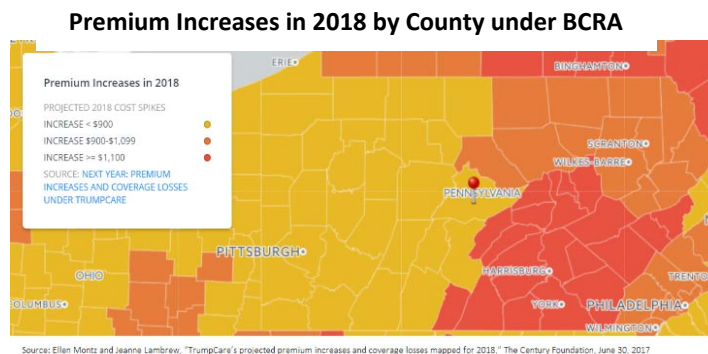
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- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Monroe County residents could pay \$954 more for marketplace health insurance.^{vi}*



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

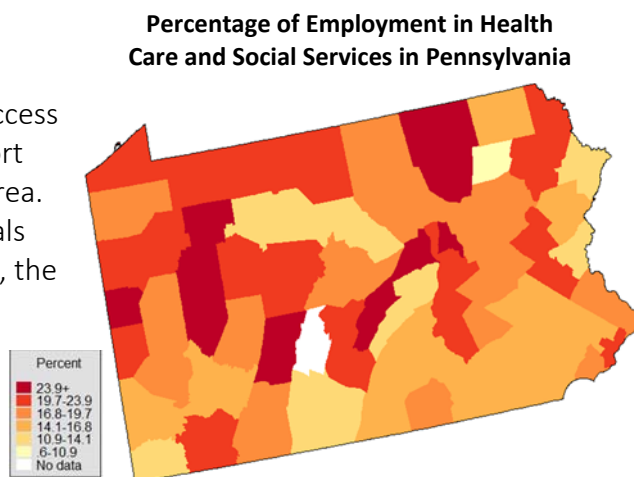
Monroe County: Worse Off Under the Better Care Reconciliation Act

In Monroe County, 37,333 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 6,429 residents purchase insurance through the marketplace. If BCRA passed, Monroe County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 8,630 residents of Monroe County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 305 health care sector jobs in Monroe County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Monroe County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Monroe County.

- *In Monroe County, 631 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Monroe County received \$17,601,555 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 343 residents over age 55 in Monroe County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$7,484,673 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Monroe County received \$2,055,007 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

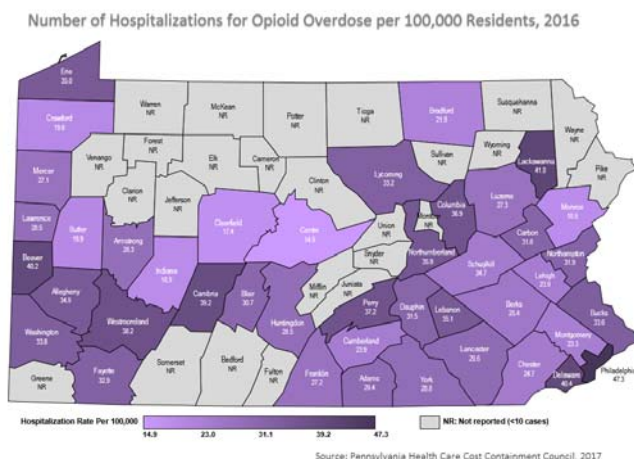
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Monroe County, 354 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *Medicaid paid providers \$353,321 to support individuals with autism.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 46 residents of Monroe County died of an opioid overdose.*^{xi} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}
- *In 2016, 26 Monroe County residents were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Monroe County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for

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ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

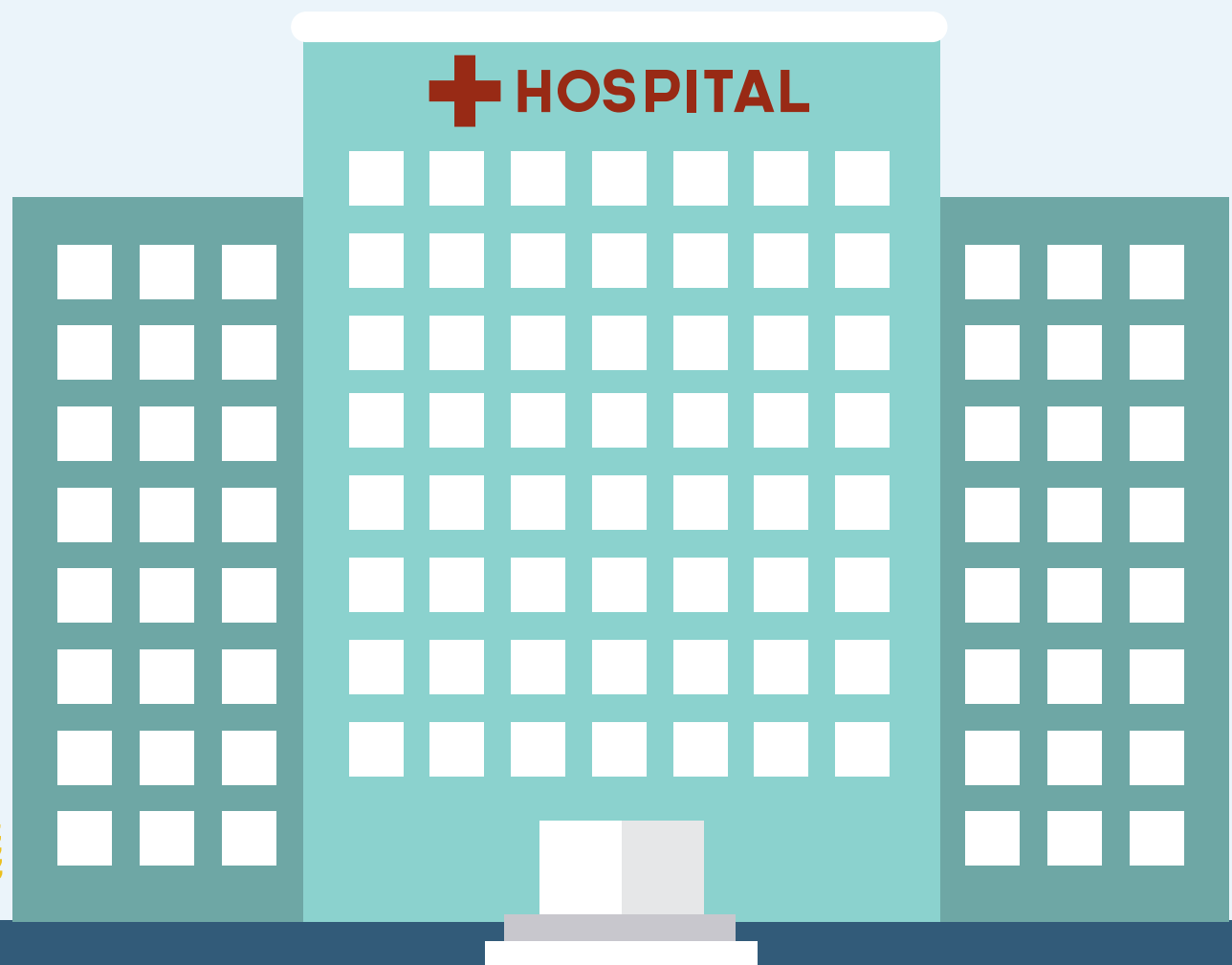


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Montour County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

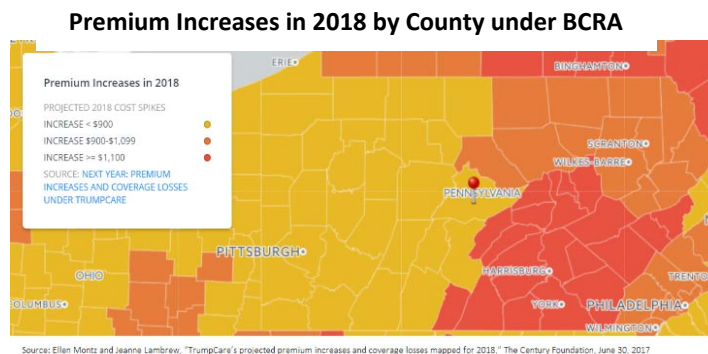
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities – could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Montour County residents could pay \$1,217 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

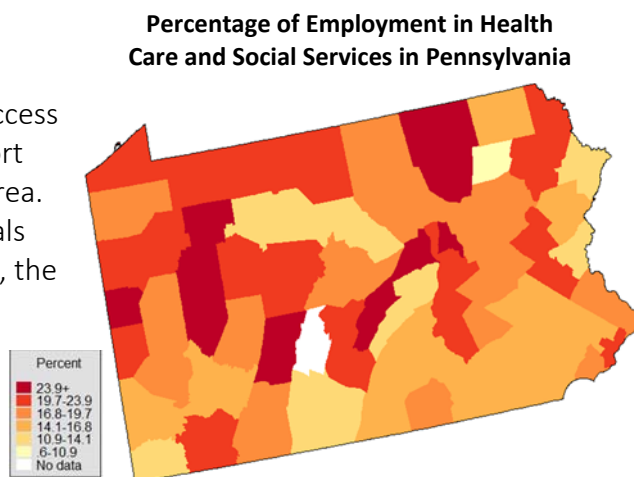
Montour County: Worse Off Under the Better Care Reconciliation Act

In Montour County, 3,156 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 406 residents purchase insurance through the marketplace. If BCRA passed, Montour County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 720 residents of Montour County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 1,680 health care sector jobs in Montour County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Montour County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Montour County.

- *In Montour County, 286 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Montour County received \$8,209,665 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 50 residents over age 55 in Montour County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$1,386,557 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Montour County received \$92,022 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

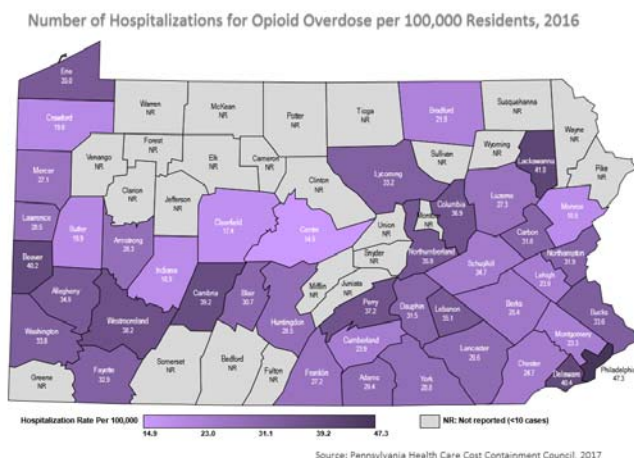
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Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Montour County, 61 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$26,102,063 (data for Columbia, Montour, Snyder and Union Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}
- *Medicaid paid providers \$82,239 to support individuals with autism.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 12 residents of Montour County died of an opioid overdose.*^{xix} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}
- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health

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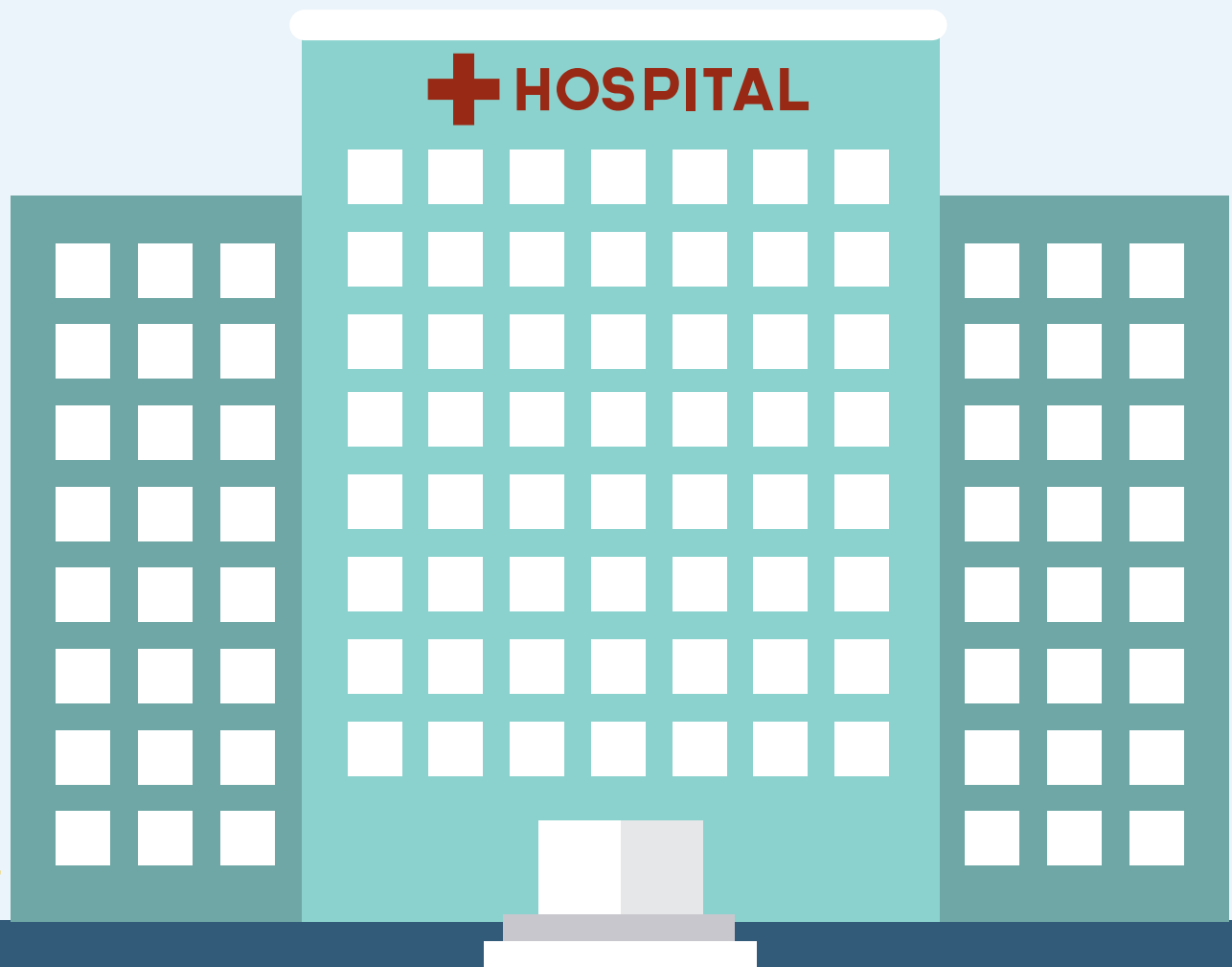


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THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Northumberland County



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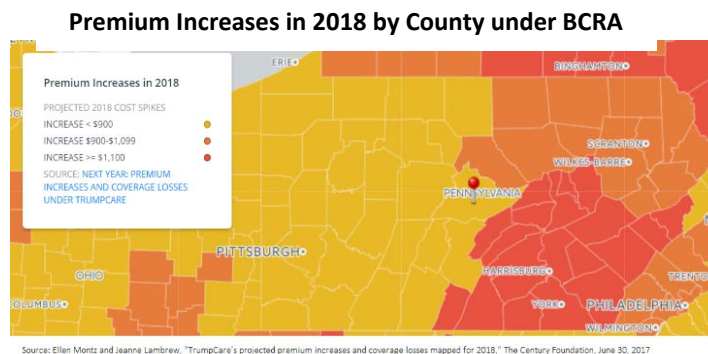
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- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities – could lose health coverage by 2018 under BCRA.^{vi}*

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BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Northumberland County residents could pay \$1,217 more for marketplace health insurance.^{vi}*



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The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Northumberland County: Worse Off Under the Better Care Reconciliation Act

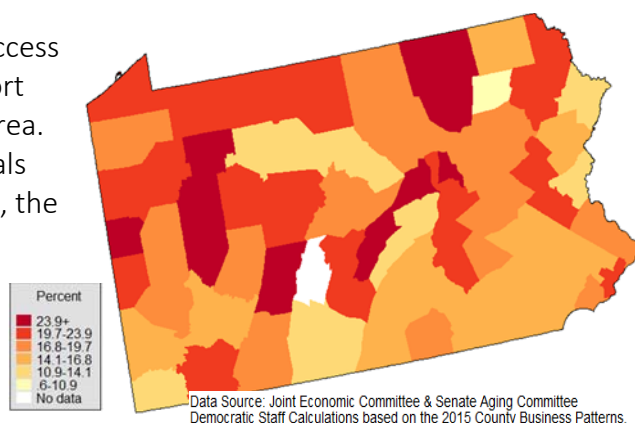
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- *An estimated 3,810 residents of Northumberland County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



- *In Northumberland County, hospitals employ approximately 1.5% of all employees.^{vii}*
- *The health care and social services sector employs 22.7% percent of all workers in Northumberland County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Northumberland County, Medicaid revenues and related funding comprise 14.7% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 37 health care sector jobs in Northumberland County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Northumberland County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Northumberland County.

- *In Northumberland County, 1,089 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Northumberland County received \$34,250,675 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 397 residents over age 55 in Northumberland County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$12,261,658 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Northumberland County received \$574,273 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

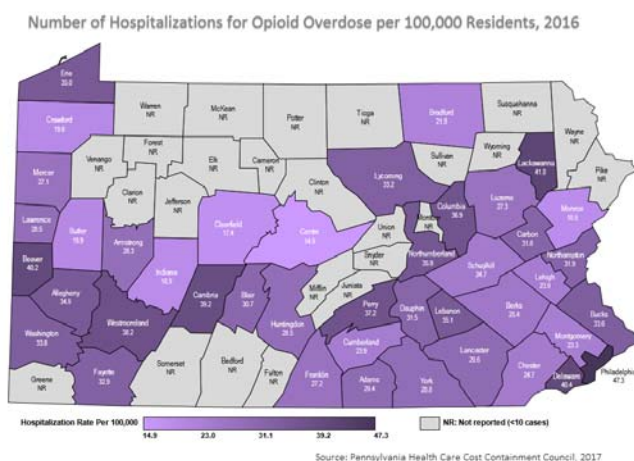
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Northumberland County, 367 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$25,090,097 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$219,299 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 16 residents of Northumberland County died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 28 Northumberland County residents were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion,

as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Northumberland County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, "Pennsylvania has 1M in path of Obamacare Repeal," *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, "TrumpCare Threatens Rural Hospitals," June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

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^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

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^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, "Long-Term Care Trends and Statistics," Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.

^{xix} Pennsylvania State Coroner's Association, "Report on overdose death statistics: 2015," Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, “Medicaid’s role in addressing the opioid epidemic,” June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, “Keep Obamacare to keep progress on treating opioid disorders and mental illnesses,” *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-OD%20v3corrected.pdf>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

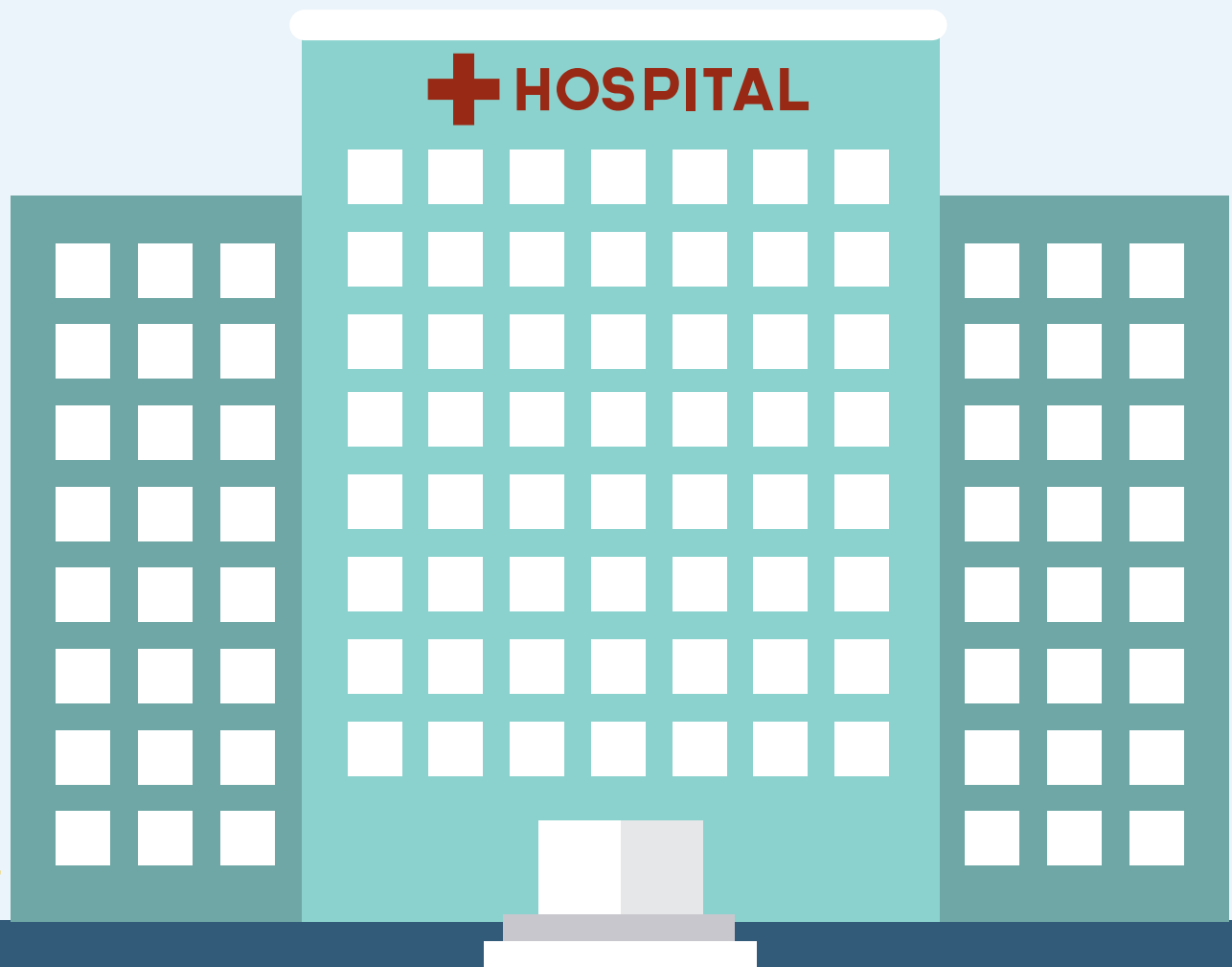


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Perry County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

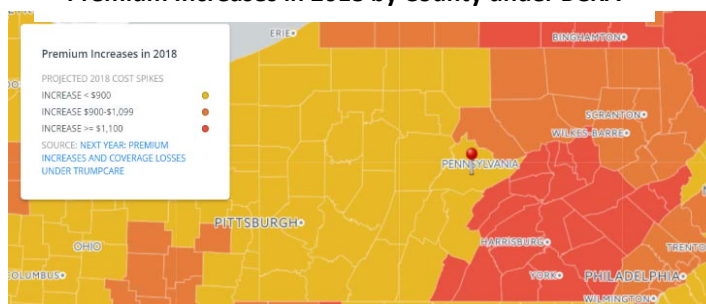
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities – could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

Premium Increases in 2018 by County under BCRA



- *In 2018, Perry County residents could pay \$1,193 more for marketplace health insurance.^{vi}*

Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Perry County: Worse Off Under the Better Care Reconciliation Act

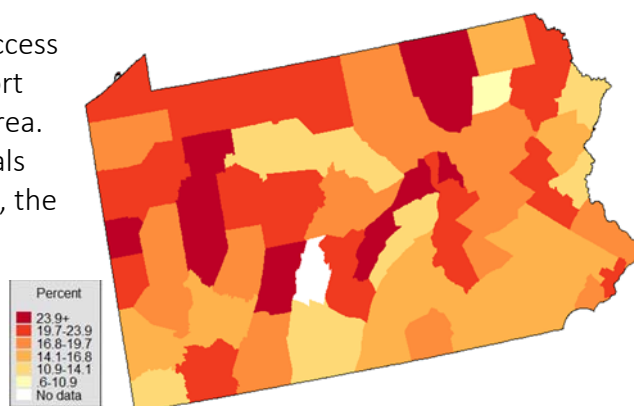
In Perry County, 7,571 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 1,534 residents purchase insurance through the marketplace. If BCRA passed, Perry County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 2,110 residents of Perry County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Perry County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Perry County.

- *In Perry County, 215 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.*^{xiii}
- *Providers in Perry County received \$5,810,547 in Medicaid spending for nursing home care during between July 2015 and June 2016.*^{xiii}
- *Approximately 132 residents over age 55 in Perry County received Medicaid home and community-based services last year.*^{xiii}
- *In total, providers in the county received \$3,657,746 in Medicaid reimbursements for home and community-based services.*^{xiv}

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Perry County received \$302,307 through Pennsylvania's Medicaid program during the 2014 fiscal year.*^{xvii}
- *Federal Medicaid funds paid \$459,087 to the Intermediate Unit serving Cumberland, Dauphin and Perry Counties during the 2014 fiscal year.*^{xvii}

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

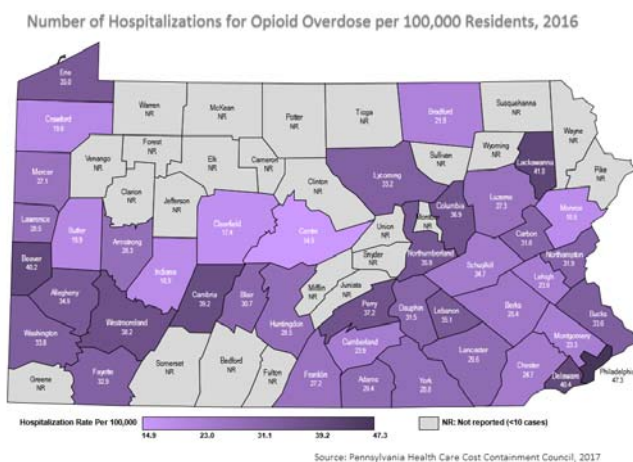
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Perry County, 70 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$30,927,878 (data for Perry and Cumberland Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}
- *Medicaid paid providers \$245,718 to support individuals with autism.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.*^{xi} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}
- *In 2016, 14 Perry County residents were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii}

Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health

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ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

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U.S. SENATOR BOB CASEY



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THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

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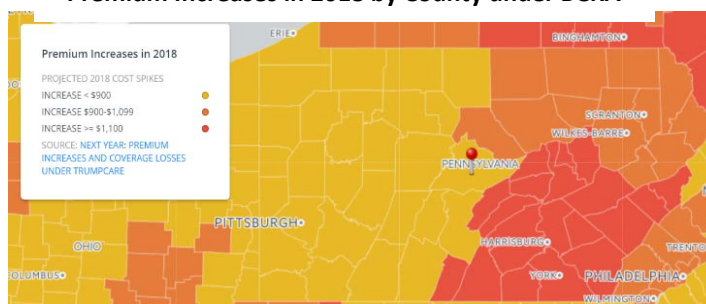
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities – could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

Premium Increases in 2018 by County under BCRA



- *In 2018, Pike County residents could pay \$966 more for marketplace health insurance.^{vi}*

Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Pike County: Worse Off Under the Better Care Reconciliation Act

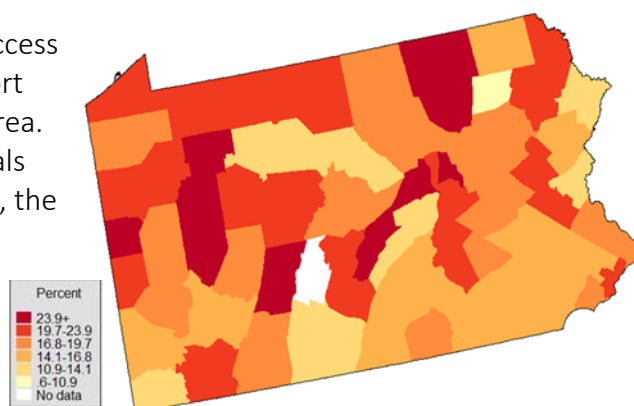
In Pike County, 10,732 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 2,419 residents purchase insurance through the marketplace. If BCRA passed, Pike County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 3,020 residents of Pike County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Pike County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Pike County.

- *In Pike County, 137 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.*^{xiii}
- *Providers in Pike County received \$4,197,687 in Medicaid spending for nursing home care during between July 2015 and June 2016.*^{xiii}
- *Approximately 166 residents over age 55 in Pike County received Medicaid home and community-based services last year.*^{xiii}
- *In total, providers in the county received \$4,809,946 in Medicaid reimbursements for home and community-based services.*^{xiv}

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Pike County received \$563,194 through Pennsylvania's Medicaid program during the 2014 fiscal year.*^{xvii}

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

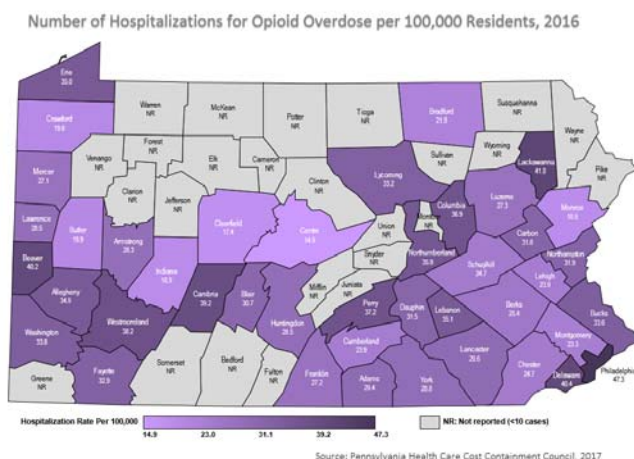
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Pike County, 104 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties.*^{xix} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}

- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Pike County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

- ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).
- ⁱⁱⁱ W. Ventreicher & B. Schmitt, "Pennsylvania has 1M in path of Obamacare Repeal," *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).
- ^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).
- ^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).
- ^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).
- ^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, "TrumpCare Threatens Rural Hospitals," June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).
- ^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).
- ^{ix} Senator Casey staff analysis of Ku, et al., "The American Health Care Act: Economic and employment consequences for states."
- ^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.
- ^{xi} Brystana Kaufman et al., "Medicaid expansion affects rural and urban hospitals differently," *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, "Data shows rural hospitals at risk without special attention from lawmakers," 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).
- ^{xii} The Kaiser Family Foundation estimated that in Fiscal Year 2013, Medicaid covered 51% of all LTSS costs. Note that this calculation excluded Medicare spending on post-acute care from its calculation of total LTSS spending. Erica Reaves and MaryBeth Musumeci, "Medicaid and Long-Term Services and Supports: A Primer," Henry J. Kaiser Family Foundation (2015), available at <http://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>, (last accessed July 2, 2017).
- ^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).
- ^{xiv} Data provided by the Pennsylvania Department of Human Services (May 2017) are for Nursing Homes only, not Intermediate Care Facilities.
- ^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).
- ^{xvi} Pennsylvania Health Care Association, "Long-Term Care Trends and Statistics," Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).
- ^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.
- ^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.
- ^{xix} Pennsylvania State Coroner's Association, "Report on overdose death statistics: 2015," Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).
- ^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).
- ^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).
- ^{xxii} Henry J. Kaiser Family Foundation, "Medicaid's role in addressing the opioid epidemic," June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).
- ^{xxiii} Richard G. Frank & Sherry A. Glied, "Keep Obamacare to keep progress on treating opioid disorders and mental illnesses," *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-OUD%20v3corrected.pdf>, (last accessed July 2, 2017).
- ^{xxiv} For additional information, please see the report prepared by U.S. Senator Bob Casey entitled "The Republican Plan: Retreating from the fight Against the Opioid Epidemic." Released June 2017.

U.S. SENATOR BOB CASEY

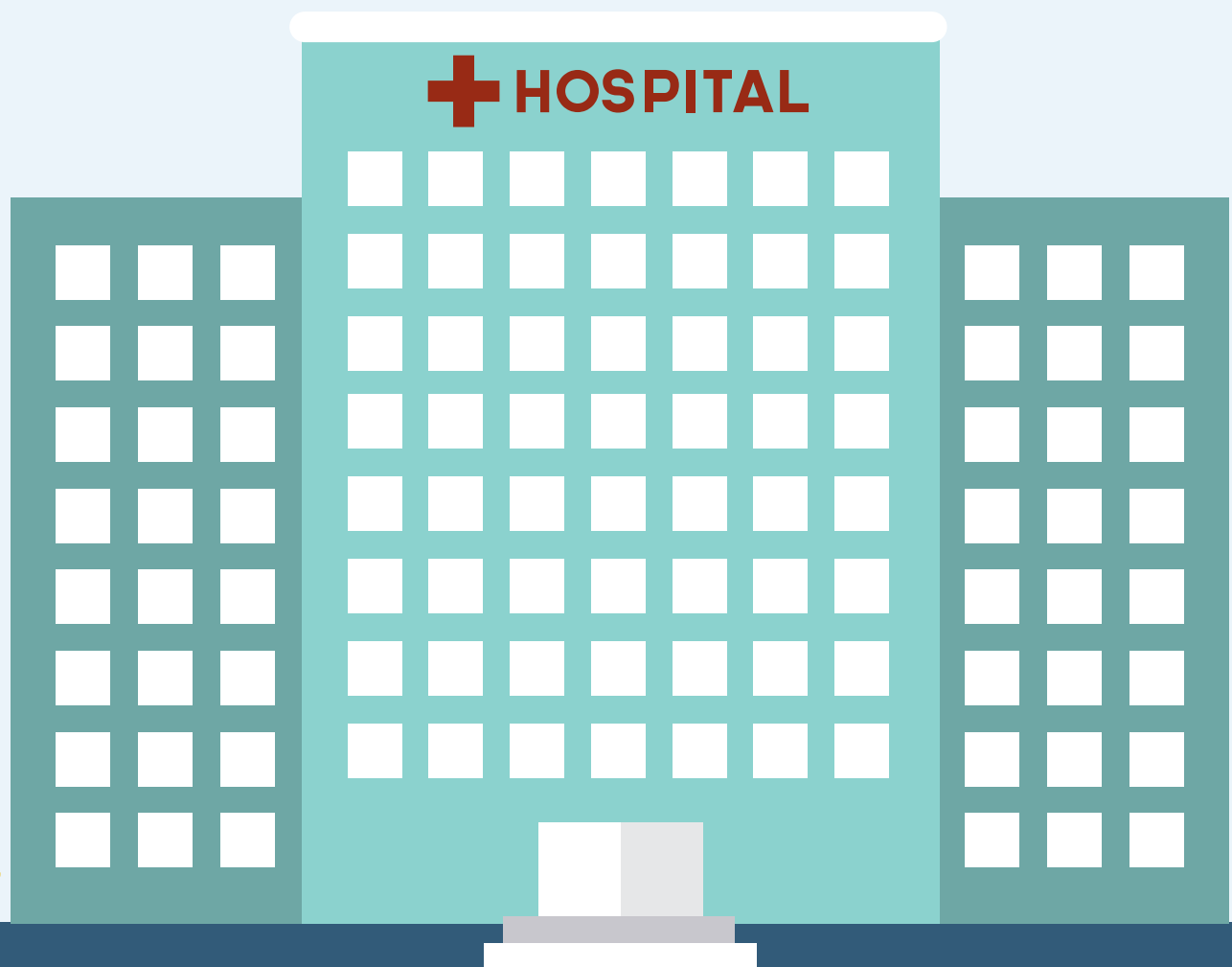


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Potter County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

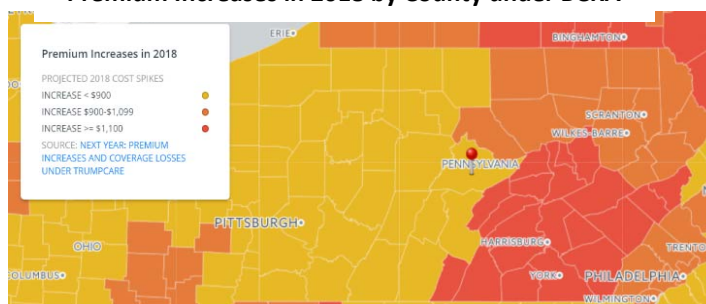
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

Premium Increases in 2018 by County under BCRA



- *In 2018, Potter County residents could pay \$703 more for marketplace health insurance.^{vi}*

Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Potter County: Worse Off Under the Better Care Reconciliation Act

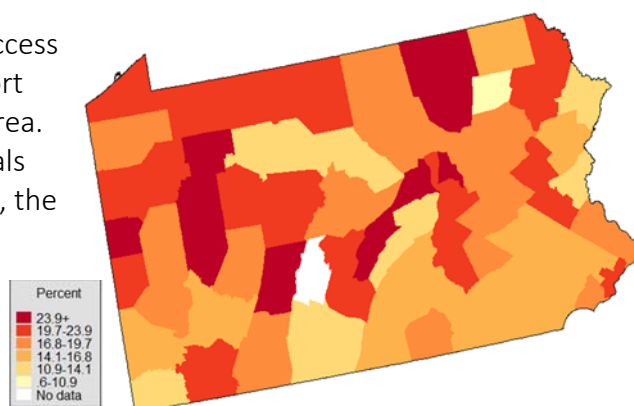
In Potter County, 4,371 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 542 residents purchase insurance through the marketplace. If BCRA passed, Potter County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 810 residents of Potter County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Potter County, hospitals employ approximately 17.4% of all employees.^{vii}*
- *The health care and social services sector employs 21.9% percent of all workers in Potter County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Potter County, Medicaid revenues and related funding comprise 13.6% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 101 health care sector jobs in Potter County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Potter County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Potter County.

- *In Potter County, 186 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Potter County received \$5,599,208 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 87 residents over age 55 in Potter County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$2,032,305 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Potter County received through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$428,866 to the Intermediate Unit serving Cameron, Elk, McKean and Potter counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

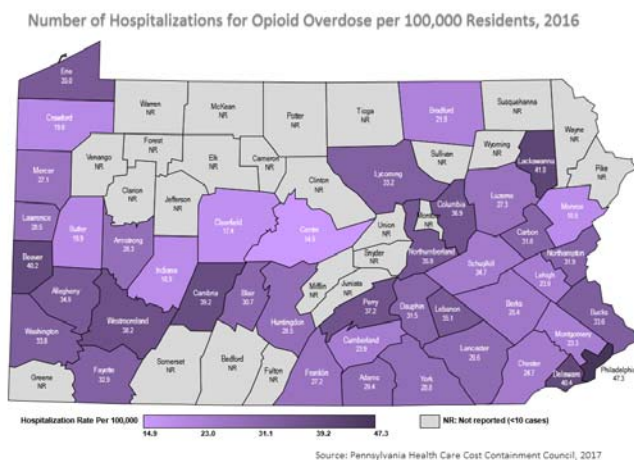
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Potter County, 36 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$1,973,375 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii}

Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Potter County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

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^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

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^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

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^{xix} Pennsylvania State Coroner's Association, "Report on overdose death statistics: 2015," Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, "Medicaid's role in addressing the opioid epidemic," June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, "Keep Obamacare to keep progress on treating opioid disorders and mental illnesses," *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-QUID%20v3corrected.pdf>, (last accessed July 2, 2017).

^{xxiv} For additional information, please see the report prepared by U.S. Senator Bob Casey entitled "The Republican Plan: Retreating from the fight Against the Opioid Epidemic." Released June 2017.

U.S. SENATOR BOB CASEY

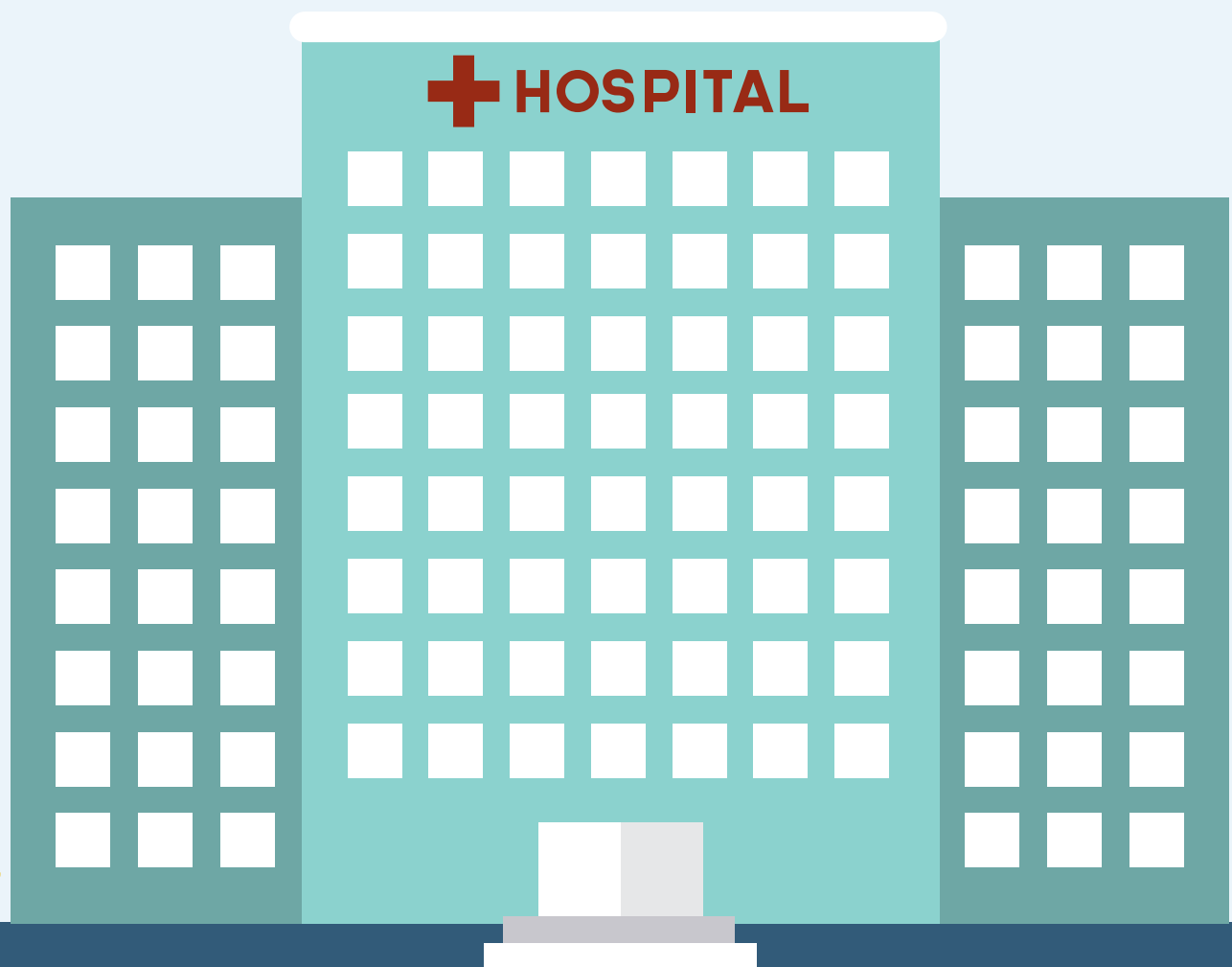


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Schuylkill County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

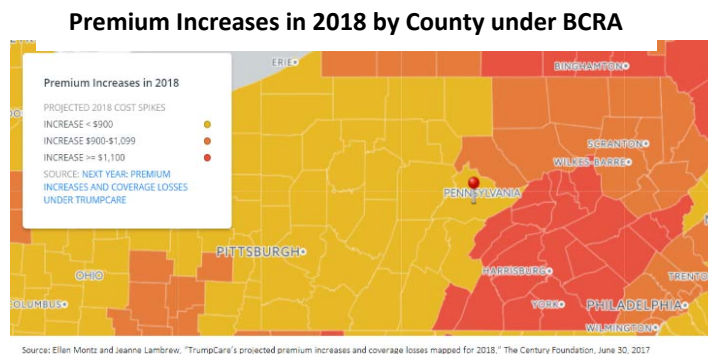
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Schuylkill County residents could pay \$1,217 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

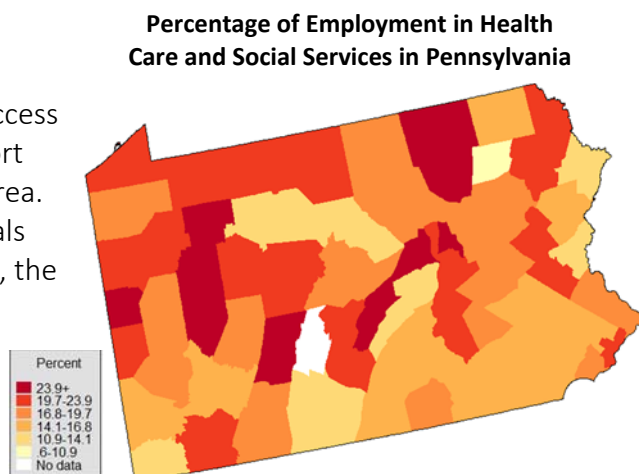
Schuylkill County: Worse Off Under the Better Care Reconciliation Act

In Schuylkill County, 34,213 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 3,862 residents purchase insurance through the marketplace. If BCRA passed, Schuylkill County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 6,230 residents of Schuylkill County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
 Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Schuylkill County, hospitals employ approximately 4.3% of all employees.^{vii}*
- *The health care and social services sector employs 17.8% percent of all workers in Schuylkill County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Schuylkill County, Medicaid revenues and related funding comprise 15.7% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 288 health care sector jobs in Schuylkill County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Schuylkill County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Schuylkill County.

- *In Schuylkill County, 1,715 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Schuylkill County received \$53,218,942 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 525 residents over age 55 in Schuylkill County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$13,310,108 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Schuylkill County received \$1,049,488 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$781,329 to the Intermediate Unit serving Schuylkill County during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

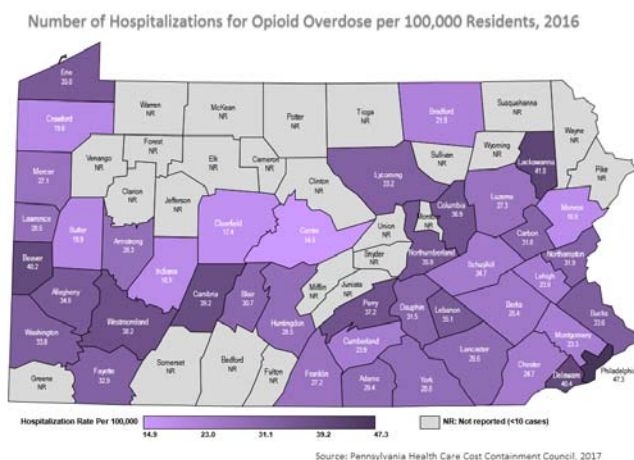
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Schuylkill County, 430 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$27,381,784 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$181,854 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 24 residents of Schuylkill County died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 30 Schuylkill County residents were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Schuylkill County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

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^{iv} Emily Gee, “Coverage losses by state for the Senate health care repeal bill,” Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, “Monthly data report: May 2017,” Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, “TrumpCare’s projected premium increases and coverage losses mapped for 2018.” Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, “Rural urban definitions,” Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, “TrumpCare Threatens Rural Hospitals,” June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., “The American Health Care Act: Economic and employment consequences for states,” The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

^{ix} Senator Casey staff analysis of Ku, et al., “The American Health Care Act: Economic and employment consequences for states.”

^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., “Medicaid expansion affects rural and urban hospitals differently,” *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, “Data shows rural hospitals at risk without special attention from lawmakers,” 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

^{xii} The Kaiser Family Foundation estimated that in Fiscal Year 2013, Medicaid covered 51% of all LTSS costs. Note that this calculation excluded Medicare spending on post-acute care from its calculation of total LTSS spending. Erica Reaves and MaryBeth Musumeci, “Medicaid and Long-Term Services and Supports: A Primer,” Henry J. Kaiser Family Foundation (2015), available at <http://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>, (last accessed July 2, 2017).

^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

^{xiv} Data provided by the Pennsylvania Department of Human Services (May 2017) are for Nursing Homes only, not Intermediate Care Facilities.

^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, “Long-Term Care Trends and Statistics,” Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.

^{xix} Pennsylvania State Coroner’s Association, “Report on overdose death statistics: 2015,” Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

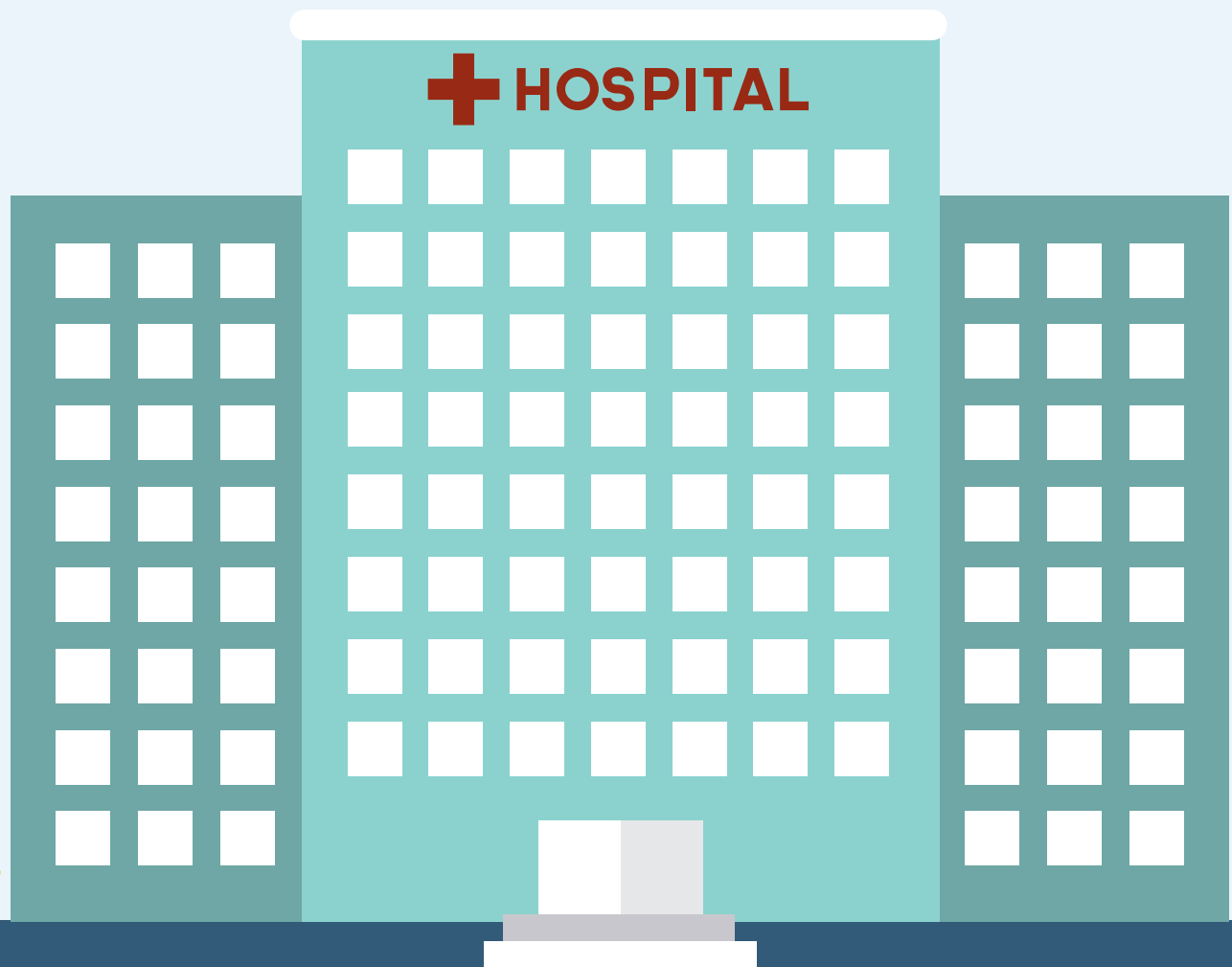


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Snyder County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

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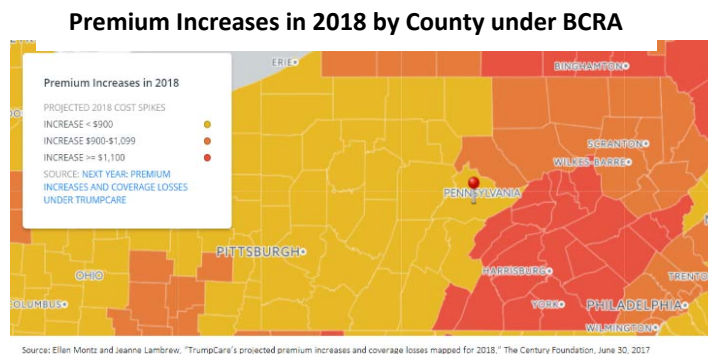
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- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

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BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Snyder County residents could pay \$1,217 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

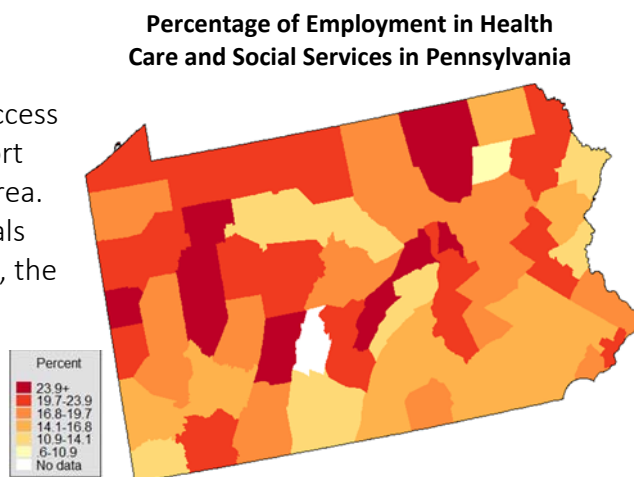
Snyder County: Worse Off Under the Better Care Reconciliation Act

In Snyder County, 6,703 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 1,173 residents purchase insurance through the marketplace. If BCRA passed, Snyder County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 1,740 residents of Snyder County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Snyder County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Snyder County.

- *In Snyder County, 218 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.*^{xiii}
- *Providers in Snyder County received \$5,863,279 in Medicaid spending for nursing home care during between July 2015 and June 2016.*^{xiii}
- *Approximately 156 residents over age 55 in Snyder County received Medicaid home and community-based services last year.*^{xiii}
- *In total, providers in the county received \$6,004,402 in Medicaid reimbursements for home and community-based services.*^{xiv}

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Snyder County received \$164,597 through Pennsylvania's Medicaid program during the 2014 fiscal year.*^{xvii}

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

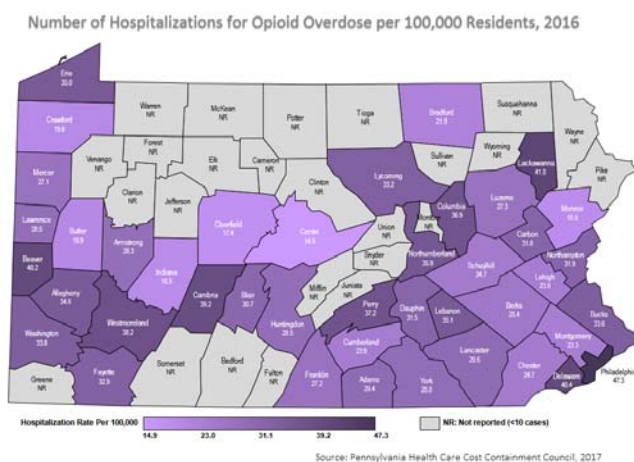
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Snyder County, 113 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$26,102,063 (data for Columbia, Montour, Snyder and Union Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}
- *Medicaid paid providers \$476,042 to support individuals with autism.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.*^{xi} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}
- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii}

Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Snyder County and the 47 other rural counties across the Commonwealth. Instead of passing

partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

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^{iv} Emily Gee, “Coverage losses by state for the Senate health care repeal bill,” Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, “Monthly data report: May 2017,” Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, “TrumpCare’s projected premium increases and coverage losses mapped for 2018.” Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, “Rural urban definitions,” Available at http://www.rural.palegislatore.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, “TrumpCare Threatens Rural Hospitals,” June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., “The American Health Care Act: Economic and employment consequences for states,” The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

^{ix} Senator Casey staff analysis of Ku, et al., “The American Health Care Act: Economic and employment consequences for states.”

^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., “Medicaid expansion affects rural and urban hospitals differently,” *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, “Data shows rural hospitals at risk without special attention from lawmakers,” 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

^{xii} The Kaiser Family Foundation estimated that in Fiscal Year 2013, Medicaid covered 51% of all LTSS costs. Note that this calculation excluded Medicare spending on post-acute care from its calculation of total LTSS spending. Erica Reaves and MaryBeth Musumeci, “Medicaid and Long-Term Services and Supports: A Primer,” Henry J. Kaiser Family Foundation (2015), available at <http://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>, (last accessed July 2, 2017).

^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

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^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, “Long-Term Care Trends and Statistics,” Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

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^{xx} Sam Wood & Dan Sapatkin, “DEA: Fatal ODs rose 37% across Pa. in 2016,” *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, “Hospitalizations for opioid overdoses – 2016,” Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, “Medicaid’s role in addressing the opioid epidemic,” June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, “Keep Obamacare to keep progress on treating opioid disorders and mental illnesses,” *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-OD%20v3corrected.pdf>, (last accessed July 2, 2017).

^{xxiv} For additional information, please see the report prepared by U.S. Senator Bob Casey entitled “The Republican Plan: Retreating from the fight Against the Opioid Epidemic.” Released June 2017.

U.S. SENATOR BOB CASEY

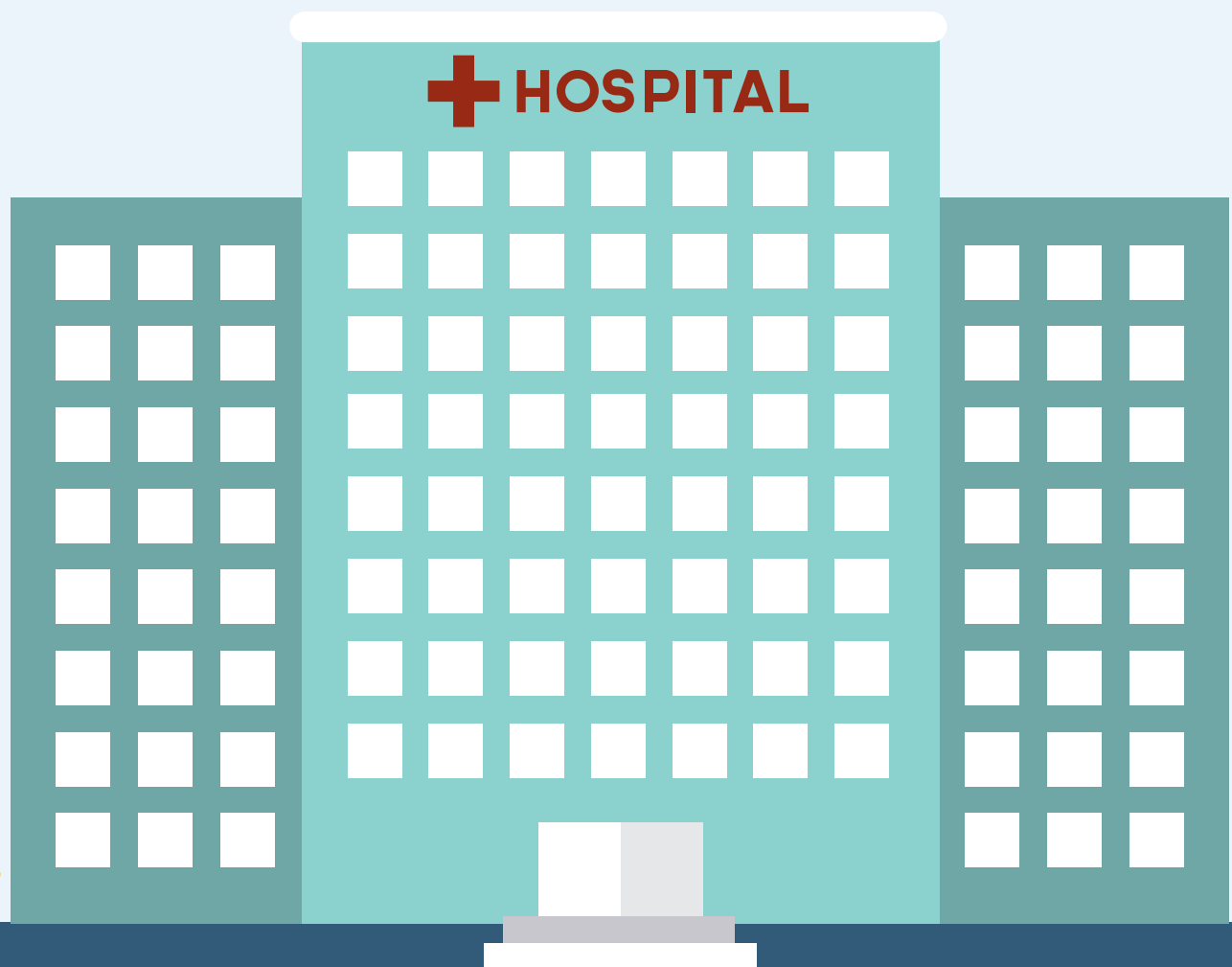


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Somerset County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

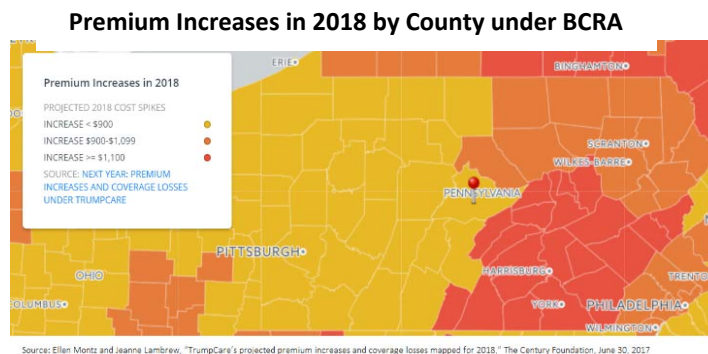
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Somerset County residents could pay \$703 more for marketplace health insurance.^{vi}*



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

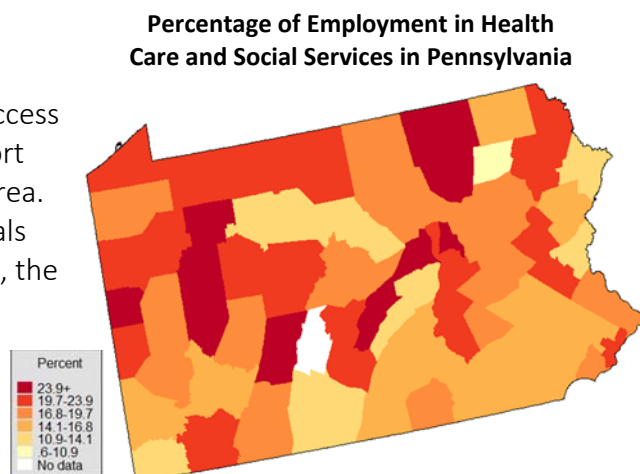
Somerset County: Worse Off Under the Better Care Reconciliation Act

In Somerset County, 16,202 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 2,358 residents purchase insurance through the marketplace. If BCRA passed, Somerset County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 3,430 residents of Somerset County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Somerset County, hospitals employ approximately 9.4% of all employees.^{vii}*
- *The health care and social services sector employs 19.0% percent of all workers in Somerset County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Somerset County, Medicaid revenues and related funding comprise 10.8% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 205 health care sector jobs in Somerset County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Somerset County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Somerset County.

- *In Somerset County, 689 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Somerset County received \$22,233,209 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 157 residents over age 55 in Somerset County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$3,232,070 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Somerset County received \$414,779 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$796,391 to the Intermediate Unit serving Bedford, Blaire, Cambria and Somerset Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

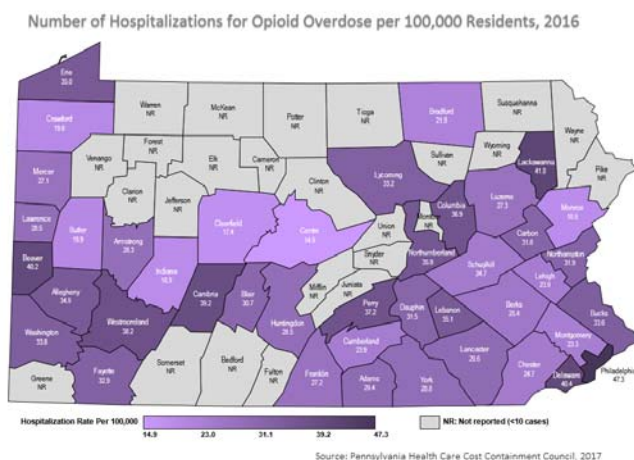
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Somerset County, 191 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$20,169,498 (data for Somerset and Bedford Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$259,809 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 16 residents of Somerset County died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 577 Pennsylvanians were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Somerset County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, “Pennsylvania has 1M in path of Obamacare Repeal,” *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

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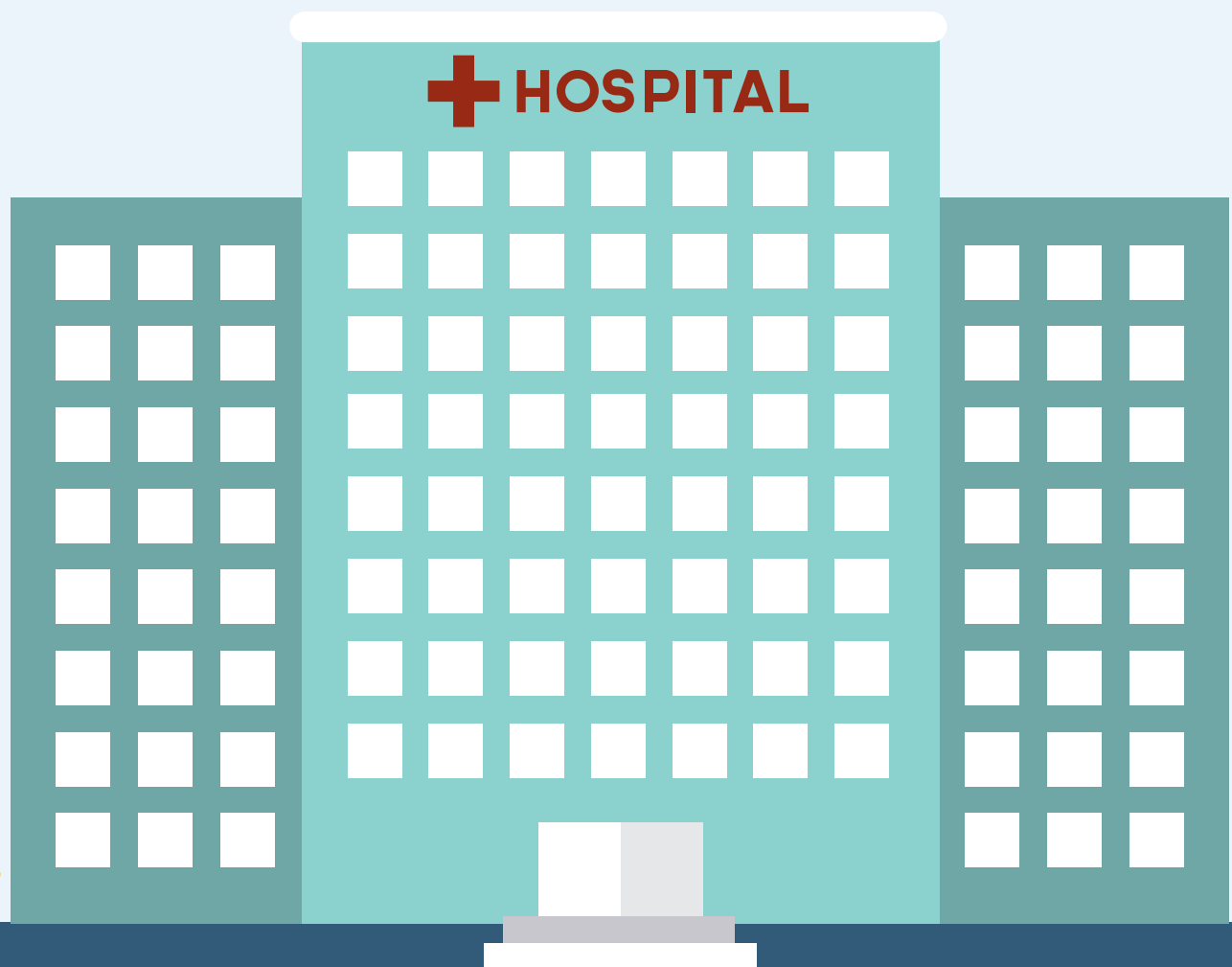


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THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Sullivan County



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Health Care Coverage in Pennsylvania

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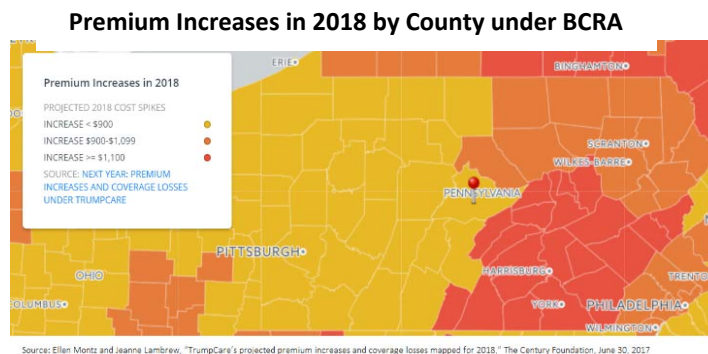
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- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities – could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Sullivan County residents could pay \$966 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

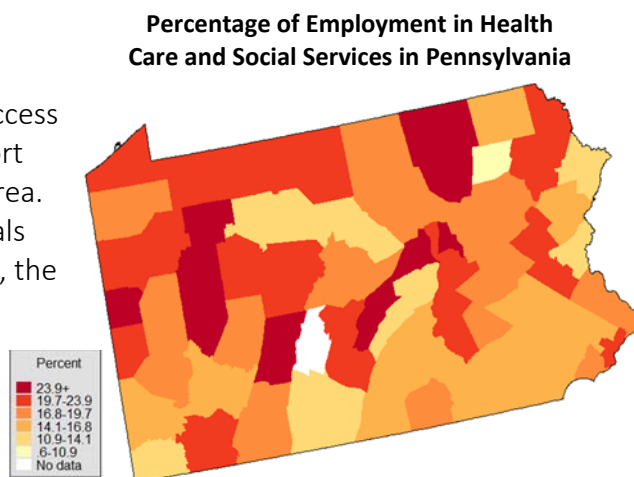
Sullivan County: Worse Off Under the Better Care Reconciliation Act

In Sullivan County, 1,168 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 288 residents purchase insurance through the marketplace. If BCRA passed, Sullivan County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 330 residents of Sullivan County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Sullivan County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Sullivan County.

- *In Sullivan County, 199 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.*^{xiii}
- *Providers in Sullivan County received \$6,470,777 in Medicaid spending for nursing home care during between July 2015 and June 2016.*^{xiii}
- *Approximately 22 residents over age 55 in Sullivan County received Medicaid home and community-based services last year.*^{xiii}
- *In total, providers in the county received \$429,646 in Medicaid reimbursements for home and community-based services.*^{xiv}

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Sullivan County received \$26,863 through Pennsylvania's Medicaid program during the 2014 fiscal year.*^{xvii}
- *Federal Medicaid funds paid \$305,308 to the Intermediate Unit serving Bradford, Lycoming, Sullivan and Tioga Counties during the 2014 fiscal year.*^{xvii}

Sullivan County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

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^{iv} Emily Gee, “Coverage losses by state for the Senate health care repeal bill,” Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, “Monthly data report: May 2017,” Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, “TrumpCare’s projected premium increases and coverage losses mapped for 2018.” Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, “Rural urban definitions,” Available at http://www.rural.palegislatore.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, “TrumpCare Threatens Rural Hospitals,” June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

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^{xi} Brystana Kaufman et al., “Medicaid expansion affects rural and urban hospitals differently,” *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, “Data shows rural hospitals at risk without special attention from lawmakers,” 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

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U.S. SENATOR BOB CASEY

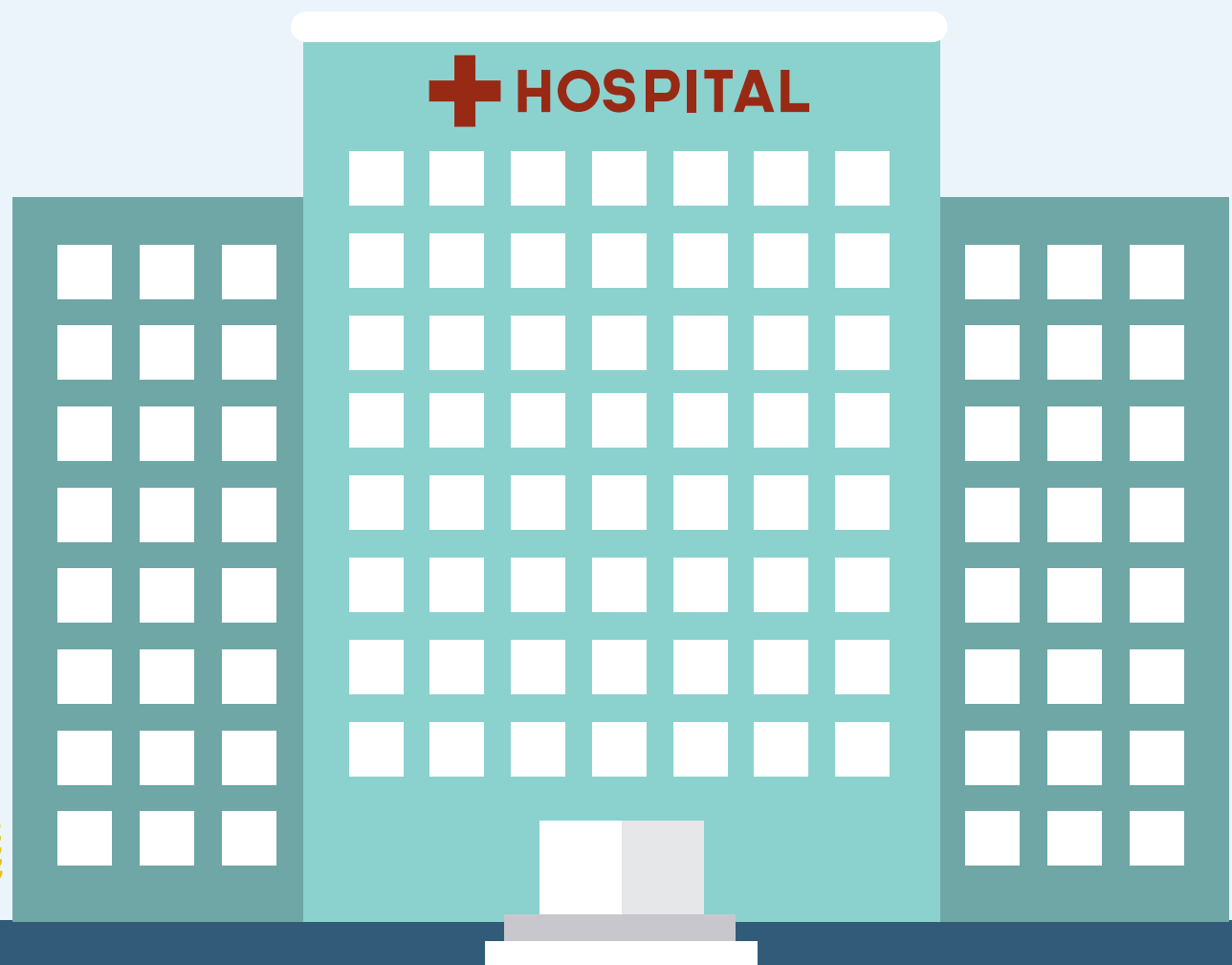


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Susquehanna County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

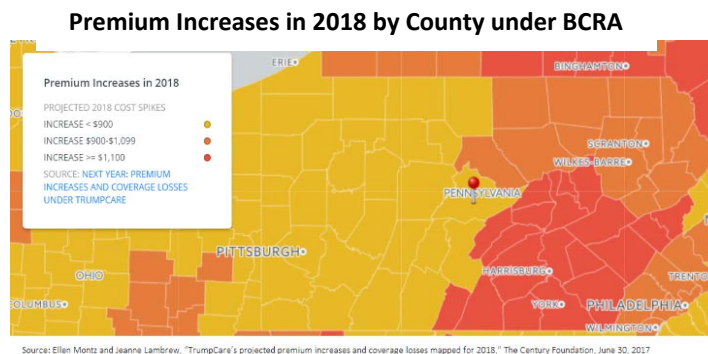
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Susquehanna County residents could pay \$966 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

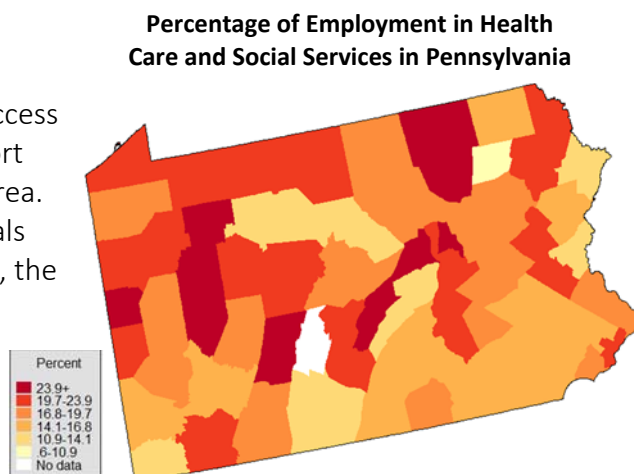
Susquehanna County: Worse Off Under the Better Care Reconciliation Act

In Susquehanna County, 8,366 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 1,784 residents purchase insurance through the marketplace. If BCRA passed, Susquehanna County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 2,190 residents of Susquehanna County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 81 health care sector jobs in Susquehanna County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Susquehanna County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Susquehanna County.

- *In Susquehanna County, 260 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Susquehanna County received \$7,892,010 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 167 residents over age 55 in Susquehanna County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$3,480,804 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Susquehanna County received \$251,785 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*

- *Federal Medicaid funds paid \$451,517 to the Intermediate Unit serving Lackawanna, Susquehanna and Wayne Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

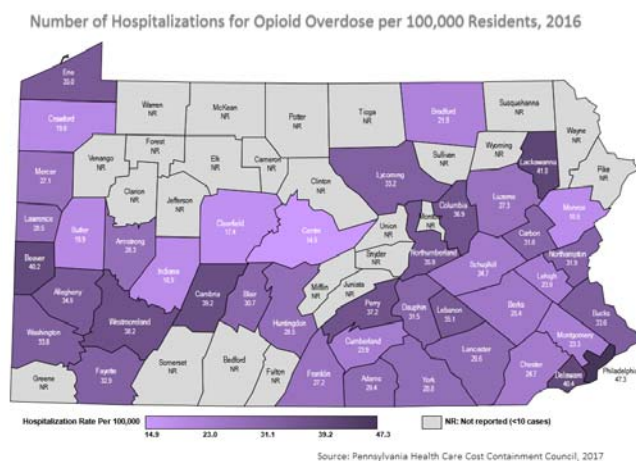
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Susquehanna County, 61 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$48,355,669 (data for Susquehanna and Lackawanna Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 577 rural Pennsylvanians residents were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii}

Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Susquehanna County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

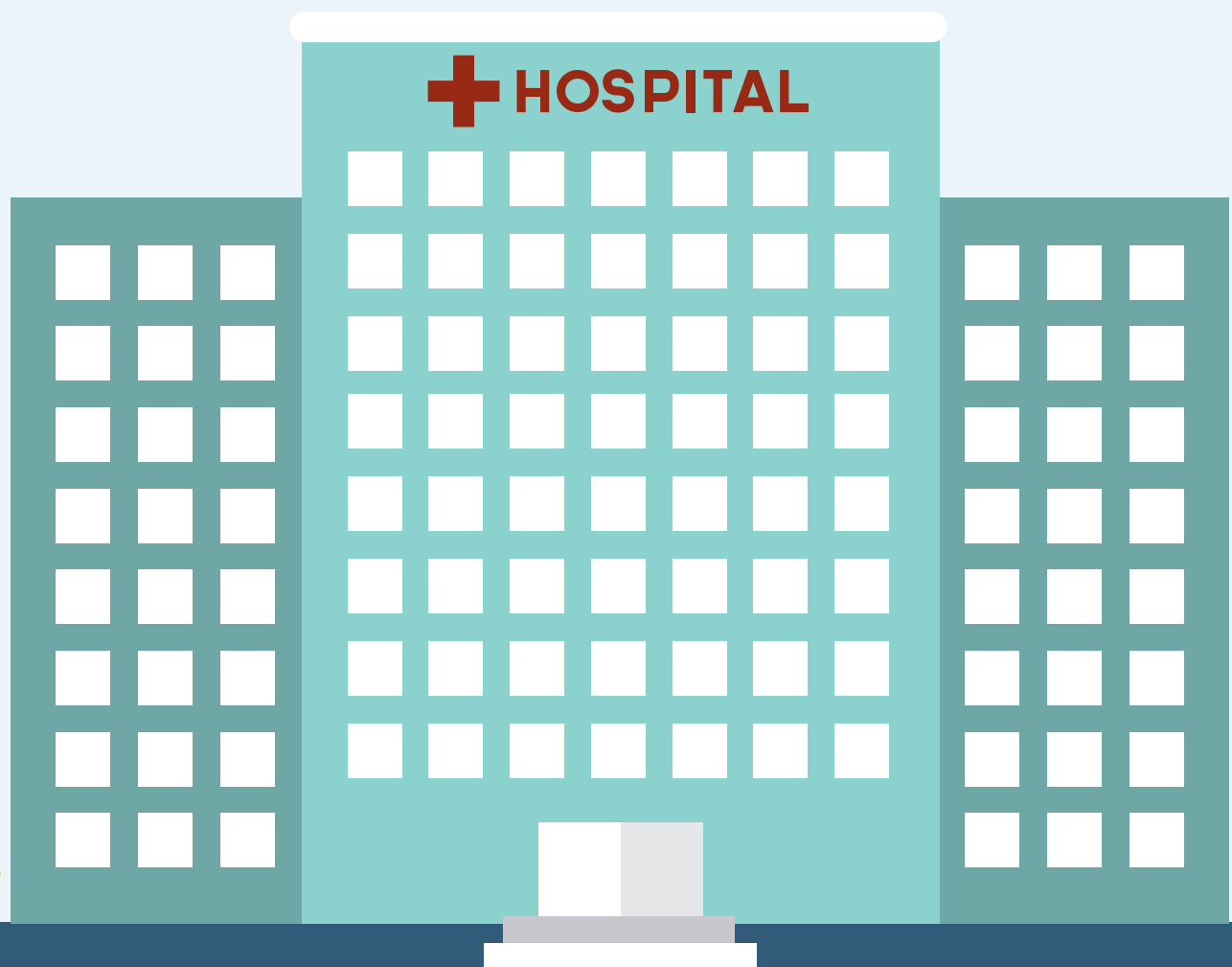


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Tioga County



U.S. SENATOR *for* PENNSYLVANIA

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Health Care Coverage in Pennsylvania

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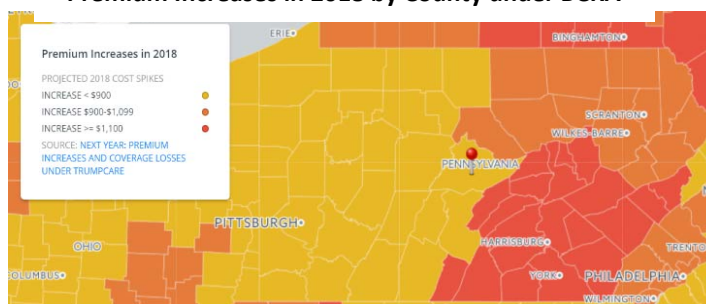
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- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

Premium Increases in 2018 by County under BCRA



- *In 2018, Tioga County residents could pay \$966 more for marketplace health insurance.^{vi}*

Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Tioga County: Worse Off Under the Better Care Reconciliation Act

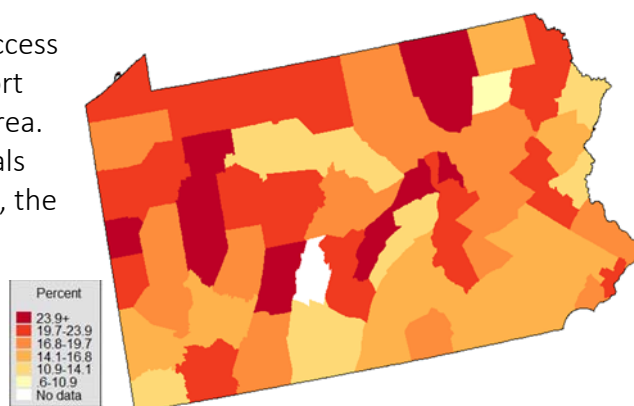
In Tioga County, 9,722 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 1,219 residents purchase insurance through the marketplace. If BCRA passed, Tioga County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 1,880 residents of Tioga County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Tioga County, hospitals employ approximately 6.9% of all employees.^{vii}*
- *The health care and social services sector employs 17.7% percent of all workers in Tioga County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Tioga County, Medicaid revenues and related funding comprise 9.4% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 88 health care sector jobs in Tioga County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Tioga County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Tioga County.

- *In Tioga County, 287 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Tioga County received \$8,343,940 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 191 residents over age 55 in Tioga County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$4,635,558 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Tioga County received \$273,138 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$305,308 to the Intermediate Unit serving Bradford, Lycoming, Sullivan and Tioga Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

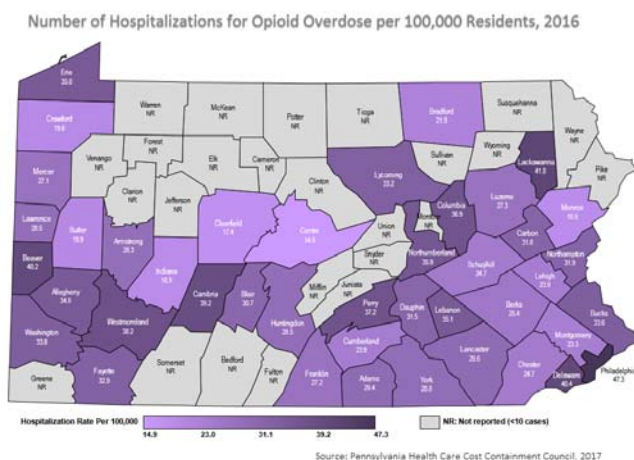
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Tioga County, 120 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$5,424,276 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$7,114 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Tioga County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

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^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, "TrumpCare Threatens Rural Hospitals," June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

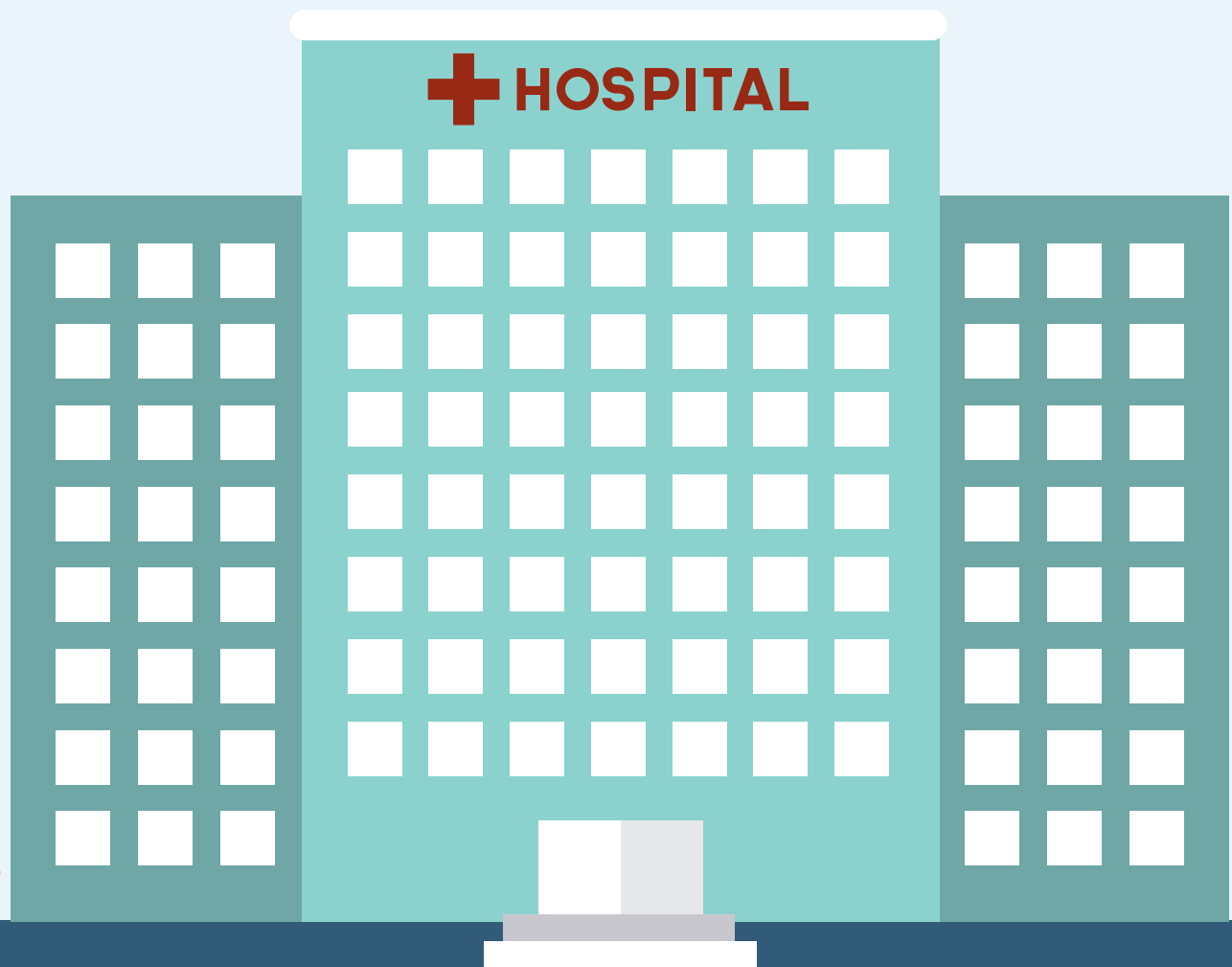


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Union County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

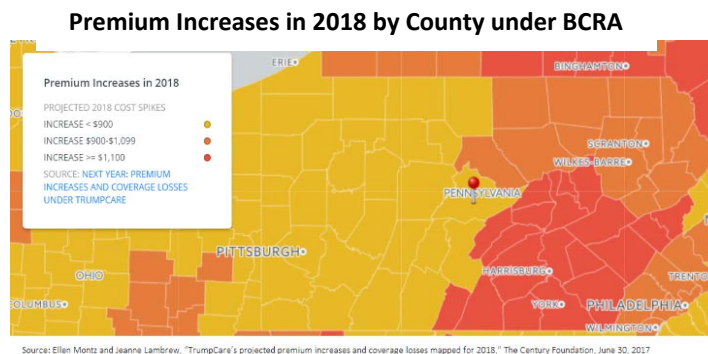
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Union County residents could pay \$1,217 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

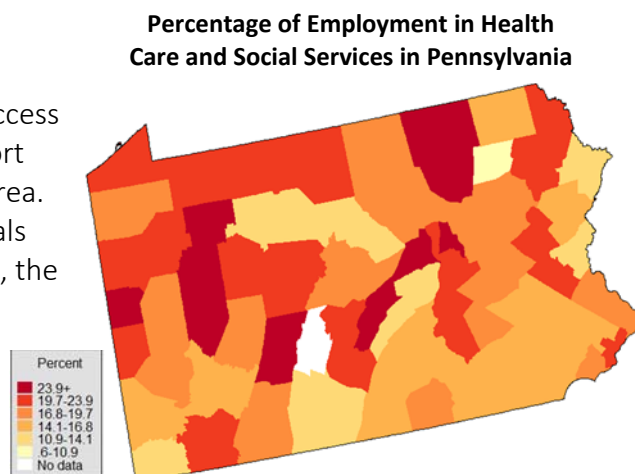
Union County: Worse Off Under the Better Care Reconciliation Act

In Union County, 5,768 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 1,003 residents purchase insurance through the marketplace. If BCRA passed, Union County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 1,650 residents of Union County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 245 health care sector jobs in Union County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Union County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Union County.

- *In Union County, 332 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Union County received \$9,866,227 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 141 residents over age 55 in Union County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$4,478,473 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Union County received \$178,154 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

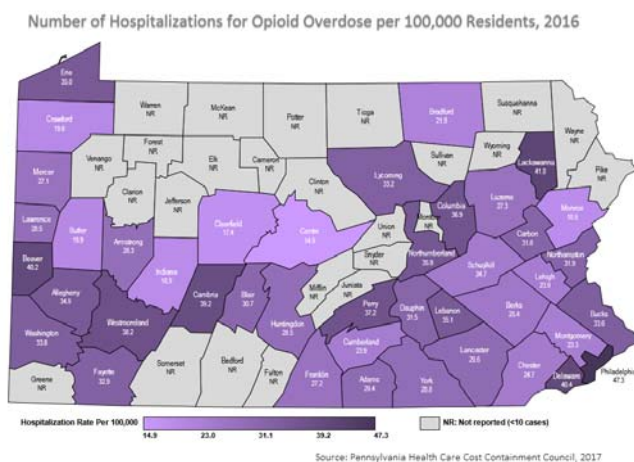
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Union County, 78 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$26,102,063 (data for Columbia, Montour, Snyder and Union Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.*^{xix} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}

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In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

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Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health

care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Union County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

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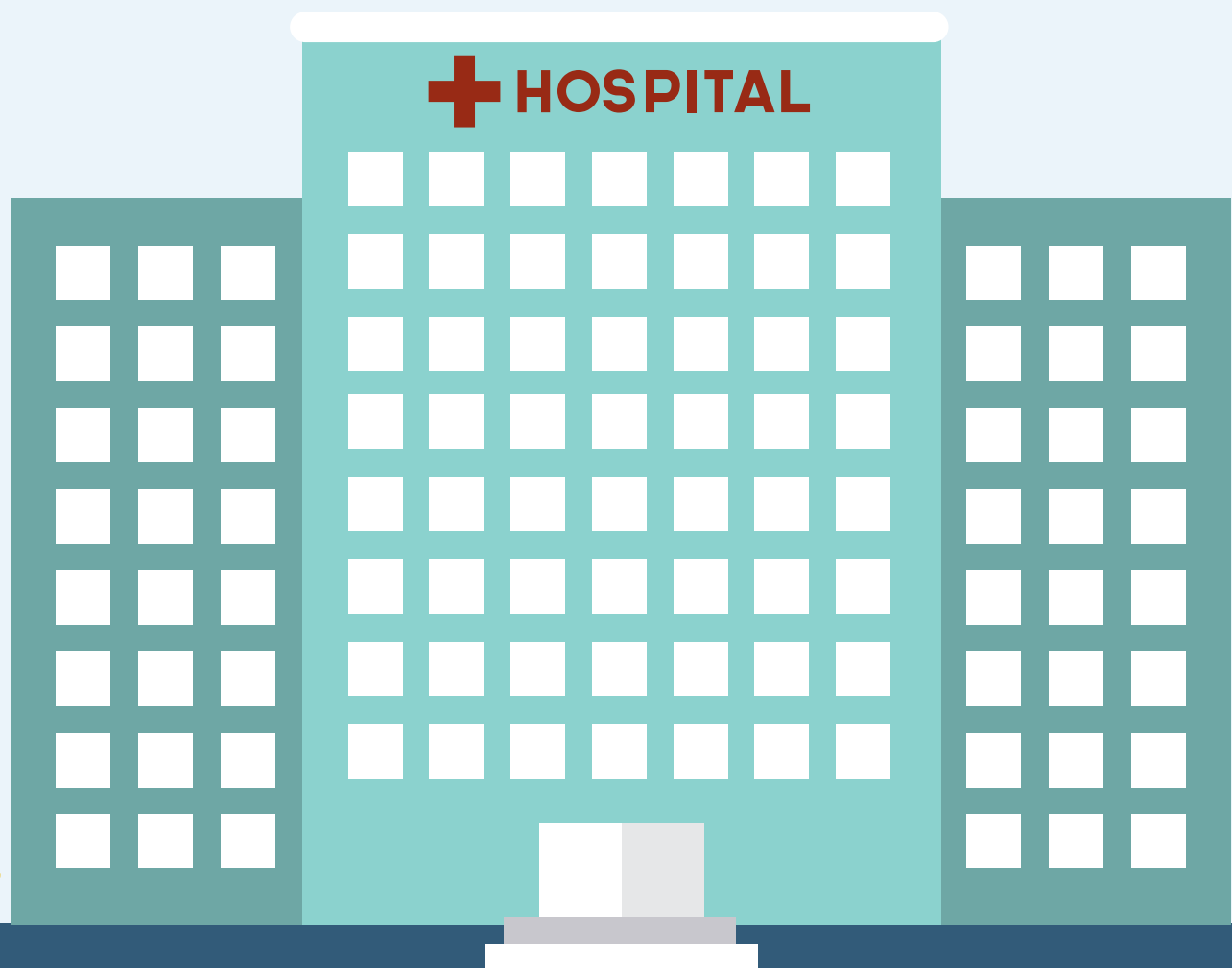


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Venango County



U.S. SENATOR *for* PENNSYLVANIA

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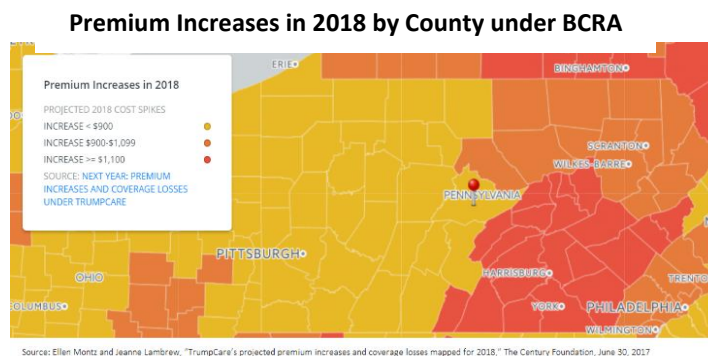
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BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Venango County residents could pay \$565 more for marketplace health insurance.^{vi}*



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

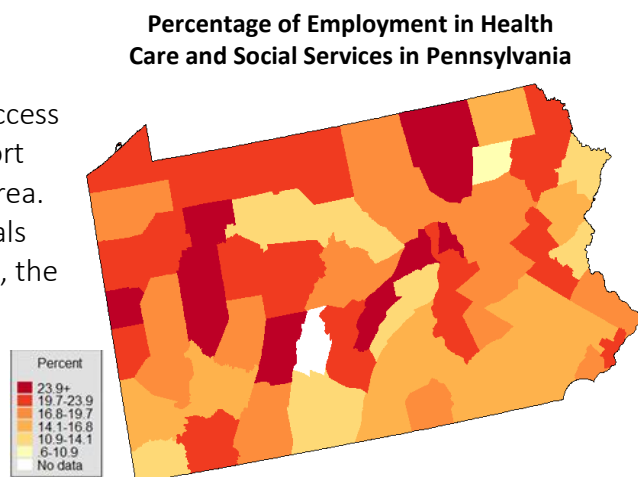
Venango County: Worse Off Under the Better Care Reconciliation Act

In Venango County, 13,769 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 1,434 residents purchase insurance through the marketplace. If BCRA passed, Venango County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 2,410 residents of Venango County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Venango County, hospitals employ approximately 4.7% of all employees.^{vii}*
- *The health care and social services sector employs 20.8% percent of all workers in Venango County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Venango County, Medicaid revenues and related funding comprise 9.4% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 125 health care sector jobs in Venango County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Venango County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Venango County.

- *In Venango County, 494 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Venango County received \$13,243,950 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 170 residents over age 55 in Venango County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$3,173,929 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Venango County received \$486,803 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*
- *Federal Medicaid funds paid \$826,726 to the Intermediate Units serving Clarion, Forest, Jefferson and Venango Counties during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

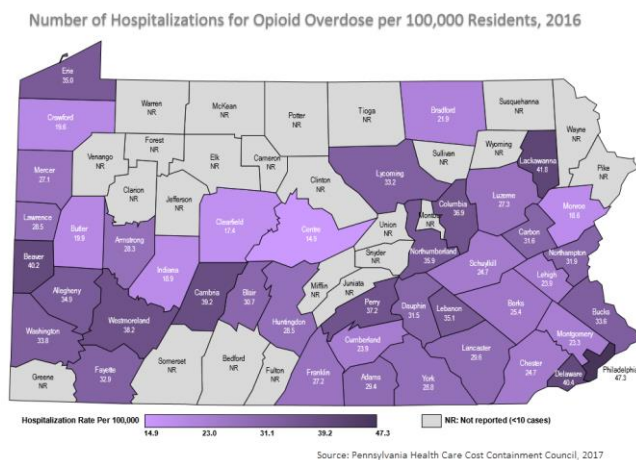
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Venango County, 156 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$9,803,512 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$49,869 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (see figure).



- *In 2015, 11 residents of Venango County died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Venango County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, "Pennsylvania has 1M in path of Obamacare Repeal," *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, "TrumpCare Threatens Rural Hospitals," June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

^{ix} Senator Casey staff analysis of Ku, et al., "The American Health Care Act: Economic and employment consequences for states."

^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., "Medicaid expansion affects rural and urban hospitals differently," *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, "Data shows rural hospitals at risk without special attention from lawmakers," 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

^{xii} The Kaiser Family Foundation estimated that in Fiscal Year 2013, Medicaid covered 51% of all LTSS costs. Note that this calculation excluded Medicare spending on post-acute care from its calculation of total LTSS spending. Erica Reaves and MaryBeth Musumeci, "Medicaid and Long-Term Services and Supports: A Primer," Henry J. Kaiser Family Foundation (2015), available at <http://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>, (last accessed July 2, 2017).

^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

^{xiv} Data provided by the Pennsylvania Department of Human Services (May 2017) are for Nursing Homes only, not Intermediate Care Facilities.

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- ^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).
- ^{xvi} Pennsylvania Health Care Association, "Long-Term Care Trends and Statistics," Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).
- ^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.
- ^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.
- ^{xix} Pennsylvania State Coroner's Association, "Report on overdose death statistics: 2015," Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).
- ^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).
- ^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).
- ^{xxii} Henry J. Kaiser Family Foundation, "Medicaid's role in addressing the opioid epidemic," June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).
- ^{xxiii} Richard G. Frank & Sherry A. Glied, "Keep Obamacare to keep progress on treating opioid disorders and mental illnesses," *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-OUd%20v3corrected.pdf>, (last accessed July 2, 2017).
- ^{xxiv} For additional information, please see the report prepared by U.S. Senator Bob Casey entitled "The Republican Plan: Retreating from the fight Against the Opioid Epidemic." Released June 2017.

U.S. SENATOR BOB CASEY

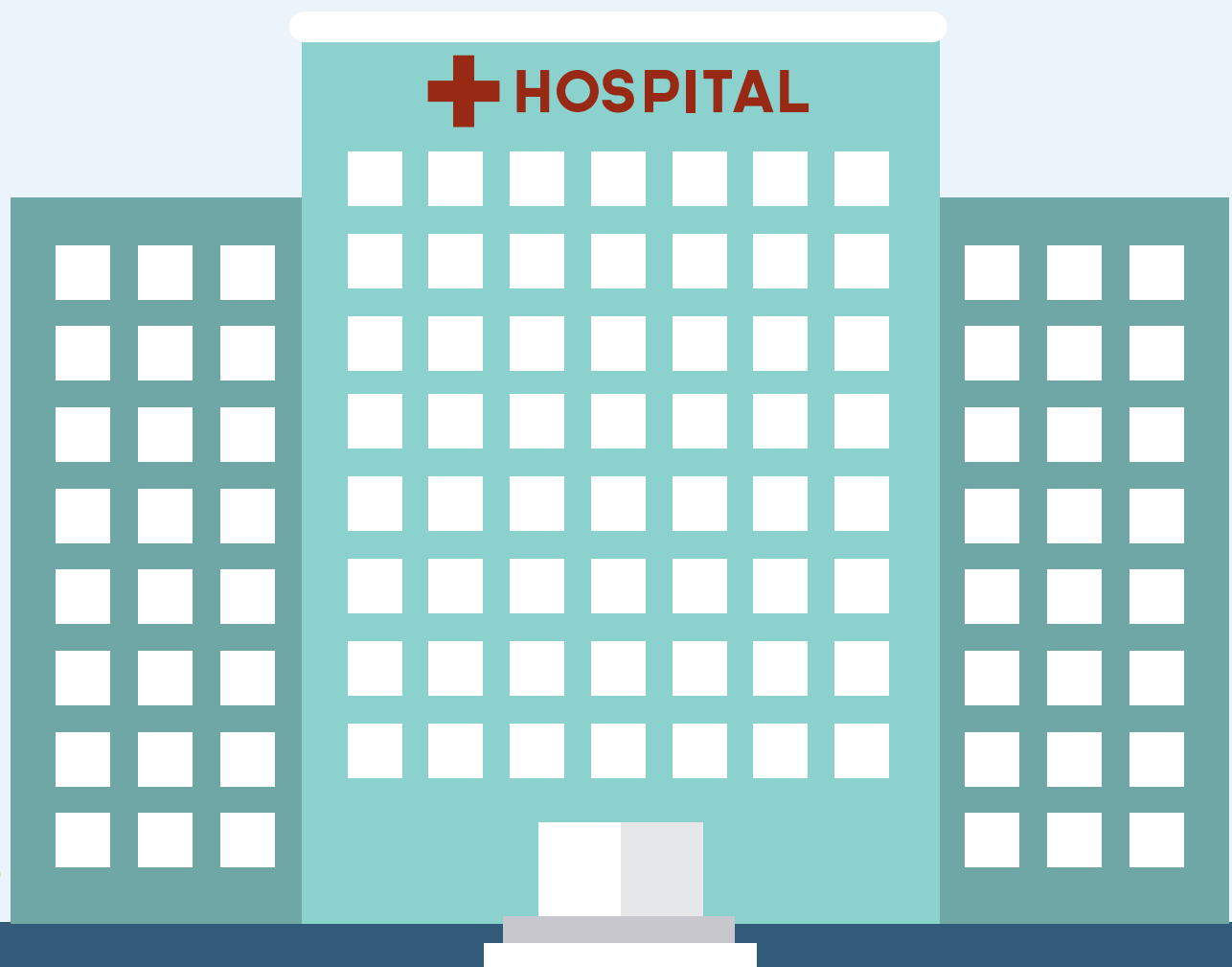


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Warren County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

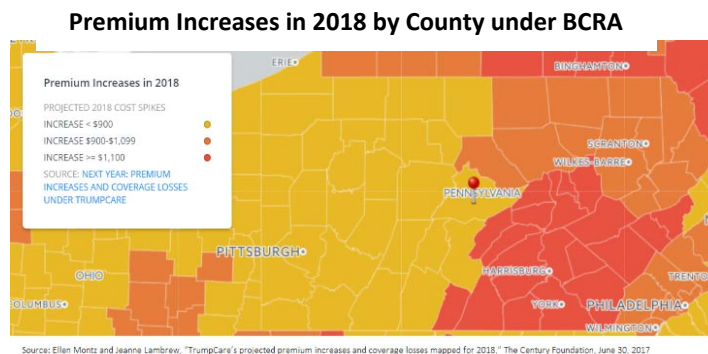
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Warren County residents could pay \$703 more for marketplace health insurance.^{vi}*



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Warren County: Worse Off Under the Better Care Reconciliation Act

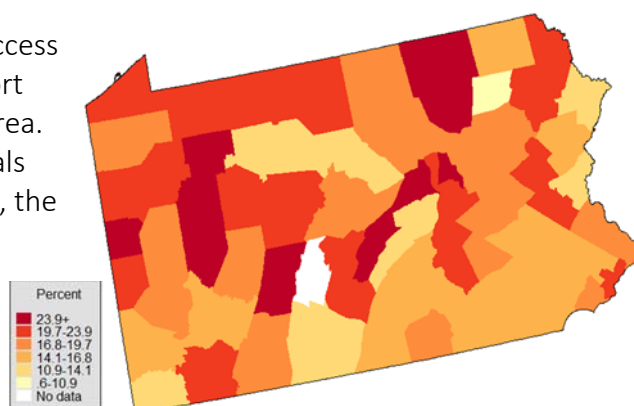
In Warren County, 9,012 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 1,028 residents purchase insurance through the marketplace. If BCRA passed, Warren County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 1,730 residents of Warren County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

- *In Warren County, hospitals employ approximately 8.4% of all employees.^{vii}*
- *The health care and social services sector employs 21.1% percent of all workers in Warren County.^{vii}*

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *In Warren County, Medicaid revenues and related funding comprise 7.4% percent of rural hospitals' net revenue.^{vii}*
- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 155 health care sector jobs in Warren County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Warren County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Warren County.

- *In Warren County, 387 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Warren County received \$10,861,966 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 420 residents over age 55 in Warren County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$8,287,033 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including

occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Warren County received \$306,013 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

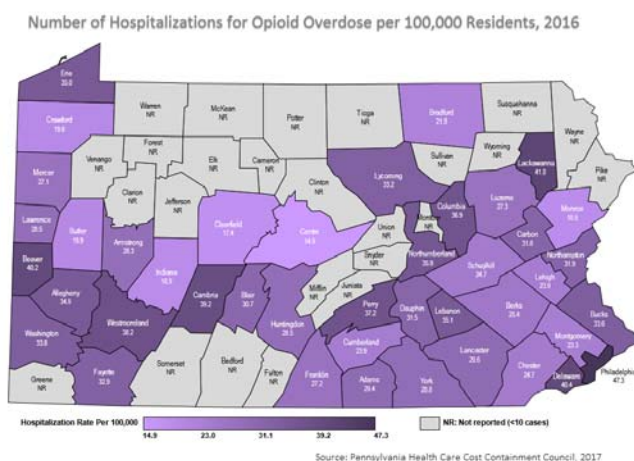
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Warren County, 116 residents with autism and intellectual disabilities received services paid for with Medicaid funds.^{xviii}*
- *A total of \$9,053,323 (data for Warren and Forest Counties combined) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.^{xviii}*
- *Medicaid paid providers \$13,972 to support individuals with autism.^{xviii}*

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.^{xix} Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.^{xx}*
- *In 2016, 577 Pennsylvanians were hospitalized for an opioid overdose.^{xxi}*

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii}

Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion,

as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Warren County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, "Pennsylvania has 1M in path of Obamacare Repeal," *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, "TrumpCare Threatens Rural Hospitals," June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

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^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., "Medicaid expansion affects rural and urban hospitals differently," *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, "Data shows rural hospitals at risk without special attention from lawmakers," 2017. Available at <https://hcmplc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

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^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

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^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, "Long-Term Care Trends and Statistics," Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

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^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

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^{xxiv} For additional information, please see the report prepared by U.S. Senator Bob Casey entitled “The Republican Plan: Retreating from the fight Against the Opioid Epidemic.” Released June 2017.

U.S. SENATOR BOB CASEY

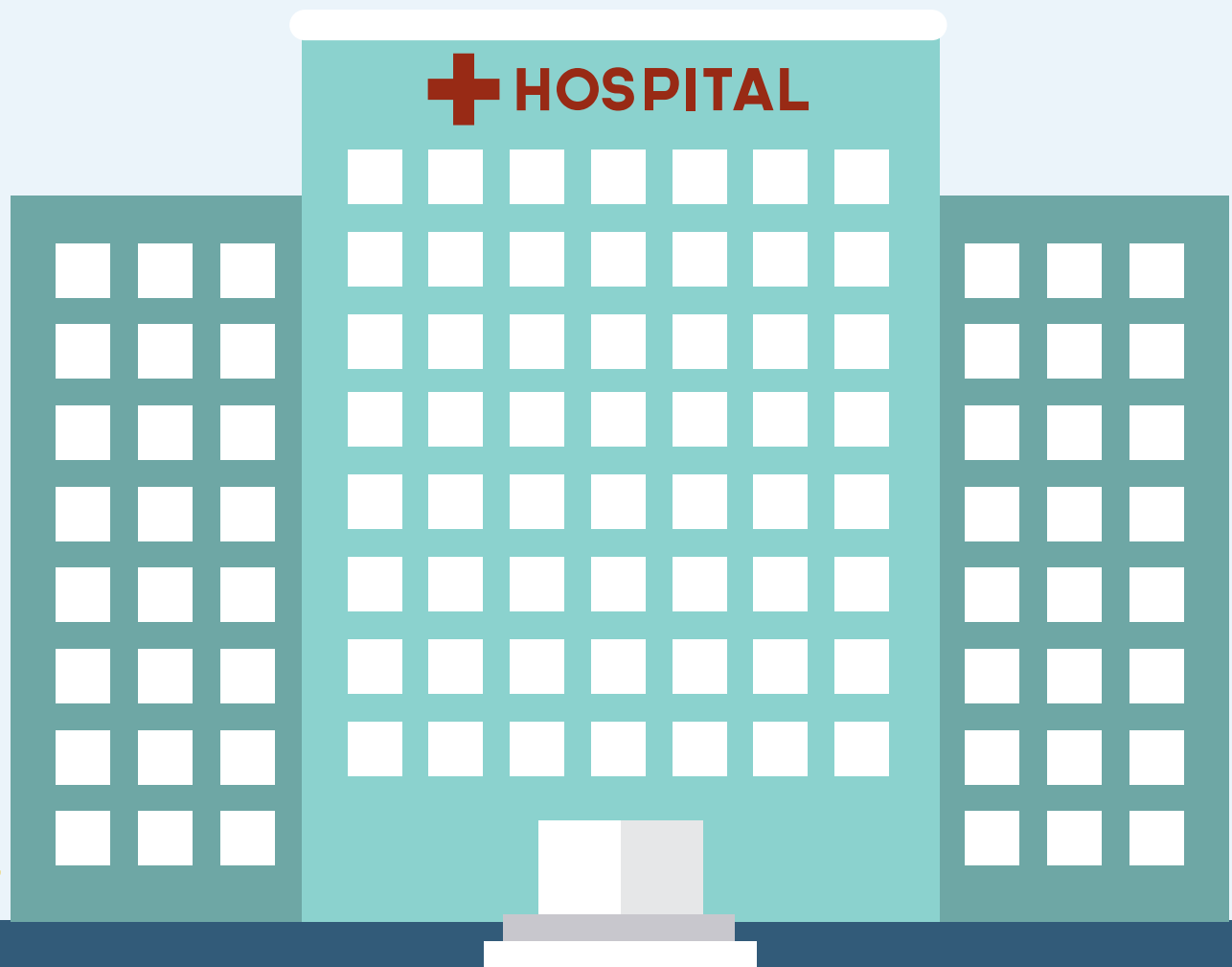


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Washington County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

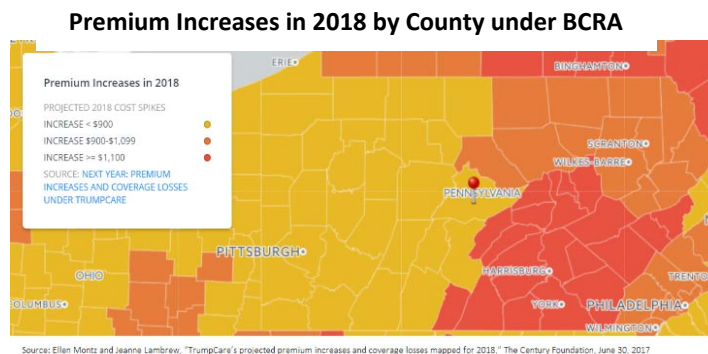
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Washington County residents could pay \$585 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

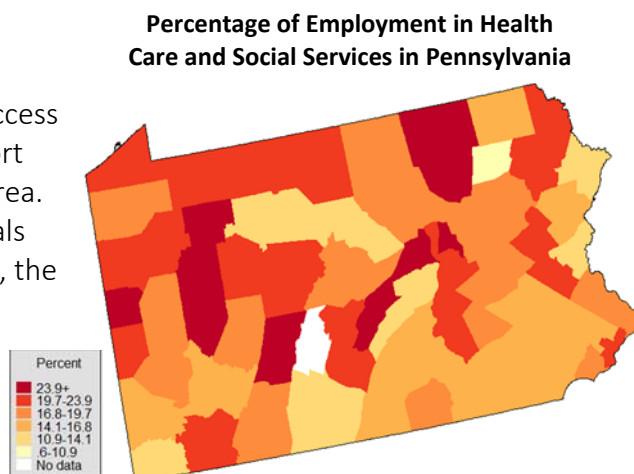
Washington County: Worse Off Under the Better Care Reconciliation Act

In Washington County, 39,171 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 6,343 residents purchase insurance through the marketplace. If BCRA passed, Washington County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 9,470 residents of Washington County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
 Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 598 health care sector jobs in Washington County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Washington County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Washington County.

- *In Washington County, 1,386 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Washington County received \$47,766,903 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 790 residents over age 55 in Washington County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$15,521,699 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Washington County received \$907,481 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*

- *Federal Medicaid funds paid \$1,552,300 to the Intermediate Unit serving Fayette, Greene and Washington Counties during the 2014 fiscal year.*^{xvii}

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

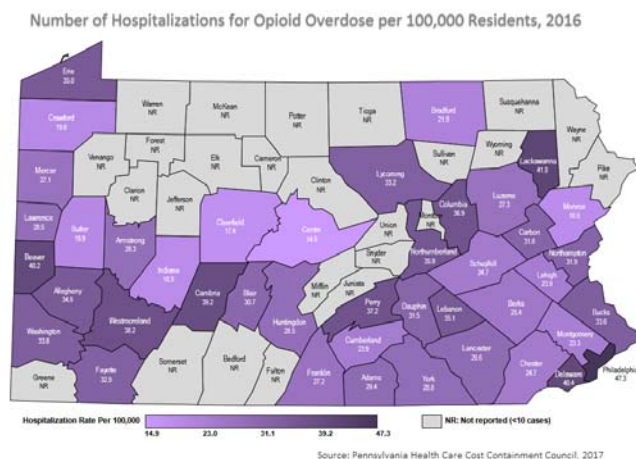
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Washington County, 381 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$34,951,333 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}
- *Medicaid paid providers \$258,852 to support individuals with autism.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 73 residents of Washington County died of an opioid overdose.*^{xix} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}
- *In 2016, 59 Washington County residents were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Washington County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, "Pennsylvania has 1M in path of Obamacare Repeal," *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, "TrumpCare Threatens Rural Hospitals," June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

^{ix} Senator Casey staff analysis of Ku, et al., "The American Health Care Act: Economic and employment consequences for states."

^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., "Medicaid expansion affects rural and urban hospitals differently," *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, "Data shows rural hospitals at risk without special attention from lawmakers," 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

^{xii} The Kaiser Family Foundation estimated that in Fiscal Year 2013, Medicaid covered 51% of all LTSS costs. Note that this calculation excluded Medicare spending on post-acute care from its calculation of total LTSS spending. Erica Reaves and MaryBeth Musumeci, "Medicaid and Long-Term Services and Supports: A Primer," Henry J. Kaiser Family Foundation (2015), available at <http://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>, (last accessed July 2, 2017).

^{xiii} Data provided by the Pennsylvania Department of Human Services (May 2017).

^{xiv} Data provided by the Pennsylvania Department of Human Services (May 2017) are for Nursing Homes only, not Intermediate Care Facilities.

^{xv} Bureau of Labor Statistics, Quarterly Census of Employment and Wages, available at <https://www.bls.gov/cew/home.htm> (last accessed March 2017).

^{xvi} Pennsylvania Health Care Association, "Long-Term Care Trends and Statistics," Available at <https://www.phca.org/for-consumers/research-data/long-term-and-post-acute-care-trends-and-statistics>, (last accessed July 2, 2017).

^{xvii} Data provided by Pennsylvania Department of Human Services, School-based Access Program, May, 2017.

^{xviii} Data provided by the Pennsylvania Home and Community Services Information System, July, 2017.

^{xix} Pennsylvania State Coroner's Association, "Report on overdose death statistics: 2015," Available at http://pacoroners.org/Uploads/Pennsylvania_State_Coroners_Association_Drug_Report_2015.pdf, (last accessed July 2, 2017).

^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, "Medicaid's role in addressing the opioid epidemic," June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, "Keep Obamacare to keep progress on treating opioid disorders and mental illnesses," *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI- OUD%20v3corrected.pdf>, (last accessed July 2, 2017).

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U.S. SENATOR BOB CASEY

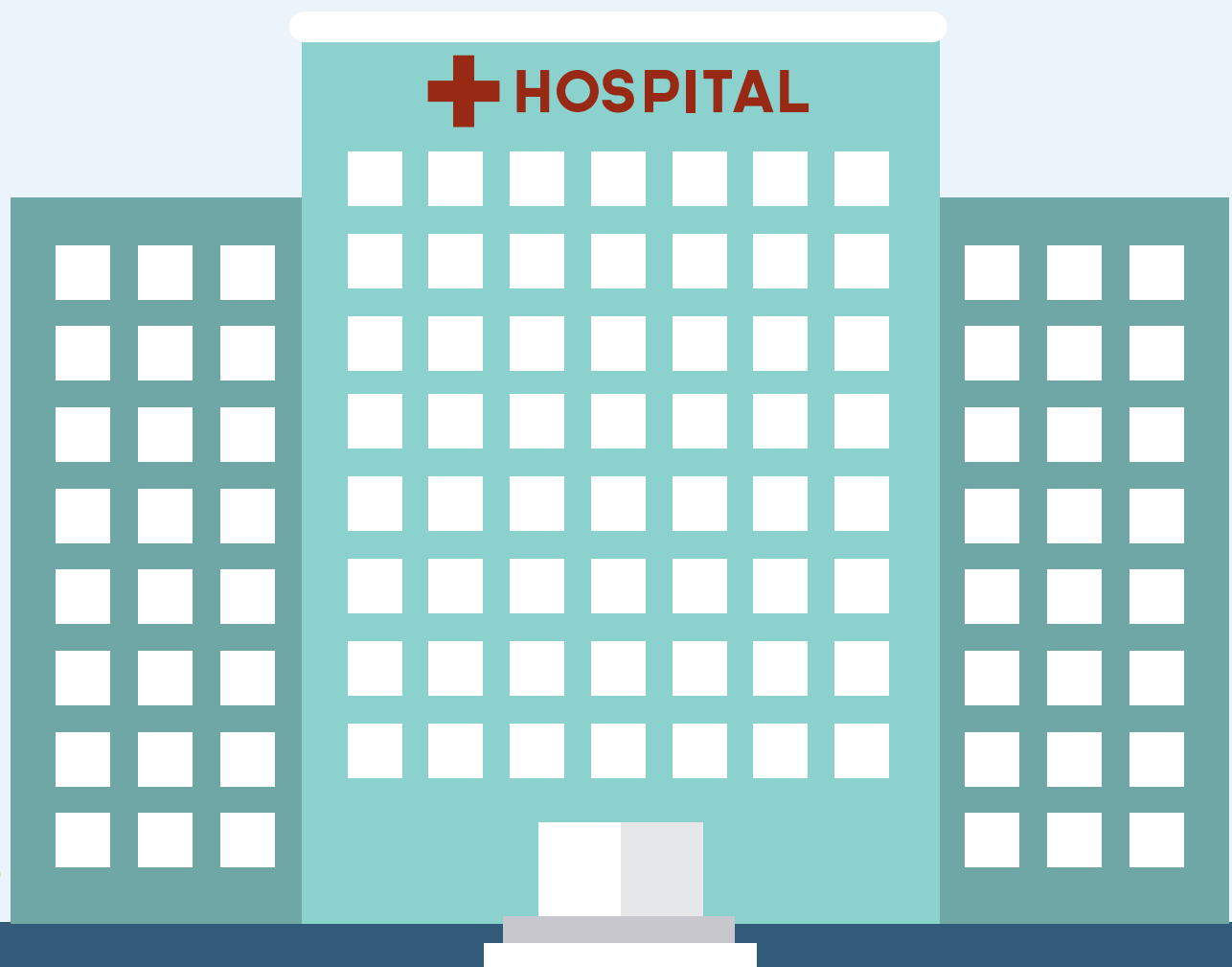


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Wayne County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

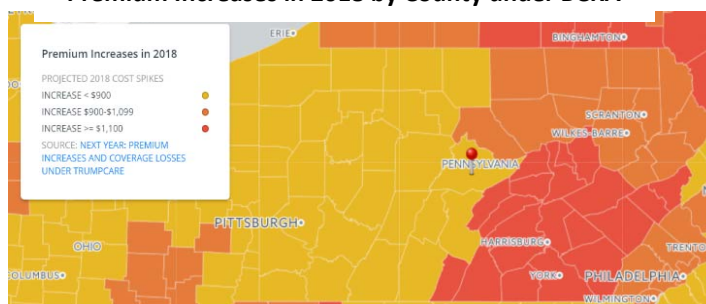
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

Premium Increases in 2018 by County under BCRA



- *In 2018, Wayne County residents could pay \$966 more for marketplace health insurance.^{vi}*

Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.^{ix}*

Wayne County: Worse Off Under the Better Care Reconciliation Act

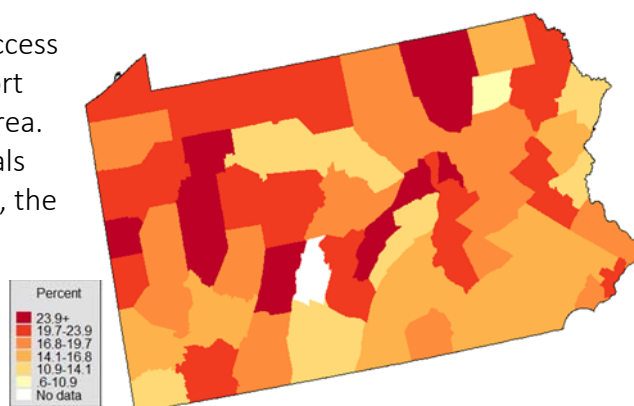
In Wayne County, 10,536 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 2,315 residents purchase insurance through the marketplace. If BCRA passed, Wayne County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 2,760 residents of Wayne County could lose health insurance in 2018 under BCRA.^{vi}*

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x

Percentage of Employment in Health Care and Social Services in Pennsylvania



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 131 health care sector jobs in Wayne County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Wayne County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Wayne County.

- *In Wayne County, 350 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Wayne County received \$10,009,466 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 145 residents over age 55 in Wayne County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$3,838,833 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Wayne County received \$645,254 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*

- *Federal Medicaid funds paid \$451,517 to the Intermediate Unit serving Lackawanna, Susquehanna and Wayne Counties during the 2014 fiscal year.*^{xvii}

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

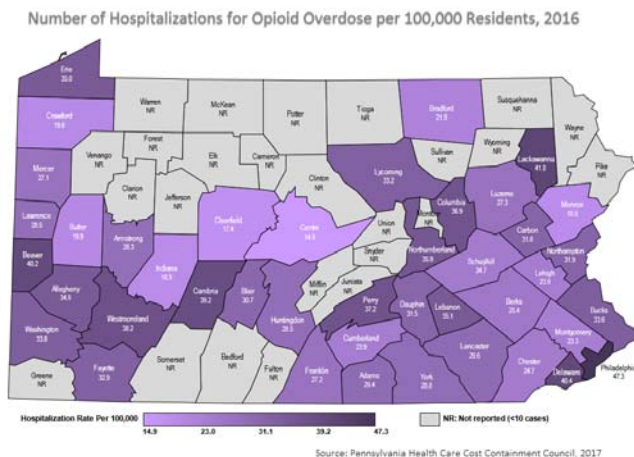
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Wayne County, 155 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$8,094,479 in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}
- *Medicaid paid providers \$74,537 to support individuals with autism.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 18 residents of Wayne County died of an opioid overdose.*^{xix} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}
- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000 Pennsylvanians gained access to essential

behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii} Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Wayne County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, "H.R. 1628, Better Care Reconciliation Act of 2017," June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, "In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate," May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, "Pennsylvania has 1M in path of Obamacare Repeal," *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, "Coverage losses by state for the Senate health care repeal bill," Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, "Monthly data report: May 2017," Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, "TrumpCare's projected premium increases and coverage losses mapped for 2018." Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, "Rural urban definitions," Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, "TrumpCare Threatens Rural Hospitals," June, 2017, for details of analysis and data sources. Available at https://www.jec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., "The American Health Care Act: Economic and employment consequences for states," The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

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^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

^{xi} Brystana Kaufman et al., "Medicaid expansion affects rural and urban hospitals differently," *Health Affairs*, September 2016. Available at <http://content.healthaffairs.org/content/35/9/1665.abstract>, (last accessed July 2, 2017). See also Healthcare Management Partners, Scott Phillips and Clare Moylan, "Data shows rural hospitals at risk without special attention from lawmakers," 2017. Available at <https://hcmpllc.com/wp-content/uploads/2017/03/Data-Rural-Hospital-Danger-1.pdf>, (last accessed July 5, 2017).

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^{xx} Sam Wood & Dan Sapatkin, "DEA: Fatal ODs rose 37% across Pa. in 2016," *Philadelphia Inquirer*, June 8, 2017, available at <http://www.philly.com/philly/health/addiction/dea-fatal-ods-rose-37-across-pa-in-2016-20170608.html>, (last accessed July 2, 2017).

^{xxi} Pennsylvania Health Care Cost Containment Council, "Hospitalizations for opioid overdoses – 2016," Available at http://www.phc4.org/reports/researchbriefs/overdoses/16/docs/researchbrief_overdose2016.pdf, (last accessed July 2, 2017).

^{xxii} Henry J. Kaiser Family Foundation, "Medicaid's role in addressing the opioid epidemic," June 30, 2017, available at <http://www.kff.org/infographic/medicaids-role-in-addressing-opioid-epidemic/>, (last accessed July 2, 2017).

^{xxiii} Richard G. Frank & Sherry A. Glied, "Keep Obamacare to keep progress on treating opioid disorders and mental illnesses," *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-OD%20v3corrected.pdf>, (last accessed July 2, 2017).

^{xxiv} For additional information, please see the report prepared by U.S. Senator Bob Casey entitled “The Republican Plan: Retreating from the fight Against the Opioid Epidemic.” Released June 2017.

U.S. SENATOR BOB CASEY

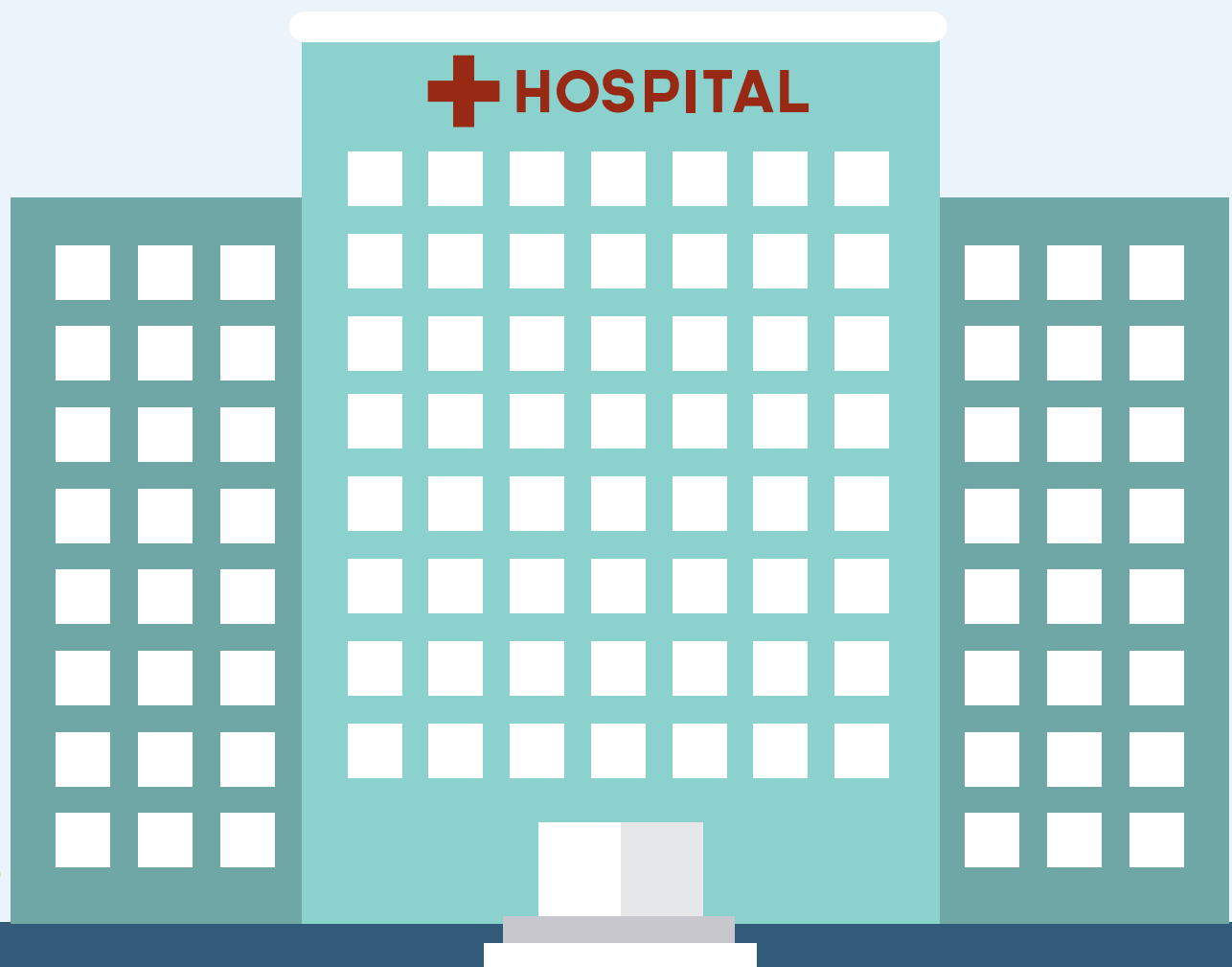


FIGHTING *for a* FAIR SHOT *for* FAMILIES, KIDS *and* SENIORS

THE FUTURE OF HEALTH CARE, JOBS & ECONOMIC ACTIVITY IN RURAL PENNSYLVANIA

THE BETTER CARE RECONCILIATION ACT: NOT THE ANSWER

Wyoming County



U.S. SENATOR *for* PENNSYLVANIA

The Future of Health Care, Jobs, and Economic Activity in Rural Pennsylvania

The Better Care Reconciliation Act: Not the Answer

Introduction

Investing in the health of Pennsylvania's rural residents produces healthier communities and drives economic opportunity and social well-being throughout the Commonwealth. Indeed, affordable health coverage helps individuals thrive and families flourish in each of Pennsylvania's 48 rural counties. Affordable health coverage is the ticket to life-sustaining and life-saving health care services for children, families and seniors, as well as a driving force behind good-paying jobs and economic activity in rural areas across the state.

Unfortunately, the recently unveiled Better Care Reconciliation Act (BCRA) would strip affordable health care from rural residents in Pennsylvania. The legislation would cause health care costs to skyrocket and coverage to shrink across rural Pennsylvania, putting essential health care services out of reach for thousands and threatening employment and related economic activity.

Health Care Coverage in Pennsylvania

The independent, non-partisan Congressional Budget Office (CBO) reported that under BCRA, 22 million additional Americans will be uninsured by 2026, including 15 million Americans losing Medicaid.ⁱ CBO also estimated that some states that expanded Medicaid would no longer offer that coverage. Governor Wolf has raised alarm over the proposal and its impact on the Pennsylvania state budget, stating, "Pennsylvania is facing a \$3 billion structural deficit in the coming years. If the federal government shifts significant costs to states at any point, it will throw Pennsylvania into a fiscal crisis the likes of which we've never seen before."ⁱⁱ

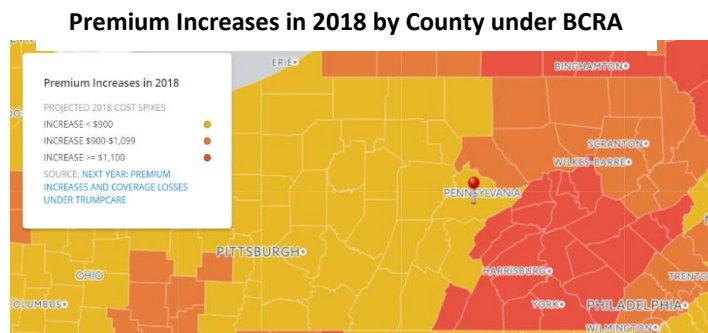
Over 1.1 million Pennsylvanians have gained insurance coverage since passage of the Affordable Care Act.ⁱⁱⁱ Yet researchers estimate that under BCRA, many of these gains would be lost. One estimate found that BCRA would result in 731,000 additional Pennsylvanians being uninsured by 2026.^{iv} Largely due to higher costs, 322,000 individuals in Pennsylvania would no longer have marketplace health insurance.^{iv} Similarly, BCRA decimates Medicaid by slashing funding for the program by \$772 billion over 10 years and rolls back Medicaid expansion.ⁱ An estimated 409,000 Pennsylvanians would lose access to Medicaid under BCRA.^{iv} And for the 2.8 million residents currently enrolled in Pennsylvania's Medical Assistance Program, cuts of this magnitude threaten access to affordable, comprehensive health coverage.^v Cuts to Medicaid funding could lead states to pay providers less for services, restrict current benefits, and apply stricter eligibility criteria.

- *Over 151,000 Pennsylvanians living in rural communities— including children, working families, older adults, and individuals with disabilities — could lose health coverage by 2018 under BCRA.^{vi}*

Health Care Costs in Pennsylvania

BCRA would cause premiums for some consumers to increase next year by 15 to 20 percent, according to the CBO.ⁱ Rising premiums could put access to health care services, like cancer treatment and diabetes medication, out of reach for area residents.

- *In 2018, Wyoming County residents could pay \$966 more for marketplace health insurance.*^{vi}



Jobs & Economic Activity in Pennsylvania

The health care and social services sector is woven into the economic fabric of rural Pennsylvania, employing 19.8 percent of all workers in rural counties in Pennsylvania.^{vii} Experts found that efforts in Congress to roll back affordable health coverage will result in 84,900 fewer jobs in Pennsylvania, over 52,500 in the health care sector.^{viii} This would severely impact economic activity throughout rural parts of the Commonwealth.

- *Over 10,800 health care workers in rural Pennsylvania are at risk of losing their jobs by 2026 under Medicaid cuts and repeal of the Affordable Care Act.*^{ix}

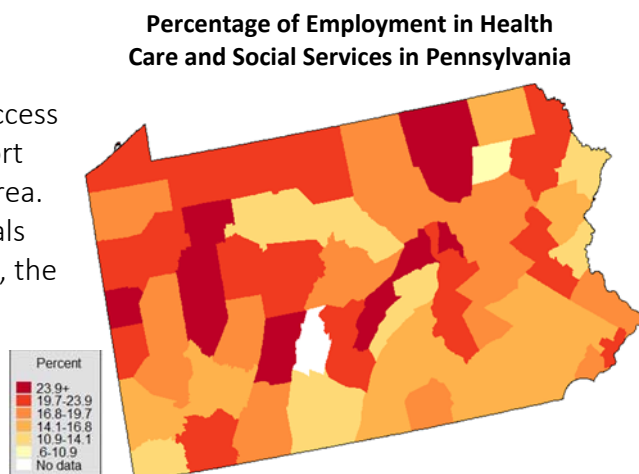
Wyoming County: Worse Off Under the Better Care Reconciliation Act

In Wyoming County, 6,012 residents receive affordable health care through Pennsylvania's Medicaid program, known as Medical Assistance, and another 1,059 residents purchase insurance through the marketplace. If BCRA passed, Wyoming County residents could lose their coverage next year, whether obtained through Medicaid, the marketplace, or employer-sponsored insurance.^{vi} These coverage losses would result in decreased reimbursements for care received in the county and threaten the availability of good-paying jobs and economic activity.

- *An estimated 1,420 residents of Wyoming County could lose health insurance in 2018 under BCRA.*^{vi}

Rural Hospitals

Rural hospitals help ensure that families have access to needed health care services, as well as support good paying jobs and economic activity in the area. Across all rural counties in Pennsylvania, hospitals employ 5.7 percent of all workers.^{vii} Nationwide, the average pay of rural hospital employees is 43 percent higher than the average pay of other workers in the same counties.^x



Data Source: Joint Economic Committee & Senate Aging Committee
Democratic Staff Calculations based on the 2015 County Business Patterns.

Medicaid is a critical source of revenue for rural hospitals, which on average have operating margins of less than one percent.^{xi} In Pennsylvania, Medicaid revenues and related funding make up 10 percent of all rural hospital net revenues statewide.

- *With more uninsured residents and higher rates of uncompensated care under the Republican health care plan, an estimated 31 health care sector jobs in Wyoming County could be eliminated by 2026.^{ix}*

The \$772 billion in cuts to Medicaid funding under BCRA over 10 years and elimination of resources that help individuals and families afford insurance will jeopardize health care coverage and services for millions living in rural areas – including many vulnerable seniors – and will put the jobs and economic growth in Wyoming County at risk.

Nursing Home & Senior Care in Homes & Communities

Long-term services and supports (LTSS) provided in nursing homes and in home and community-based settings help individuals age with dignity. Medicaid is the largest single payer of LTSS costs, and covers approximately half of LTSS costs nationwide.^{xii} A cut of \$772 billion over 10 years to Medicaid, as proposed by BCRA, could jeopardize the care seniors receive, as well as reimbursements to providers of long-term services and supports in Wyoming County.

- *In Wyoming County, 159 residents over age 55 were able to receive care at a nursing home because of Medicaid coverage last year.^{xiii}*
- *Providers in Wyoming County received \$4,617,944 in Medicaid spending for nursing home care during between July 2015 and June 2016.^{xiii}*
- *Approximately 66 residents over age 55 in Wyoming County received Medicaid home and community-based services last year.^{xiii}*
- *In total, providers in the county received \$1,193,318 in Medicaid reimbursements for home and community-based services.^{xiv}*

Nursing and residential care facilities and home health and direct service providers supported over 250,000 Pennsylvanians during 2015.^{xv} These services generated \$11.8 billion in economic activity in the Commonwealth.^{xvi} Cuts to Medicaid spending, the majority payer for these services, is likely to hinder hiring and impact staffing for these providers and facilities, as well as risk related economic activity.

School-Based Services for Kids

School districts and Intermediate Units in almost every rural county in Pennsylvania receive Medicaid dollars to cover services associated with a child's special education plan, including occupational and physical therapy, and certain health-related services for eligible children, such as hearing and vision screenings. Funds may flow directly to school districts and/or may flow to Intermediate units that often cover multiple counties.

- *School districts across Wyoming County received \$202,760 through Pennsylvania's Medicaid program during the 2014 fiscal year.^{xvii}*

Proposals to cap Medicaid expenditures and roll-back Medicaid expansion would place funding for schools at-risk, putting pressure on already tight local budgets.^{xvii}

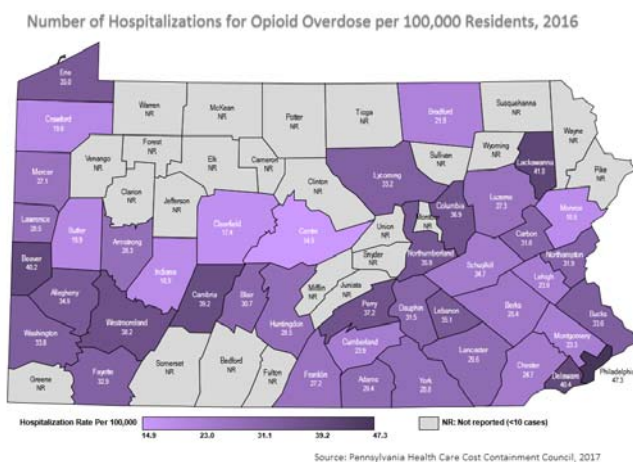
Services for Adults with Autism and Intellectual Disabilities

Many adults with autism and intellectual disabilities can live at home with assistance with daily living tasks, therapy services, and respite services for family caregivers. In large part, Medicaid helps to support the provision of these services. Over 32,000 Pennsylvanians with autism or intellectual disabilities and their families receive services through Medicaid.^{xviii}

- *In Wyoming County, 67 residents with autism and intellectual disabilities received services paid for with Medicaid funds.*^{xviii}
- *A total of \$47,761,272 (data combined for Wyoming and Luzerne Counties) in Medicaid reimbursements to service providers ensured individuals with intellectual disabilities received the care they need to remain in their homes and communities.*^{xviii}
- *Medicaid paid providers \$22,802 to support individuals with autism.*^{xviii}

Substance Use Disorder Services

The United States is in the grip of an opioid addiction crisis, and Pennsylvania families are on the front line. In 2015, over 700 rural Pennsylvanians died after an opioid overdose and in 2016, over 577 rural Pennsylvanians were hospitalized for an overdose (figure below).



- *In 2015, 701 residents of rural Pennsylvania counties died of an opioid overdose.*^{xi} *Early estimates suggest opioid deaths rose 37% across Pennsylvania in 2016.*^{xx}

- *In 2016, 577 rural Pennsylvanians were hospitalized for an opioid overdose.*^{xxi}

In Pennsylvania, Medicaid pays for 29 percent of essential treatment for opioid addiction.^{xxii} In addition, over 175,000

Pennsylvanians gained access to essential behavioral health and substance use treatment coverage through the Affordable Care Act, in large part a result of Medicaid expansion.^{xxiii}

Slashing funding for Medicaid by capping federal payments and rolling back Medicaid expansion, as proposed by BCRA, at the height of a drug epidemic is tragically shortsighted and threatens the treatment services that are helping individuals struggling with this devastating addiction, their families, and our communities.^{xxiv}

Conclusions

Pennsylvania's rich rural fabric is strong and resilient, as are the families who have lived there for generations – weathering storms, nature-made and man-made. However, the damage to health

care, jobs and economic activity caused by the Better Care Reconciliation Act would devastate Wyoming County and the 47 other rural counties across the Commonwealth. Instead of passing partisan legislation developed behind closed doors, Republicans should abandon BCRA and work with Democrats on bipartisan legislation to protect Medicaid, expand affordable health care for Pennsylvanians and all Americans, as well as promote good-paying jobs and economic prosperity.

ⁱ Congressional Budget Office, “H.R. 1628, Better Care Reconciliation Act of 2017,” June 26, 2017, available at <https://www.cbo.gov/publication/52849>, (last accessed July 2, 2017).

ⁱⁱ Pennsylvania Governor Tom Wolf, “In letter to Sen. Toomey, Governor Wolf gives voice to real Pennsylvanians in health care debate,” May 30, 2017, available at <https://www.governor.pa.gov/letter-to-sen-toomey-governor-wolf-gives-voice-real-pennsylvanians-health-care-debate/>, (last accessed July 5, 2017).

ⁱⁱⁱ W. Ventreicher & B. Schmitt, “Pennsylvania has 1M in path of Obamacare Repeal,” *Pittsburgh Tribune*, November 9, 2016, available at <http://triblive.com/news/editorspicks/11447429-74/health-insurance-plans>, (last accessed July 5, 2017).

^{iv} Emily Gee, “Coverage losses by state for the Senate health care repeal bill,” Center for American Progress, June 27, 2017, available at <https://www.americanprogress.org/issues/healthcare/news/2017/06/27/435112/coverage-losses-state-senate-health-care-repeal-bill/>, (last accessed July 2, 2017).

^v Pennsylvania Department of Human Services, “Monthly data report: May 2017,” Available at http://www.dhs.pa.gov/cs/groups/webcontent/documents/document/c_213880.pdf, (last accessed July 2, 2017).

^{vi} Senator Casey staff analysis of Montz and Lambrew, “TrumpCare’s projected premium increases and coverage losses mapped for 2018.” Definition of rural county in Pennsylvania provided by The Center for Rural Pennsylvania, “Rural urban definitions,” Available at http://www.rural.palegislature.us/demographics_rural_urban.html, (last accessed July 2, 2017).

^{vii} Senate Joint Economic Committee and Senate Special Committee on Aging, “TrumpCare Threatens Rural Hospitals,” June, 2017, for details of analysis and data sources. Available at https://www.iejec.senate.gov/public/_cache/files/c875b293-aa4e-410e-84e6-485963ca5cbc/medicaid-rural-hospitals-and-seniors.pdf, (last accessed July 2, 2017).

^{viii} Leighton Ku, et al., “The American Health Care Act: Economic and employment consequences for states,” The Commonwealth Fund, June 2017, available at <http://www.commonwealthfund.org/publications/issue-briefs/2017/jun/ahca-economic-and-employment-consequences> (last accessed July 2, 2017).

^{ix} Senator Casey staff analysis of Ku, et al., “The American Health Care Act: Economic and employment consequences for states.”

^x Joint Economic Committee and Aging Committee Democratic staff analysis of the 2015 5-year American Community Survey.

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^{xxiii} Richard G. Frank & Sherry A. Glied, “Keep Obamacare to keep progress on treating opioid disorders and mental illnesses,” *The Hill*, January 11, 2017, available at <http://thehill.com/blogs/pundits-blog/healthcare/313672-keep-obamacare-to-keep-progress-on-treating-opioid-disorders>, (last accessed July 2, 2017). Background data available at <https://www.hcp.med.harvard.edu/sites/default/files/Key%20state%20SMI-OD%20v3corrected.pdf>, (last accessed July 2, 2017).

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