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American Academy of Pediatrics

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February 24, 2025

Honorable Governor Janet Mills
Via Email

Dear Governor Mills,

On behalf of the nearly 300 primary care pediatricians, pediatric medical subspecialists, and pediatric surgical specialists members of the American Academy of Pediatrics Maine Chapter (Maine AAP), I write today to express our grave concerns over federal proposals currently being discussed that could have significant impacts on children's health care coverage in Maine. As Governor, your voice is critical in supporting the Medicaid program to ensure that children receive the health care coverage they need. I urge you to oppose any federal cuts that would jeopardize children's access to care.

As you know, Congress is currently considering proposals to pay for an extension of the 2017 Tax Cuts and Jobs Act (TCJA). Several of these proposals contemplate extensive Medicaid cuts, ranging from \$880 billion to \$2.3 trillion in reduced federal Medicaid spending. Such significant federal cuts to Medicaid, which, together with the Children's Health Insurance Program, provide coverage to 53% of children in our state would be devastating to our state Medicaid program as well as the care that Maine children need. As pediatricians devoted to caring for children across our state, we ask you to join us in telling members of Congress that any federal proposal that cuts Medicaid funding to our state or limits access to benefits or services will harm the children of Maine.

We are deeply concerned by Congressional proposals under discussion that would significantly reduce federal funding for Medicaid, limit patients' access to care, and shift costs to our state. Reductions in federal Medicaid funding will leave Maine with no choice but to raise significant revenue through taxes, or cut eligibility and enrollment, limit benefits and services, and reduce our already lagging Medicaid payment for services. These funding reductions would shift costs of the Medicaid program directly to states, which are already facing strained budgets. This could mean the need for dramatic state funding increases for Medicaid or harm to children as they obtain fewer benefits, suffer diminished access to needed care, or experience periods with limited coverage or no coverage at all.

- Converting Medicaid financing to a block grant or per capita cap will devastate the Medicaid program and specifically harm children. Such a fundamental change in the financing of the Medicaid program would cost- and risk-shift the entire financing of the program to Maine and other states. Earlier similar proposals that purported to account for inflation would have left nearly all states exceeding the spending cap in just the first four years of the policy¹. Further, this seismic upheaval in Medicaid funding would end up impacting state budget items well beyond health care, including education, transportation, infrastructure, and public safety.
- Cutting the federal medical assistance percentage (FMAP) is a significant reduction to the federal government's commitment to Medicaid and a direct cost-shift to our state. Various proposals to reduce the FMAP – whether a blanket change to the federal minimum, a targeted approach to specific eligibility groups, or other changes – collectively represent direct federal cuts to Medicaid without lowering the costs Maine faces.

¹Lukens G, Zhang E. Medicaid Per Capita Cap Would Harm Millions of People by Forcing Deep Cuts and Shifting Costs to States. Center on Budget and Policy Priorities (CBPP). January 7, 2025. Accessed February 17, 2025.

<https://www.cbpp.org/research/health/mcicaid-per-capita-cap-would-harm-millions-of-people-by-forcing-deep-cuts-and>

- Reducing or eliminating provider taxes is a threat to Maine’s budget. Provider taxes are already governed by federal statute and regulation, and as such are required to meet specific standards. States use provider taxes to help finance the state share of Medicaid spending; such spending is critical toward maintaining existing Medicaid programs. If cut or eliminated, Maine would be forced to replace those funds with general revenues or new taxes or implement cuts directly.
- Implementing Medicaid work requirements will put up to 189,000 Maine adults at risk for losing coverage, which will also directly affect children. The truth is that nearly all Medicaid enrollees ages 19-64 already work or would likely be eligible for an exemption to a work requirement because they care for a dependent family member, have a disability or serious illness, or attend school.² A work requirement therefore merely burdens Maine families with red tape to maintain Medicaid coverage, often resulting in eligible, working adults losing coverage simply by falling through administrative cracks. Indeed, when Arkansas implemented a Medicaid work requirement in 2018, 18,000 individuals quickly lost coverage—the vast majority for administrative reasons—at a programmatic state implementation cost of \$26 million, before the policy was stopped in federal court.³

As pediatricians, we acutely understand the connection between the health and well-being of parents and caregivers and that of children. When parents cannot address their own physical or mental health needs, they are less equipped to meet their children's needs, and increased family stress caused by ill health or unpaid medical bills directly affects children. Conversely, when parents have coverage, their children are more likely to have coverage and to get needed care. Implementing a new requirement for adults to report work hours or prove exemptions will have spillover effects that hurt children.

Some of these proposals have been falsely described as “reducing waste, fraud, and abuse.” These plans do not target waste, fraud, or abuse, and would have far-reaching effects on children and families in our state. Medicaid is already an efficient program and has multiple internal programs and initiatives to combat waste, fraud and abuse, including the Medicaid Integrity Program (MIP), Medicaid Fraud Control Units (MFCUs), Recovery Audit Contractors (RACs), provider screening and enrollment requirements, and several more. Moreover, the administration of Medicaid is overseen by the Government Accountability Office (GAO) and the HHS Office of Inspector General (OIG), as well as Congressional and state legislative oversight committees. We urge vigilance to ensure that any Congressional proposals introduced in the context of “reducing waste, fraud, and abuse” are not federal Medicaid cuts in disguise.

Indeed, the Medicaid program is an American achievement and remains the backbone of health care coverage for children in the United States. Here in Maine, 53% of children are insured by Medicaid or its partner, CHIP.⁴ Nationally, Medicaid also provides health coverage to 43.9% of children and youth with special health care needs (CYSHCN)⁵ and 99% of children in the foster care system,⁶ two critically vulnerable populations.

Medicaid promotes Maine children’s health and well-being in countless ways, including:

- Coverage of 39% births here in Maine,⁷ including critical services like prenatal, maternity, and postpartum care.
- Provision of routine preventive care like well-baby and well-child exams, where development is monitored, immunizations and screenings are provided, and conditions are caught early and treated, before they become more expensive and acute.
- Access to dental, vision, and hearing services.
- Access to acute care for illness, injury, and other issues that arise.
- Comprehensive and wrap-around care for children and youth with special health care needs (CYSHCN), such as coverage for home care and long-term services and supports that private insurance does not cover.
- Coverage of essential mental and behavioral health services—including those for neurodevelopmental conditions like attention-deficit/hyperactivity disorder (ADHD) and autism spectrum disorder (ASD) as well as substance use disorder (SUD) services. These services are critically important in addressing the nationwide crisis in children’s mental health. Because mental and behavioral health issues often begin in childhood or adolescence, catching them early can have long-term benefits for the health of individuals as well as our state.

² Tolbert J, Cervantes S, Rudowitz R, et al. Understanding the Intersection of Medicaid and Work: An Update. February 4, 2025. Accessed February 17, 2025. <https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work-an-update/>

³ Government Accountability Office (GAO). Actions Needed to Address Weaknesses in Oversight of Costs to Administer Work Requirements. October 2019. Accessed February 17, 2025. <https://www.gao.gov/assets/d20149/high.pdf>

⁴ AAP Analysis of Medicaid and the Children’s Health Insurance Program (CHIP) Performance Indicator Projects October 2024 Enrollment Data. Centers for Medicare and Medicaid Services (CMS). February 2025.

⁵ The Child and Adolescent Health Measurement Initiative (CAHMI). The National Survey of Children’s Health 2022-2023. Accessed February 16, 2025. <https://www.childhealthdata.org/browse/survey/results?q=11090&g=1167&r=1>

⁶ Libby A, Kelleher K, Leslie L, et al. Child Welfare Systems Policies and Practices Affecting Medicaid Health Insurance for Children. *Journal of Social Service Research*. 2006; (10)2: 39-49. Accessed February 17, 2025. https://www.tandfonline.com/doi/abs/10.1300/J079v33n02_04

⁷ KFF. State Health Facts: Births Financed by Medicaid, 2023. Accessed February 17, 2025. <https://www.kff.org/medicaid/state-indicator/births-financed-by-medicaid/>

- Funding for services in schools, including mental and behavioral health care and special services such as speech and occupational therapy for children with learning disabilities.
- As a critical source of revenue for hospitals in our state, which often serve entire communities, including families, beyond close geographic proximity.
- Coverage of parents and other adult caregivers. Parents who are insured are more likely to have children who are insured; healthy adults are also more able to work and care for their children.

Medicaid coverage has also been critical in driving down the rate of uninsured children in our state, which stands at a 5.2% as of 2023.⁸ Beyond these direct services, Medicaid helps to ensure that Maine children grow to become healthy and productive adults. Children with Medicaid are more likely to be healthier in both childhood⁹ and adulthood¹⁰ than their uninsured peers; less reliant on adult disability programs;¹¹ more likely to attend and graduate high school and college;¹² and more likely to be employed,¹³ earn higher wages,¹⁴ and pay more in taxes.¹⁵

Moreover, Medicaid's FMAP structure must be maintained to ensure that financing of the program remains responsive to Maine's needs and any economic changes that could affect the state's budget. This means that if the state faces economic pain (such as during a recession or other emergency), the federal share of Medicaid spending increases. Moreover, the FMAP is a force multiplier on current state Medicaid spending; for every \$1 that Maine spends on Medicaid, we receive \$1.58 in a federal Medicaid match.¹⁶ As the largest source of federal funding into our state, Medicaid also plays a critical role in our rural communities and helps keep hospitals and clinics afloat statewide.¹⁷ **For our children and for our state, the Medicaid program has proven itself to be a sound investment.**

We appreciate your consideration of our position on these vital matters. We also appreciate the critical role you can play moving forward. As Governor, you know the financial pressures our state faces. You also know the enormous responsibility that comes with working to ensure the health of Maine children, the future of our state. Your voice in the unfolding Congressional debate will be vital, as the steps Congress takes are likely to have historic effects on the health care of children and the financing of Medicaid across the country and here in our state. We ask you to stand with us today as a voice for Maine children and strongly oppose any federal proposal that cuts the federal share of Medicaid funding to our state or limits access to benefits or services.

If you have questions or would like to discuss these issues further, please do not hesitate to contact me at byouth143@gmail.com.

Thank you for your ongoing work on behalf of the children of Maine.

Sincerely,



Brian Youth, MD, FAAP
Maine AAP, Chapter President

⁸ KFF. State Health Facts: Health Insurance Coverage of Children 0-18, 2023. Accessed February 17, 2025. <https://www.kff.org/other/state-indicator/children-0-18/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

⁹ Curie J, Chorniy A. Medicaid and Child Health Insurance Program Improve Child Health and Reduce Poverty but Face Threats. *Acad Pediatr*. 2021 Nov-Dec;21(8S):S146-S15. Accessed February 1, 2025. <https://pubmed.ncbi.nlm.nih.gov/34740422/>

¹⁰ Byker T, Goodman-Bacon A. The Long-run Effects of Medicaid on Disability Applications. NBER Working Paper. August 24, 2018. Accessed February 17, 2025. <https://www.nber.org/programs-projects/projects-and-centers/retirement-and-disability-research-center/center-papers/drc-nb18-15>

¹¹ Goodman-Bacon A. The Long-Run Effects of Childhood Insurance Coverage: Medicaid Implementation, Adult Health, and Labor Market Outcomes. NBER Working Paper. December 2016. Accessed February 17, 2025. <https://www.nber.org/papers/w22899>

¹² Georgetown Center for Children and Families (CCF). How Medicaid Supports Student Success. Accessed February 17, 2025. <https://ccf.georgetown.edu/2025/01/09/how-medicaid-supports-student-success/>

¹³ Goodman-Bacon A. The Long-Run Effects of Childhood Insurance Coverage: Medicaid Implementation, Adult Health, and Labor Market Outcomes. *American Economic Review*. August 2021; (111) 8: 2550-93. Accessed February 17, 2025. <https://www.aeaweb.org/articles?id=10.1257/aer.20171671>

¹⁴ Brown D, Kowalski A, Lurie I. Medicaid as an Investment in Children: What is the Long-Term Impact on Tax Receipts? NBER Working Paper. January 2015. Accessed February 16, 2025. https://www.nber.org/system/files/working_papers/w20835/w20835.pdf

¹⁵ *ibid*

¹⁶ KFF. State Health Facts: Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier, FY 2026. Accessed February 17, 2025. <https://www.kff.org/medicaid/state-indicator/federal-matching-rate-and-multiplier>

¹⁷ Alker J, Osorio A, Park E. Medicaid's Role in Small Towns and Rural Areas. Georgetown Center for Children and Families (CCF). January 15, 2025. Accessed February 16, 2025. <https://ccf.georgetown.edu/2025/01/15/medicaids-role-in-small-towns-and-rural-areas/>