



March 21, 2012

The Honorable Paul Ryan
Chairman
Committee on the Budget
U.S. House of Representatives
207 Cannon House Office Building
Washington, D.C. 20515

RE: CCD Opposes Medicaid Caps or Block Grants

Dear Chairman Ryan:

The following members of the Consortium for Citizens with Disabilities (CCD), a coalition of national disability organizations, are writing to express our strong support for protecting Medicaid, a vital public health program that serves millions of children, seniors, people with disabilities and their families. We are very concerned that the Medicaid restructuring proposals within the House Budget for FY 2013 would cause a public health crisis on a national scale. Such changes would undermine the integrity of the Medicaid program and would likely result in an increased number of Americans unable to access the care they need. We strongly recommend that lawmakers protect Medicaid from drastic cuts and from other harmful changes to the program, such as block grants.

Medicaid is a lifeline for millions of Americans with disabilities. Nearly 25% of all Medicaid beneficiaries are seniors and individuals with disabilities. Medicaid provides critical health coverage to 8 million individuals with disabilities and 9 million low-income Medicare beneficiaries who rely on Medicaid to fill Medicare's gaps.

CCD strongly supports Medicaid precisely because of the program's track record for providing services that allow individuals with disabilities to remain independent, access employment opportunities and access cost-effective healthcare services, especially in times of economic turmoil. Indeed, Medicaid is often the only source of comprehensive and appropriate coverage that addresses the health care and long-term services needs of people with disabilities.

Although capping or block-granting Medicaid could at first glance seem like a cost-saver, in actuality that approach likely would shift costs to states and providers and to individuals least able to afford them, and jeopardize access to needed services for millions of seniors and people with disabilities. Such actions could result in many more individuals becoming uninsured, which would compound current problems related to lack of coverage, overflowing emergency rooms, limited access to long term services and increased healthcare costs in an overburdened system.

Capping Medicaid spending would reduce access to home and community-based long-term care. Medicaid is the primary funding stream for long-term services, currently covering over 3 million Americans. The number of individuals needing long-term services is projected to significantly increase in coming decades with the aging of the US population.

Capping funding would likely add to growing waiting lists for community-based services, increase reliance on more costly institutional care, and lead to greater non-compliance with the U.S Supreme Court's *Olmstead* decision and the Americans with Disabilities Act. Reducing access to home and community-based services would also produce greater economic burdens for family caregivers and costs to US businesses due to lost productivity and absenteeism.

Medicaid Provides Essential Services and Supports to Individuals with Disabilities

The following are a few examples of the critical features of Medicaid that allow it to work effectively for children and adults with disabilities:

- For children with disabilities, access to the cost-effective Early and Periodic Screening, Diagnosis and Treatment (EPSDT) benefit, can often make a major difference in their lives, enabling them to lead healthy and more active lives and participate actively in the community in which they live.
- Medicaid is the primary public source of funding for long-term services and supports for people with disabilities of all ages. It is the largest funder of state and local spending on mental health and developmental disabilities services in the country.
- For people with epilepsy, mental illness, HIV, and a variety of other conditions, Medicaid is very often the only source of access to essential prescription drug coverage.
- For people with a variety of physical disabilities, such as spinal cord injuries, traumatic brain injuries, cerebral palsy, or amputations, Medicaid usually is the only way they have access to durable medical equipment like wheelchairs or prosthetic devices, as well as assistive technology.
- For many people with cognitive and other disabilities, Medicaid is the main source of funds for them to live and work in the community, avoiding costly, segregated nursing homes or institutions.
- Medicaid also funds services for students with disabilities so that they can attend school and keep up with their peers in the general curriculum. Without this support, school districts and states would have to pay addition funds to cover the cost of educating students with disabilities because these services must be provided in order to ensure that students with disabilities receive a free, appropriate public education as required by law.

Capping Federal Medicaid Funding Would Harm Individuals with Disabilities

CCD is strongly opposed to any proposal that would remove the individual entitlement to Medicaid. The following are examples of how proposals to block grant or cap federal funding would harm individuals with disabilities:

- *Shifting the Balance of Power* – Block granting or global waivers would remove the entitlement to Medicaid for children and adults with disabilities and their families and cap funding, leaving states unlimited discretion to limit access to health and long-term services and supports that these individuals need. For many individuals with disabilities in Medicaid, including so-called “optional” beneficiaries, access to Medicaid has life-altering implications. Undermining well-reasoned and time-tested beneficiary protections as though they were responsible for current challenges in financing Medicaid is dangerous for children and adults with disabilities. Federal oversight of state programs is often the only way to ensure fairness and non-discrimination.
- *Increased Cost Sharing* – Medicaid also ensures that coverage is affordable by generally not charging premiums and requiring only modest co-payments; research has found that premiums and cost-sharing tend to disproportionately lead poor households to forgo needed care or remain uninsured. Under a block grant, states could begin charging premiums beyond levels not permitted under current law that discourage enrollment (and leave people uninsured) and require burdensome deductibles and co-payments that reduce access to needed health care.
- *Target Populations For Cuts* – Seniors and people with disabilities would be at particular risk since they constitute one-quarter of Medicaid beneficiaries but account for two-thirds of all Medicaid spending as Medicaid is the primary funder of long-term care services, particularly nursing home care. Capping federal Medicaid funding would place significant financial pressure on states to scale back coverage on funding for services to low-income seniors and people with disabilities in spite of their greater health needs.
- *Higher Costs, Fewer Services* – A block grant could also allow states to shift beneficiaries into private insurance, offering them a voucher to purchase private healthcare coverage on their own. Since Medicaid costs substantially *less* per beneficiary than private insurance, on average (largely due to its lower provider reimbursement rates and lower administrative costs), shifting beneficiaries into private insurance would *raise* states’ costs, unless the vouchers purchased considerably less coverage than Medicaid provides. Medicaid works precisely because individuals with disabilities could not obtain private health insurance that provided the comprehensive coverage necessary for vital services. In addition, states facing inadequate block grant funding would also likely have to further scale back provider rates, which would result in decreased access to services and providers withdrawing from Medicaid, undermining the comprehensive service structure for delivering specific health and long-term services. Rural areas would be especially vulnerable to a health and long term services delivery system that is even more limited in providing access to vital services.

The current budget crisis at the state level is not due to a lack of flexibility within the Medicaid program. The current crises are the result of an unprecedented deep recession that produced an

increase in enrollment in state Medicaid programs occurring at the same time as a significant decrease in state revenues. Of course, these factors are exactly what are contemplated in the counter-cyclical and jointly financed approach we now have in the Medicaid program. And, because demand for Medicaid peaks during economic downturns when state revenues fall, the likely impact of a block grant or defined cap is to make Medicaid even less affordable at the time it is most necessary.

The Medicaid program provides enormous flexibility to states. In fact, the Affordable Care Act provided additional flexibility in many areas, such as providing states with new options and incentives to provide more cost-effective Medicaid home and community-based services. Proposals to cap federal funding or block grant Medicaid would simply exacerbate, not improve, our long-term budget challenges.

While the economic situation demands leadership and thoughtful action, taking health care away from millions of America's children, seniors and people with disabilities is the wrong response morally and fiscally. Any changes to Medicaid must recognize the unique populations enrolled in Medicaid and the essential roles Medicaid plays in providing health and long-term services for millions of Americans with disabilities across the lifespan.

CCD will continue to work to ensure that any modifications to the program are in the best interests of children and adults served by Medicaid – which in the long run are in the best interests of our nation. We look forward to working with you to improve the Medicaid program. If you have any questions, please feel free to contact Theresa Morgan, CCD State Medicaid Committee co-chair, at Theresa.Morgan@ppsv.com or 202.349.4243. Thank you for your consideration of our views.

Sincerely,

ACCSES

Alexander Graham Bell Association for the Deaf and Hard of Hearing
American Association of People with Disabilities
American Association on Health and Disability
American Association on Intellectual and Developmental Disabilities
American Council of the Blind
American Counseling Association
American Dance Therapy Association
American Medical Rehabilitation Providers Association
American Music Therapy Association
American Network of Community Options and Resources
American Physical Therapy Association
American Occupational Therapy Association
American Speech-Language-Hearing Association
Amputee Coalition of America
Association of Assistive Technology Act Programs
Association of Jewish Family & Children's Agencies
Association of University Centers on Disabilities
Autism National Committee
Autism Society
Autistic Self Advocacy Network

Bazelon Center for Mental Health Law
Brain Injury Association of America
Center for Medicare Advocacy
Community Access National Network
Conference of Educational Administrators of Schools and Programs for the Deaf
Corporation for Supportive Housing
Council for Exceptional Children
Council of Parent Attorneys and Advocates
Dialysis Patient Citizens
Disability Rights Education and Defense Fund
Division for Early Childhood of the Council for Exceptional Children
Easter Seals
Epilepsy Foundation
Family Voices
Health and Disability Advocates
Helen Keller National Center
IDEA Infant Toddler Coordinators Association
International Association of Business, Industry and Rehabilitation
The Jewish Federations of North America
Learning Disabilities Association of America
Mental Health America
National Alliance for Caregiving
National Alliance on Mental Illness
National Association of Councils on Developmental Disabilities
National Association of County Behavioral Health and Developmental Disability Directors
National Association of Social Workers
National Association of School Psychologists
National Association of State Directors of Special Education
National Association of State Head Injury Administrators
National Coalition on Deafblindness
National Council for Community Behavioral Healthcare
National Council on Aging
National Down Syndrome Congress
National Multiple Sclerosis Society
National Organization of Social Security Claimants' Representatives
National Respite Coalition
Paralyzed Veterans of America
National Alliance on Mental Illness
National Association of School Psychologists
National Disability Rights Network
National Rehabilitation Association
NISH
School Social Work Association of America
TASH
The Arc of the United States
Union for Reform Judaism
United Cerebral Palsy
United Spinal Association

Vietnam Veterans of America
World Institute on Disability