

MO Critics of ACA Repeal Say "Beware of Block Grants"

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SPRINGFIELD, Mo. – The latest effort to repeal and replace the Affordable Care Act relies on a funding mechanism that is often discussed but not always understood – the block grant.

Critics of repeal-and-replace legislation say block grants can sound appealing while doing much damage to states such as Missouri.

Jen Bersdale, executive director of the advocacy group Missouri Health Care for All, says, currently, for every dollar the state spends on Medicaid, the federal government pays a portion of those costs – whatever the need is.

A block grant, however, would simply allocate a certain amount to the state.

"The way these bills are written, not only do they set a starting amount that is often lower than what we have, they set a formula for growth that just doesn't keep up with ordinary health care inflation," Bersdale explains.

Republicans are working hard to gather support for a new ACA repeal effort, the Graham-Cassidy bill.

Supporters say block grant funding contained in the bill will give states more flexibility to spend health care dollars as they please. They also argue that set amounts of money such as block grants promote fiscal responsibility.

Bersdale says the rationale behind block grants sounds good but doesn't account for spikes in health care needs, which occur with pandemics, natural disasters or other unexpected events.

"We would be all on our own for meeting them and, given that the state already has budget problems, it's hard to see how we would possibly meet those costs," she points out.

The Graham-Cassidy bill, and block grants in general, would give states a greater ability to create their own health care systems, but Bersdale says the dangers are far too great and are a threat to those most in need.