

Tribal Medicaid Reform Talking Points

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Tribes, Medicaid, and 100% FMAP

- For over 40 years, the federal government has reimbursed States for 100 percent of the cost of providing Medicaid services to AI/AN beneficiaries.
 - This ensures that IHS access to state Medicaid services does not burden the states with what is a federal responsibility. Eliminating 100 percent FMAP for services received through Indian health care providers would shift hundreds of millions in costs to the states.
 - The reimbursement by the federal government to states for Medicaid payments to IHS and Tribally operated facilities is critical in filling the gap created by inadequate IHS funding.
- In 2023, 31% of American Indians and Alaska Natives were enrolled in Medicaid, compared to 20% for the general population. For AI/AN children 0-18, it is closer to 48.7%.
- When we look at how that impacts funding, Indian health facilities get about 30-60% of their funding comes from Medicaid dollars.
- While that is a lot of impact in Tribal communities, it is not that much impact on the Medicaid budget. IHS projected Medicaid billing is only \$1.3 billion in 2025; which is only 0.213% of total federal Medicaid spending.
- Medicaid is the largest Third party payer for Indian health facilities.
- Any plan to change the manner in which State Medicaid costs are reimbursed by the federal government must include a carve out for services provided to AI/ANs so that the federal government's trust responsibility is not shifted to the States.
- **REQUEST:** The last time Congress considered Medicaid reform in the American Health Care Act of 2017 and the Better Care Reconciliation Act of 2017 it exempted reimbursement for services received through Indian health care

providers from counting towards per capita caps. Congress must do the same in any new legislation.

Medicaid Work Requirements

- Tribes fully support employment opportunities and work assistance programs, but Medicaid work requirements do not work well in Tribal communities for a variety of reasons.
 - Tribal communities are in some of our nation's most remote areas. There's frequently difficulty accessing or a complete lack of internet or regular mail access. These conditions make it difficult or impossible for our citizens to keep up with the reporting requirements which accompany work requirements.
 - Further, work and jobs are frequently far from our communities/residences, such as the 80% of AK Native villages which are off the road system. Sometimes there just isn't work in our communities or we do work which is subsistence/unreportable like traditional arts.
 - Finally, the incentives are not the same in our communities, as folks can fall back on IHS annual funding. When this happens, it limits how far our resources can go to support our communities.
- There is already precedent to exempt AI/AN Medicaid beneficiaries from Medicaid work requirements. CMS approved such an exemption in 2019 for an AZ waiver which included work requirements. Further, AZ's most recent application for an 1115 demonstration waiver also includes an AI/AN exemption.
- **REQUEST:** We request Congress provide an exemption for AI/AN Medicaid beneficiaries in recognition of the role Medicaid plays in meeting the trust responsibility to Tribes for health and the unique situation of our communities.

Enhanced Premium Tax Credits Extension: Talking Points

- If the EPTC are allowed to expire, on average, Marketplace premiums will increase as much as 93%, and an estimated 5 million Americans will lose health coverage entirely, including nearly 2 million people with chronic conditions.
- The expiration of EPTCs would mean less provider revenue and result in a \$6.3 billion increase in hospital and health clinic uncompensated care.
- People in rural areas will be hit the hardest where options for health care are fewer and the cost of insurance is much higher resulting in a 30% decrease in coverage and a 37% increase in rural states uninsured population.
- American Indians and Alaska Natives (AI/AN) access the marketplaces for healthcare coverage like all Americans and rely on this coverage to support their access to healthcare both within and through referral by the Indian health system.
- The Urban Institute estimates that 318,000 AI/AN are enrolled in the Marketplace in 2025 under tax credits and 126,000 AI/AN people will lose their Marketplace coverage without EPTC, representing a 40 percent reduction for AI/ANs currently covered.
- Indian health system providers are underfunded, and Congress' own Government Accountability Office (GAO) recently published that the IHS is funded at 49% of agency need.
- The Indian health systems relies on third-party revenue to fill the gaps of a chronically underfunded system. Without the additional resources provided through third-party coverage, like that purchased on the marketplaces, the Indian health system would need to reduce services or potentially in some circumstances could even close facilities.
- **REQUEST:** We request Congress to extend the enhanced tax credits to secure healthcare coverage for our Tribal citizens and our communities.