Medicare, Medicaid and Social Justice: Reflecting on the Ethical Implications of the "Big Beautiful Bill"

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Conflict of Interest Statement

- **I AM NOT A ROBOT!!!!**
- **ROBOTS ARE ALWAYS BALD!!!**

Medicaid and the Big Beautiful Bill: Background

- **Are there serious health care injustices that will be created and/or exacerbated by the Big Beautiful Bill? YES!!!!!!!!**
- **Are those injustices entirely intrinsic to the Big Beautiful Bill? NO!!!!**
- **Is anyone doing anything to remedy the larger injustices in the health care system as a whole? NO!!!!!**
- **Will the consequences of the Big Beautiful Bill affect primarily the poor and near poor who rely upon Medicaid? NO!!!!**

Medicaid and the Big Beautiful Bill: Background

- PROBLEM: Our health care system is inundated with what health policy researchers refer to as "wicked problems." The Big Beautiful Bill is not doing anything to make those problems less wicked. Instead, responsibility for managing those problems is being shifted to the states. **Redistribution is not Resolution!!!!**
- If my neighbor blows his fall leaves from his lawn to my lawn, we still have a mess……..but it has become MY mess!!!!

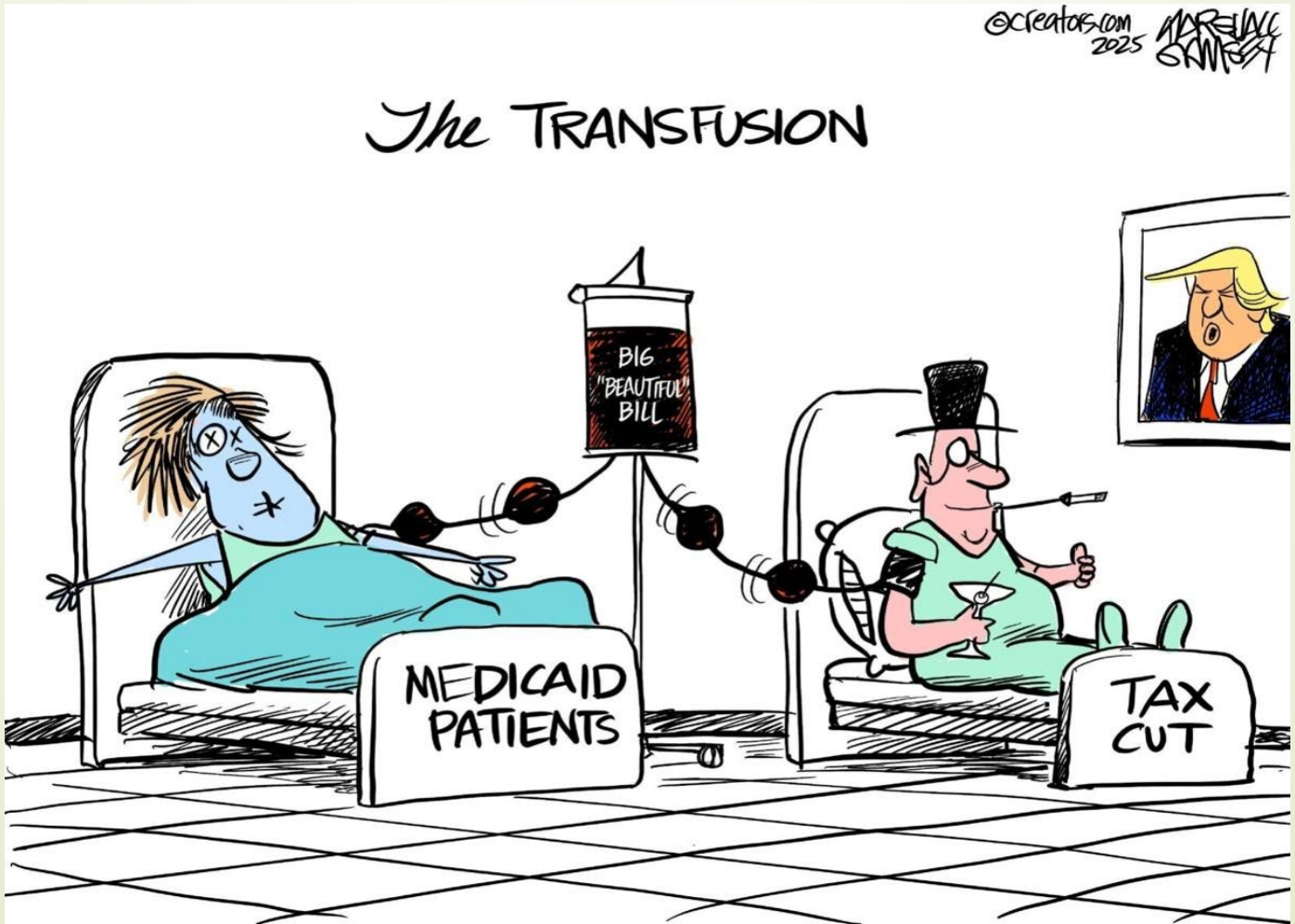
Feeding Time!!!

Should we take comfort in the fact that it is only small bites?

Long Term Un-Care

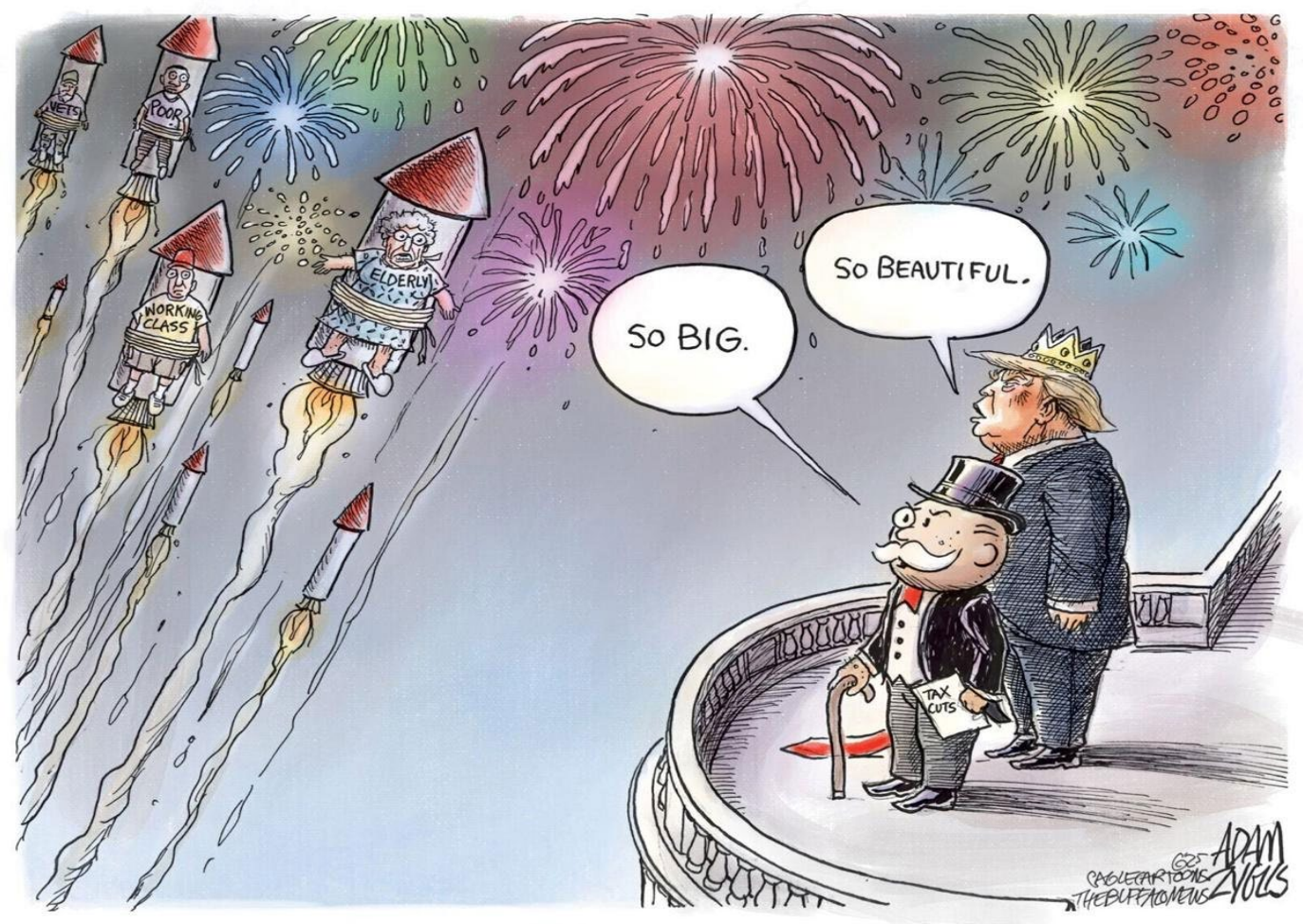
You can always count on mom to make some sacrifices!!

Stealthy Transfusion: Painless, Bloodless (for the politicians)



Terribly misleading cartoon!!! Fire the cartoonist!!! The transfusion process is invisible!!!

Who would ever have thought that waste, fraud and abuse could be so esthetically pleasing?



It reminds me of Van Gogh's "Starry Night" so very beautiful!!

Health Care Injustices

- Failing to meet serious health needs because individuals lack the ability to pay [32 million uninsured; 45 million+ underinsured]
- Expending large volumes of health dollars for only very slight health gains (when lots of other unmet health needs could be met effectively and at a relatively low cost)
- **Asserting the 'equal value' of all lives but only meeting the health needs of well insured, i.e., PAYTIENTS**
- Fragmented system of health care financing which generates excessive administrative costs
- Employment-based health insurance with radically diverse coverage decisions by varying employers [invisible rationing/ muted justice]
- Cost-sharing (high deductibles/ co-pays) with private insurance that effectively limits access to covered services

WEIRD (ethically corrupt) CONCLUSION: If so many non-poor Americans are having to suffer so many scattered injustices, why shouldn't Medicaid patients endure their "fair share" of injustices????

Health Care Costs

- The single biggest problem regarding health care policy in the US is our failure to control escalating health care costs, which is the source of:
  - Numerous health care injustices
  - Numerous inefficiencies in the health care system
  - Diminished quality of care
  - Daily ethical/ professional challenges for health care providers trying to meet the needs of their patients
  - Profiteering in the health care system aimed at meeting the desires of investors instead of the needs of patients
- **HEALTH CARE HAS BECOME BIG BUSINESS!!!**

Some Statistics

- In 2025 in the US we will spend $5.6 trillion on health care, or about 18.3% of GDP.
- Compare to 1960 when we spent $26 billion on health care, or about 5.2% of GDP [$224 B in 2025$]
- Project to 2033 when we will spend $8.6 T, or about 20% of projected GDP
- Canada, UK, most European nations currently spend 8-11% of GDP on health care (and they have better aggregate health stats than the US). [Keehan, SP; Madison AJ, et al. National Health Expenditure Projections, 2024-33. *Health Affairs* 44 (July, 2025).
- **Headline: Americans Borrowed $74 billion last year to Cover Health Care Costs (March 5, 2025)** Americans borrowed $74 billion last year to cover their health care costs - CBS News

Some Statistics: Medicare

- In 2025 roughly 37% of total health expenditures were consumed by the 15% of the US population over age 65 (55 million people), or about $1.9 trillion.
- In 2030 roughly 21% of our population will be over age 65, about 80 million individuals.
- **In 2025 Medicare expenditures will be about $1.2 trillion. Ten-year projections (2024-2033) for Medicare are about $15.3 trillion.** [Keehan, SP; Madison AJ, et al. National Health Expenditure Projections, 2024-33. *Health Affairs* 44 (July, 2025).

Some Statistics

- Medicaid (health care for the poor)
  - Joint federal/state program
  - Feds pay 50%--75% costs of Medicaid depending upon wealth of the state
  - Feds require core set of benefits, but states are free to decide what fraction of those below the poverty level they choose to cover
  - Medicaid has three core programs: health care for the poor under age 65 (35%); health care for the disabled (25%); long term care for the impoverished elderly (45%)
- **Medicaid costs (State and feds in 2025 are $1.0 trillion); ten-year projection (2024-2033; $12.4 trillion).** **[Keehan, SP; Madison AJ, et al. National Health Expenditure Projections, 2024-33. *Health Affairs* 44 (July, 2025).**

Increasing Health Care Costs: Who Pays? Who Profits? Who Suffers?

- "Employees of large and small companies are likely to face higher health care costs, with increases in premiums, bigger deductibles or co-pays, and will possibly lose some benefits next year, according to a large survey of companies nationwide that was released on Thursday [9/3/25]."
- "The survey of 1,700 companies, conducted by Mercer, a benefits consultant, indicated that employers are anticipating the sharpest increases in medical costs in about 15 years. Higher drug costs, rising hospital prices and greater demand for care are all contributing factors, experts said." [New York Times, "Health Care Costs for Workers Begin to Climb" 9/4/25]

How is this related to the Big Beautiful Bill? The more hospitals and other health providers must accept uncompensated care, the more they pass on to employers and insurers as higher prices!!!

Why Health Costs Increase Inexorably

- New medical technologies
- Insurance mechanism
- Extremely fragmented system for financing health care>>high administrative costs
- Competition among health care providers/ hospitals
  - Note Proton Beam Therapy wars in Michigan
- Increase in burden of chronic illness ["doing better and feeling worse"]
- Social belief in pricelessness of human life (at least insured human life)
- Lack of shared social understanding of health care justice/ limits on demands

More Shocking News

- CAR T-cell immunotherapy for B-cell lymphoma costs $475,000 for the therapy itself. But a common devastating side effect (30-50% of patients) is cytokine release syndrome [CRS], which requires very intense ICU care. That raises the total cost of the intervention to $700,000-- $1 million.

NOTE: This not a life-saving therapy; it is life-prolonging. 30% of these patients will fail to gain an extra year of life; the other 70% will gain 1-4 extra years of life.
Q: Is this a wasteful use of resources for the 30%???

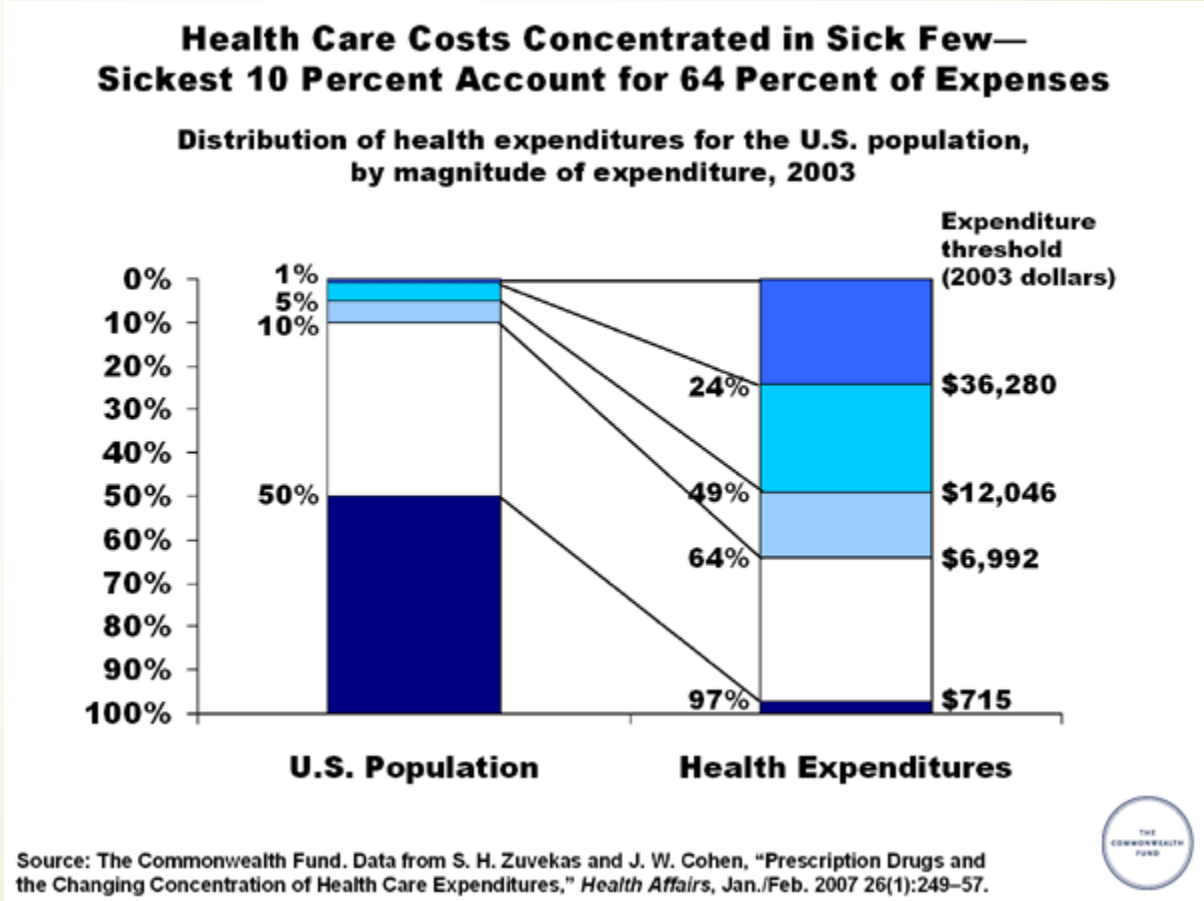
Alzheimer's Drug

- The FDA approved on Jan. 6, 2023, a new Alzheimer's drug: "**Alzheimer's drug lecanemab receives accelerated approval amid safety concerns" [CNN]**
- The cost of this drug is $26,500 per year; the drug reduces beta-amyloid in the brain and results in a slightly slower progression of AD
- 6.5 million Americans with AD in 2022; projection to 2060 of 12.5 million Americans
- If 3 million Americans receive the drug each year, that is an additional health care cost per year of $80 billion!!!

Don't mess with Bess!!!

Why Health Costs Increase Inexorably (and ethics issues too)

Note: The costliest patients are the "medically least well off," which means it is hard to justify denying them "needed" health care.



No Painless Health Reform!!!

Why Is It Going to Hurt?

- **Two Great Equations [Uwe Reinhardt, Princeton Health economist]**
  - **HEALTH CARE COSTS = HEALTH CARE INCOME**
  - **HEALTH CARE COSTS= HEALTH CARE**

- NOTE: It does not matter (politically and psychologically) that much health care yields only very marginal benefits, often at great expense. Reducing access to any health care for anyone will be denounced as health care rationing. This is also the rhetoric that is used to protect health care income from being diminished.

Low-Value Care and Clinical Heterogeneity

- But the problem is that what many might wish to call "wasteful care" is more correctly described as "low-value" care (and is much more difficult to detect before the fact in clinical practice). Elshaug et al write: "Clinical heterogeneity makes it difficult to develop simple approaches for identifying low-value services." They add, "Services that are ineffective, unsafe, or both for all patients and indications are rare." Elshaug, AG et al. "The Value of low-Value Lists." JAMA 309 (2013): 775-76.

Not to worry!!!! Artificial Intelligence to the rescue. Will you endorse using algorithms developed through AI (for your future possible self with a blood cancer) to deny CAR T-cell therapy to that 30% who would gain less than an extra year of life? Is that "low-value" care for you? Is that "low-value" care for Medicaid patients?

Medicare and High Cost Drugs

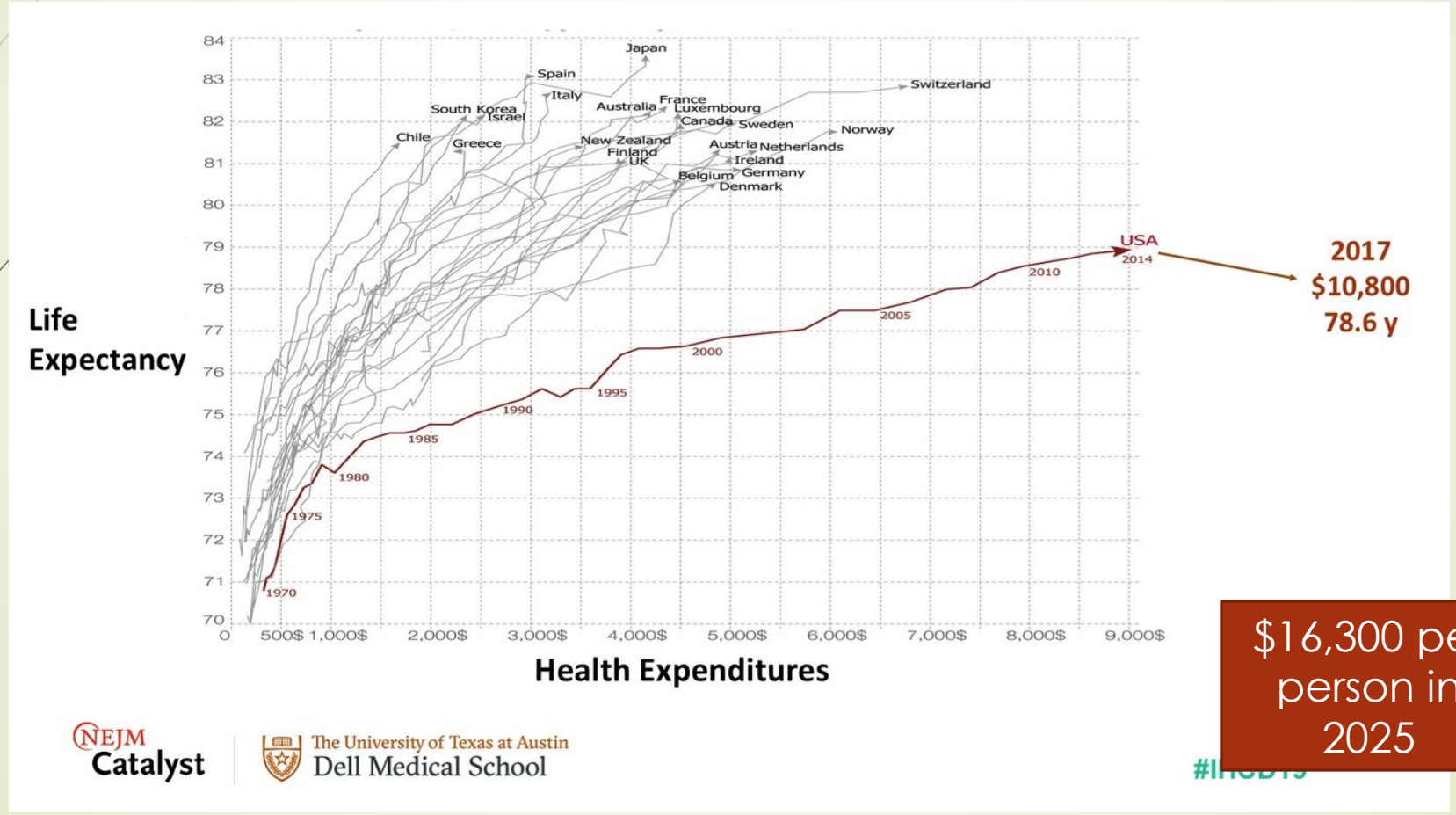
- **"Many Medicare Beneficiaries Do Not Fill High-Price Specialty Drug Prescriptions"** Health Affairs (April, 2022)
  - **Noninitiation for 30% of prescriptions written for anti-cancer drugs**
  - **22% for Hepatitis C drugs**
  - **More than 50% for disease-modifying therapies for immune system disorders or very high cholesterol**

This is related to co-pays in the hundreds or thousands of dollars per script

Cancer and Financial Ruin

- Headline: **For Some Cancer Patients, Precision Medicine Offers Hope--- and the Possibility of Financial Ruin. Kaiser Health News [Nov. 14, 2018]**
- Study of 1000 women with advanced breast cancer found 54% stopped or refused treatment due to cost.
- Is this outcome unfortunate or unjust?
- Headline: **The Medicine is a Miracle, But Only If You Can Afford It" NYT (Feb. 7, 2023)**

An Embarassing Statistic



$16,300 per person in 2025

Costly Cuts to Medicaid: Ethical and Economic

- Based on CBO figures, the researchers projected that 7.6 million people will become uninsured by 2034, and this will result in:
- 1484 excess deaths per year
- 94,802 preventable hospitalizations per year
- 1.6 million people delaying care per year
- 1.9 million cases of medication nonadherence per year.

- *https://www.clinicaladvisor.com/news/big-beautiful-bill-medicaid-deaths-hospitalizations-economic-losses/*

Costly Cuts to Medicaid: Ethical and Economic

- "The researchers also projected that, by 2034, Medicaid cuts will result in 101 rural hospitals becoming at high risk of closure each year. In addition, federally qualified health centers are projected to lose 5.0 million Medicaid patients and gain 1.9 million uninsured patients annually, resulting in a $3.3 billion reduction in revenue."
- The researchers also made projections based on a larger decrease in Medicaid enrollment. In this scenario, 14.4 million people would lose Medicaid coverage by 2034, leading to:
- 2284 excess deaths per year
- 145,946 preventable hospitalizations per year
- 2.5 million people delaying care per year
- 2.9 million cases of medication nonadherence per year
- 408,000 jobs lost per year
- $182.6 billion in reduced economic output per year

Costly Cuts to Medicaid: Ethical and Economic

- MedPage Headline:
- **Medicaid Expansion Linked to Better Cancer Survival at 5 Years**
- — Residents of rural, high-poverty areas derived greatest benefit versus non-expansion states
- States that expanded Medicaid coverage had significantly better cancer survival among patients in rural and high-poverty areas as compared with non-expansion states, data from U.S. cancer registries showed.
- Five-year cause-specific survival improved by 2.55 percentage points (ppt) among patients in rural areas of states that expanded Medicaid coverage versus those that did not. Analysis of patients living in high-poverty areas showed a 1.54 ppt improvement in Medicaid expansion states. Results were similar for analyses of 5-year overall survival (OS).

Diminished Health Care Access and the BBB

- Congress and the Trump Administration's Efforts to Cut Health Insurance Coverage Will Undermine the Health of the U.S. Workforce
- Employer coverage may be the backbone of the U.S. health insurance system, but not all companies offer coverage, and not all workers are eligible for their firm's health benefits.
- That's why more than 23 million Americans instead buy health insurance from the Affordable Care Act (ACA) marketplaces, while another 21 million are covered through the ACA's expansion of Medicaid eligibility.
- Just under half of low-income workers who are not offered or eligible for coverage through their jobs have insurance through Medicaid or the marketplaces. [Commonwealth Fund report, Oct. 9, 2025]
- **In other words, those who are financially, socially, and medically among the least well off will suffer the most under the BBB…….which is fundamentally unjust!!!**

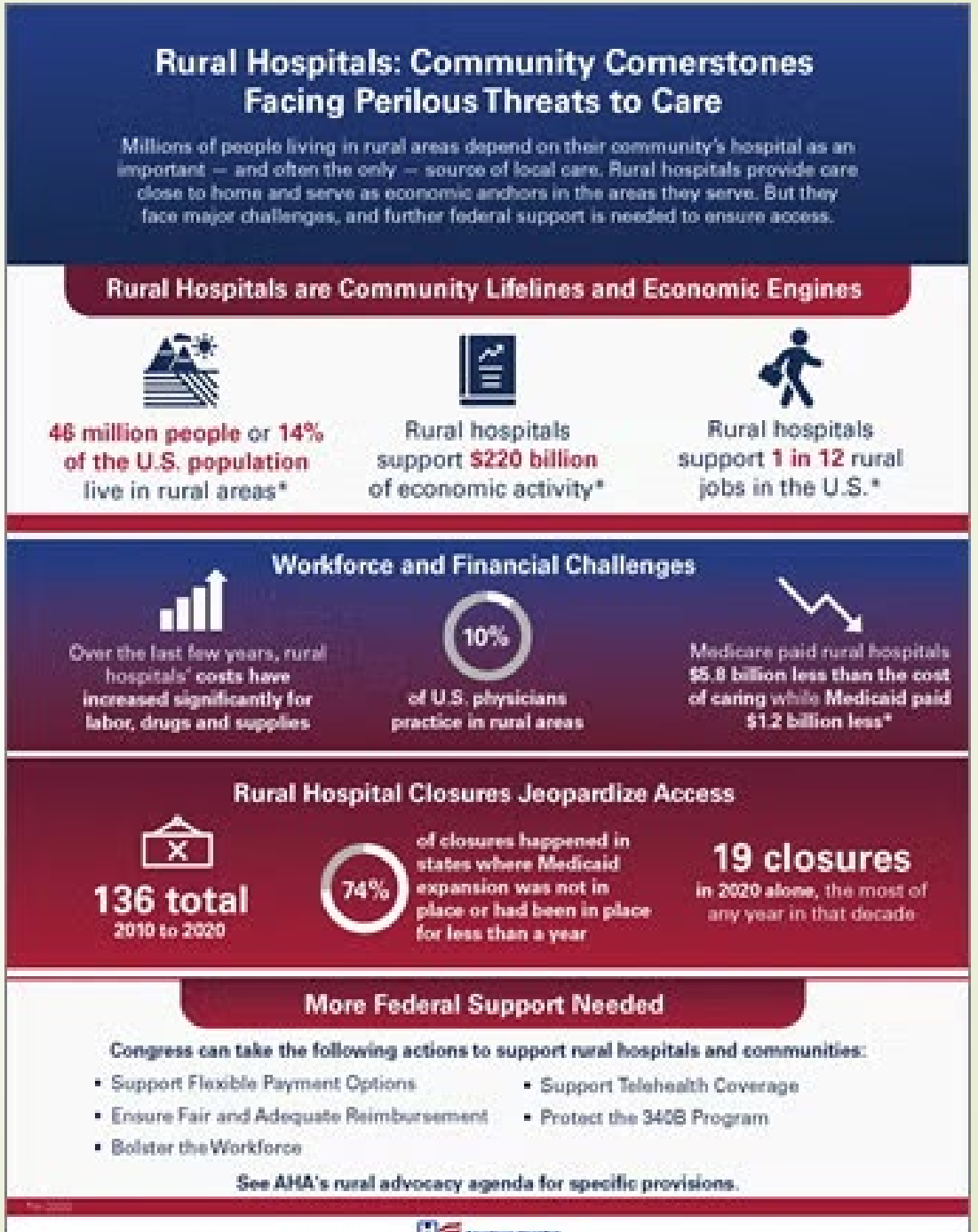
Michigan Medicaid

- 71 million Americans were covered by Medicaid (April, 2025)
- By 2034 it is estimated that 11.8 million Americans would become uninsured
- In addition, 3 million would no longer qualify for Food Stamps
- 2.7 million people in Michigan are currently covered by Medicaid
- Major concern is that 700,000 Michigan residents would lose Medicaid coverage under the BBB.
- KEY ETHICS ISSUE: Those who are most vulnerable (persons with disabilities, older individuals with multiple health problems, and persons with very low incomes) would lose coverage. This is what is essentially unjust and uncaring.

Michigan Medicaid and Rural Hospitals

- Michigan has 64 rural hospitals, out of a total of about 137 acute care hospitals
- It is estimated that over the next seven years 700 rural hospitals would be at risk of closing (1 out 3), mostly as a result of Medicaid cuts. Rural hospitals generally get 20% of their revenue from Medicaid. Another 36% of revenue comes from the Medicare program. In general, 25% of hospital revenue comes from the Medicare program.
- Roughly 16% of rural individuals under age 65 are uninsured, which means little ability to pay for hospital care. Most jobs in rural areas are at the lower end of the wage scale, which means health insurance benefits may be very marginal, high deductibles and/or co-pays.
- Keep in mind that hospitals in rural areas are often THE major employer in that community, which means devastating consequences for a community when those hospitals are forced to close.
- Closure of rural hospitals means diminished access to medical specialists who depend upon access to a hospital for their services

CRITICAL FACTS REGARDING RURAL HOSPITALS



Michigan Medicaid and Fiscal Consequences

- Michigan is at risk of losing $2-4 billion in federal dollars annually. The feds currently cover 65% of Medicaid costs. If you add in the Expansion population, the figure is 76%.
- Medicaid enrollment decreased a person's likelihood of dying in a given year by 21% compared to someone with no health insurance. See New York Times (May 16, 2025). As Congress Debates Cutting Medicaid, a Major Study Shows It Saves Lives - The New York Times
- Medicaid covers 39% of Michigan children; 22% of adults (age 19-64); 37% of all births in the state but 60% of births in rural areas.
- In 2023 total Medicaid spending in Michigan was $24 billion, with $18 billion from the feds.

Michigan Medicaid and Fiscal Consequences

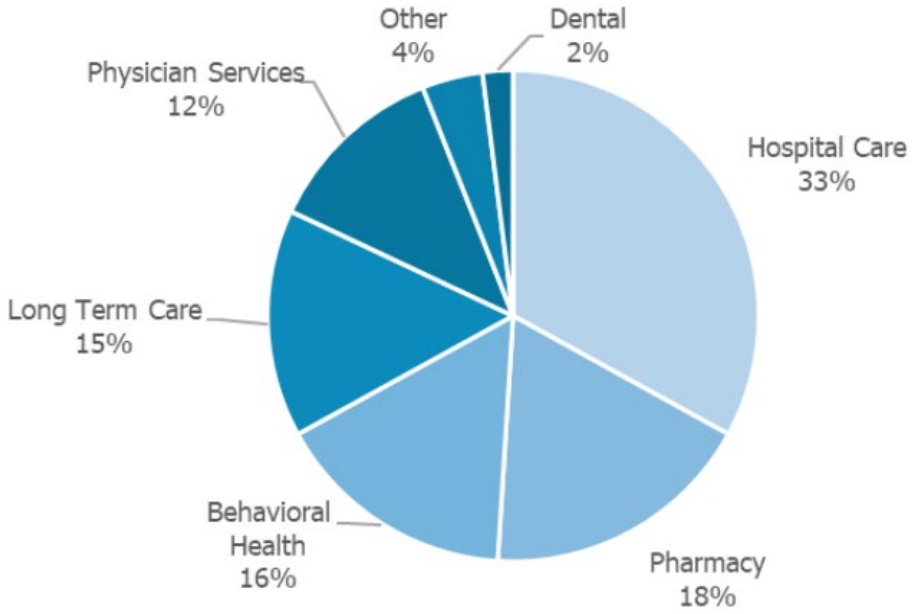
- The health care industry in Michigan represents $77 billion in economic activity. That supports much of the state's health care infrastructure, especially in rural areas.
- Loss of federal/state health revenue in rural areas means even more uninsured, even more patients with more serious illness, more uncompensated care that rural hospitals cannot shift to insured patients, which will threaten fiscal solvency of many rural hospitals.
- Providers will see their professional income at risk in rural areas, which means they will be motivated to leave, resulting in even more diminished access to care in rural areas. That has consequences for attracting employers to rural areas.
- It is entirely magical thinking to believe all these forced cuts will simply result in greater efficiency with no loss in access, quality, or population health status.

Michigan Medicaid and Fiscal Consequences

- Urban hospitals will be faced with large increases in uncompensated care, just like their rural counterparts. However, they will be able to pass on many of those costs to privately insured patients, i.e., their insurers.
- Private insurers pass these added costs to employers, who pass them on to their employees in the form of reduced insurance coverage, i.e., higher co-pays and deductibles, a narrower range of providers, etc.
- Projections of private insurer increases in 2026 are at 6.5%, more than twice the rate of inflation. Projections for insurers who cover Affordable care Act individuals expect to raise premiums by 18.5%. However, if subsidies for purchasing insurance under the ACA expire in January, then ACA individuals could be faced with 75% increases in premiums, which will likely increase the uninsured population by 4 million.

Medicaid Expenditures by Service

Chart 5
Medicaid Expenditures by Service, Michigan, FY2023

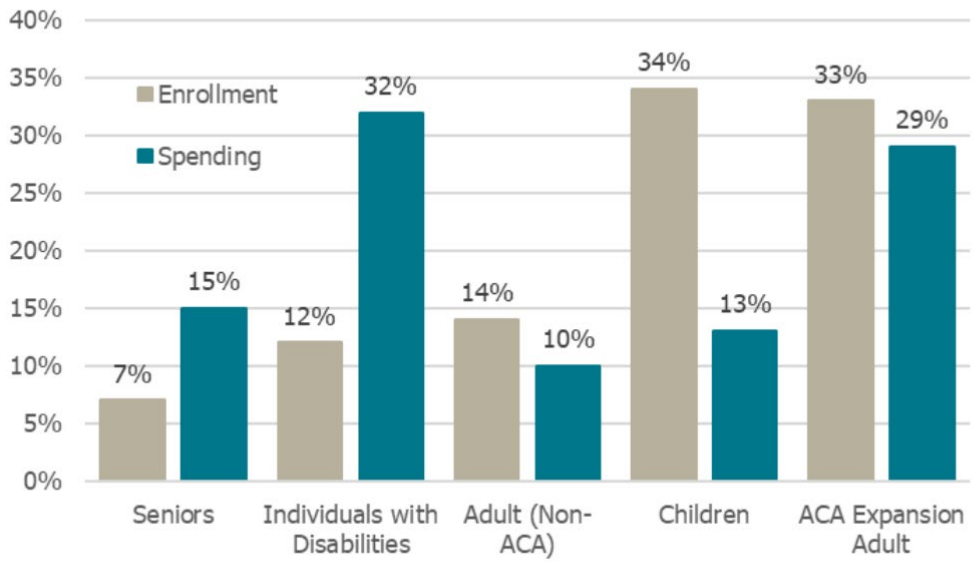


Source: Michigan Department of Health and Human Services. March 20, 2025.[33]

Michigan Medicaid Enrollment by Enrollee Type

Chart 4

Share of Medicaid Enrollment and Spending in Michigan, By Enrollee Type, 2021

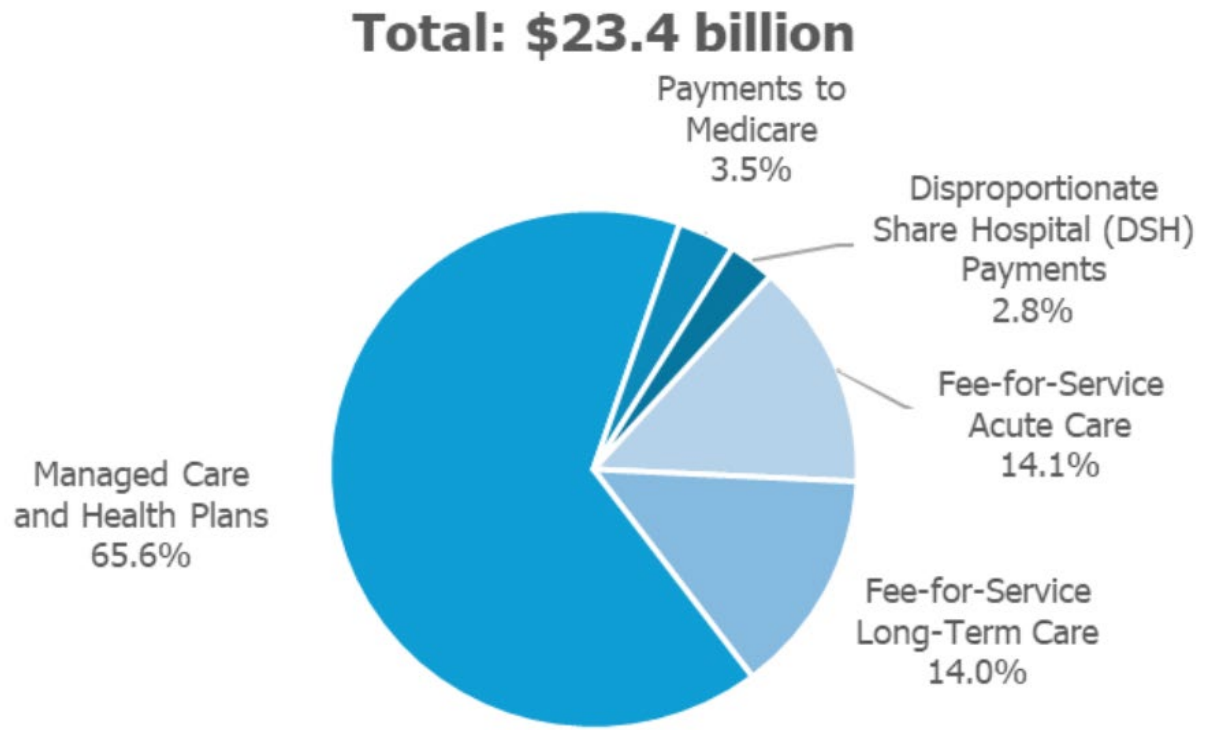


Source: KFF State Health Facts, based on analysis of Transformed Medicaid Statistical Information System[30, 31]

Michigan Medicaid Spending by Service

Chart 3

Distribution of Medicaid Spending by Service, Michigan, FY2023

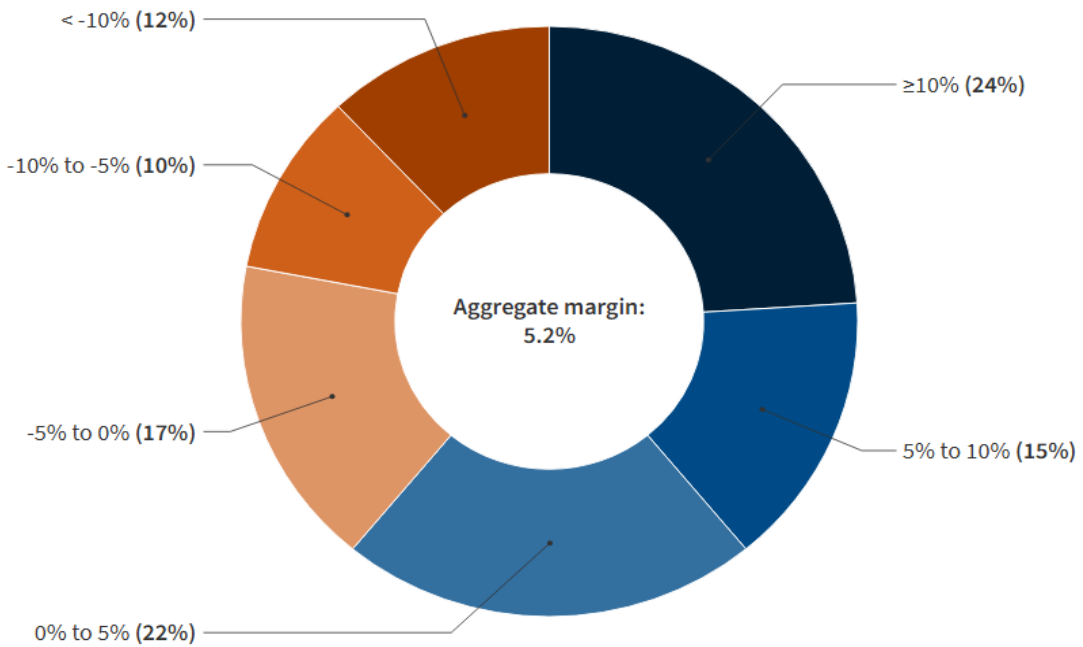


Source: KFF State Health Facts, based on data from CMS reports.[27]

Adverse Hospital Consequences

About 4 in 10 Hospitals Had Negative Operating Margins, and 12% Had Margins Below -10%, but 24% Had Margins at or Above 10%

Distribution of hospitals by 2023 operating margin

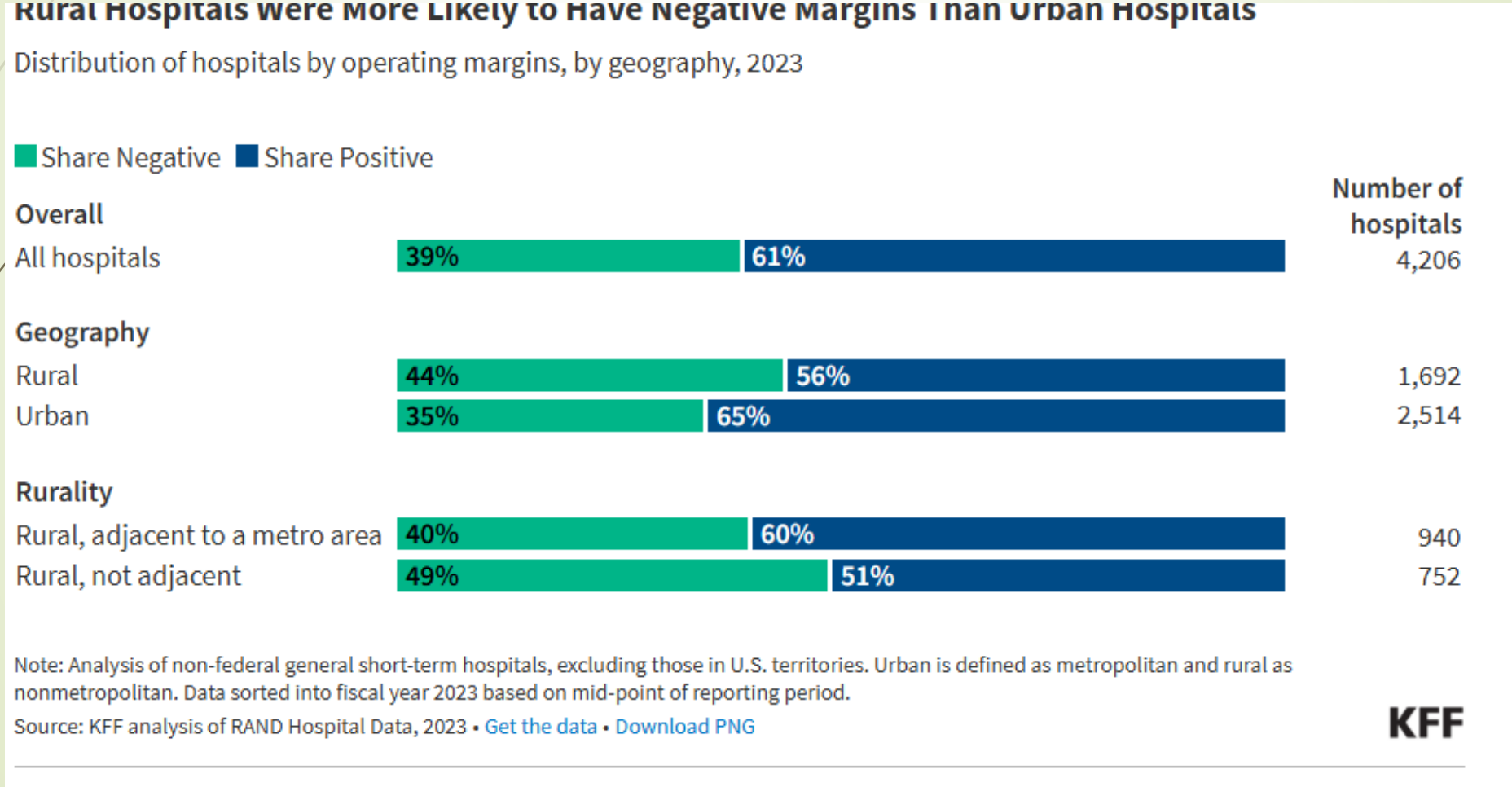


Note: Analysis of non-federal general short-term hospitals, excluding those in U.S. territories. Operating margin ranges are greater than or equal to the first value and less than the second value, as applicable. Hospital data sorted into fiscal year 2023 based on mid-point of reporting period.

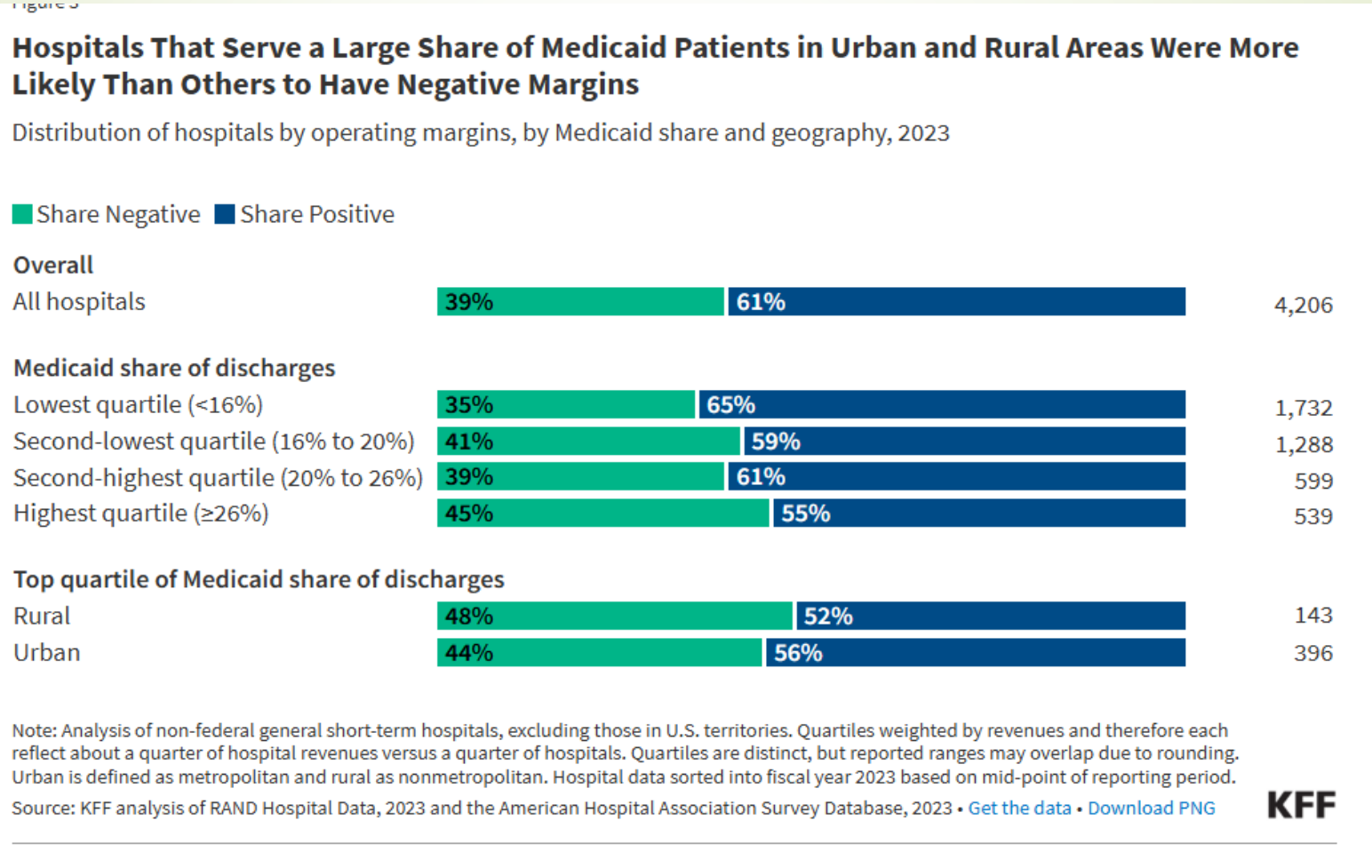
Source: KFF analysis of RAND Hospital Data, 2023 • Get the data • Download PNG

KFF

Rural Hospitals Financial Struggles



Hospitals and Medicaid patients



Michigan Medicaid and Community Consequences

- Community health centers and nursing homes also depend upon Medicaid funding, which means they too are at risk of closing.
- "As many as half of the people covered by the Healthy Michigan program have behavioral health conditions, including mental health disorders such as depression, or addiction to alcohol or drugs, according to research conducted by the University of Michigan Institute for Healthcare Policy and Innovation."
- "If people start losing Medicaid coverage, particularly those who have one or more chronic conditions, we may see a reversal of those benefits and a rise in the risk of dying and mortality."
- "I've had a few patients who either lost Medicaid, lost regular insurance, or couldn't get on Medicaid, and trying to help them pay for their meds is horrible, because there's really no good programs out there."

Michigan Medicaid and the Work Requirement

- The work requirement will become a very costly, complicated bureaucratic headache because of the need every six months to verify that someone is actually fulfilling the work requirement. This increases administrative costs and takes dollars away from delivery of services.
- 34% of Medicaid enrollees self-identify as having a disability
- 28% report having a mental illness
- But $50 billion is in the BBB for rural hospitals!!!
- The Rural Program is funded at $10 billion per year for five years beginning in Federal Fiscal Year 2026, which begins on October 1, 2025. The program has both a short life (five years) and short-term availability of the money, with CMS quickly able to claw back unobligated funds even before the five-year funding window is over

So what is so bad about making bureaucrats work harder and longer????

Closing rural health clinics

- The Kaiser Family Foundation, a national nonprofit focused on health policy, wrote in a July study that "federal Medicaid spending in rural areas is estimated to decline by $137 billion, more than the $50 billion appropriated for the rural health fund"
- Two months after President Donald Trump signed his policy megabill into law, a Virginia health care company cited it when it announced the closure of three rural clinics serving tiny communities around the Shenandoah Mountains.

Rural Hospitals

- "Congress could have chosen to directly fund rural hospitals and rural health care facilities, as it has done in past provider-relief legislation. Instead, the law creates a state program and gives the CMS Administrator broad discretion in allocating funds to individual states. The lack of specific requirements in the bill to target resources to rural hospitals and the flexibility Congress gave CMS and states in using the money come at the same time that states will be facing significant pressure on their own budgets due to the cuts in funding for states, and limitations on state methods of funding their Medicaid programs, in the new law."
- "They will not be required by law to directly address the short- and long-term fiscal challenges faced by individual rural hospitals arising from the size and scope of the law's Medicaid cuts."
- *"The 'One Big Beautiful Bill,' Now Law, Does Not Protect Rural Hospitals," Health Affairs Forefront (July 23, 2025),*

Rural Hospitals

- "The law's funding categories are broad enough that a state could comply with its requirements and not deliver any funding to rural hospitals. For example, consider a state that chose the following three options from the eligible activities included in the law: (1) promote evidence-based, measurable interventions to improve prevention and chronic disease management; (2) promote consumer-facing, technology-driven solutions for the prevention and management of chronic diseases; and (3) support access to opioid use disorder treatment services, other substance use disorder treatment services, and mental health services. This state could be in compliance with the law yet direct all funds to global technology companies, national disease management insurance company subsidiaries, large regional opioid treatment programs, online mental health companies, and other non-rural entities."
- *"The 'One Big Beautiful Bill,' Now Law, Does Not Protect Rural Hospitals," Health Affairs Forefront (July 23, 2025),*

Medicaid

- 65% of nursing home residents in rural counties are covered by Medicaid
- "If states picked up the costs from the federal government and kept their expansion populations in place, they would spend more than $600 billion to do so over a decade, an increase of almost 20 percent, according to KFF. Many states would be short more than $10 billion over a decade, and some larger states, such as New York and California, would face a shortfall of more than $50 billion" [New York Times, Nov. 20, 2024]

Medicare

- Medicare is not exempt from the consequences of the BBB.
- It is expected that the BBB will increase the annual federal deficit and trigger a mandatory $500 billion reduction in Medicare spending over eight years.
- Some number of dual eligible patients will find themselves excluded from Medicaid, and, as a result, not have the money needed to pay their Medicare premiums

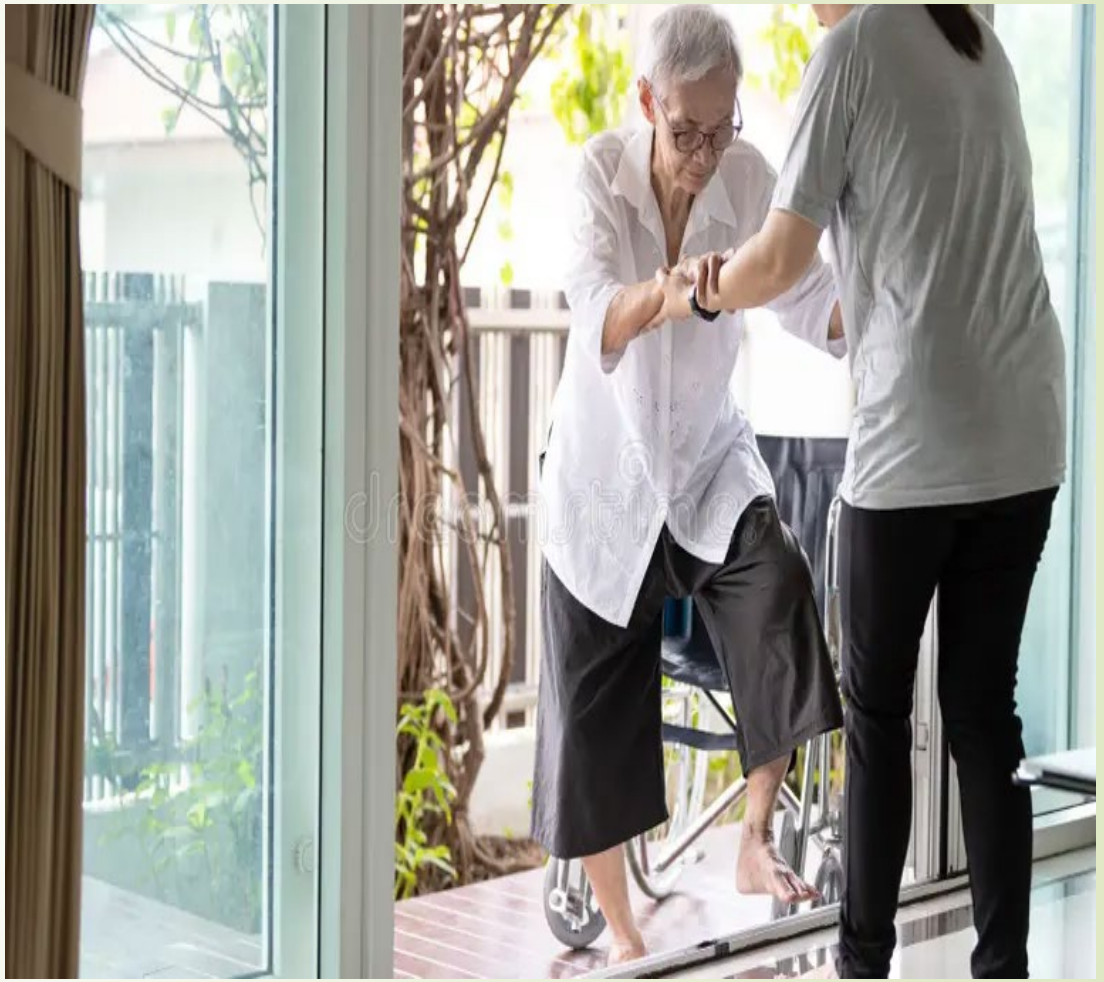
Long Term Care

- “The One Big Beautiful Bill Act, signed by President Donald Trump on July 4, delays federal standards designed to improve staffing at nursing homes by nearly a decade. Chronic understaffing in these facilities is a widespread issue in the U.S. that often leads to neglect, abuse and even death of residents. The new standards could save about 13,000 lives per year, according to research by the University of Pennsylvania. ”

- How the 'One Big Beautiful Bill' Affects Nursing Homes

Long Term Care

- **“Justice in Aging says other provisions are likely to increase pressure on nursing homes as more people are forced to seek care in the facilities when Medicaid covers less home and community-based care. This, the organization says, will be the result of the law limiting taxes states can impose on Medicaid providers, which may force states to cut optional benefits or eligibility categories. “Home-and community-based services account for the majority of optional spending and are likely to be cut first, leading to longer waiting lists and more institutionalization.”**
- **Three Striking Ways the 'Big Beautiful Bill' Affects Nursing Homes**



Planned Parenthood and Medicaid

- About one-third of all of Planned Parenthood's income comes from public funds, and Medicaid is the biggest source.
- The organization has said the policy could result in the closure of close to 200 clinics — about one-third of all of its health centers — mostly in states where abortion is legal, and that it could cut off 1.1 million patients from using their health insurance at the health provider.
- Planned Parenthood closures could potentially leave people with fewer affordable options to get contraception or cancer screenings, or eliminate a source of care for chlamydia, syphilis and gonorrhea — all infections that have become more prevalent in recent years.

Planned Parenthood and Medicaid

- Schickler [Chief Medical Officer for Planned Parenthood of Florida] said she doesn't anticipate her organization closing any of its 17 clinics. But thousands of the affiliate's patients are insured through Medicaid. People covered through the program often struggle to find a doctor, in part because Medicaid reimburses health providers at a lower rate than private insurance plans do.
- https://19thnews.org/2025/09/planned-parenthood-defunding-impacts-patients/
- See also: https://www.michiganpublic.org/health/2025-09-26/trumps-medicaid-freeze-hits-planned-parenthood-patients-in-michigan
- Medicaid doesn't cover abortion in Michigan. But it did cover 27,022 STI services, 36,999 birth control cycles and 1,624 cancer screenings at Planned Parenthood of Michigan in 2024, according to a spokesperson.

Planned Parenthood and Medicaid

- **Maine clinics also hit by cuts that targeted Planned Parenthood plan to halt primary care**
- Maine Family Planning has informed its nearly 1,000 primary care patients that it will no longer be providing primary care service starting Oct. 31, the network said. The loss of Medicaid funding took about $2 million in reimbursements from the network, and it is no longer able to sustain primary care, it said.
- A network of medical clinics that serves low-income residents in Maine said Wednesday it is shutting down its primary care operations because of Trump administration cuts to abortion providers.
  - **CNN Health [Oct. 2, 2025]**

Key Conclusions

- Problem of financial fragmentation and irresponsibility
- Problem of gross dishonesty [no one is losing any Medicaid benefits; it is all about getting rid of waste, fraud, and abuse]
- Most of the damage to the health and well-being of individuals affected by spending reductions in the BBB will be ethically and politically invisible because those consequences are dispersed over thousands of communities. These are largely seen as private misfortune rather than social injustice.
- Affected individuals are a much broader and more diverse group than poor patients dependent upon Medicaid.
- Lots of hospitals and other sorts of health care facilities will be at risk of closure because of the financial consequences of the BBB. The financial consequences will be even broader in rural areas.

Something to Cheer About????

Looks like a very white, very upper middle class/ rich class group

Do we still believe in that "nothing about me without me????"