

BACKGROUND

Medicaid: Medicaid is the nation's primary health insurance program for people with significant disabilities and low-income populations. The program currently covers over 10 million non-elderly people with disabilities.

Medicaid is a jointly funded program with matching state and federal funds. Under the current structure, the federal government has a commitment to help states cover costs, and in turn, states are required to provide specific benefits to certain groups of people—including individuals with disabilities. Within the basic requirements of the program, states have substantial flexibility to administer the program and to add services and additional beneficiary categories.

Long Term Supports and Services: The federal/state Medicaid program is the major—sometimes the only—source of funding for long term supports and services (LTSS) that many people with intellectual and developmental disabilities (I/DD) rely on to live in the community. This effective and cost-efficient program allows people with I/DD to live and work among their neighbors. Many states, however, have long waiting lists for participation in such Medicaid-funded community-based supports and services. The Affordable Care Act (ACA) included important provisions designed to assist states to rebalance their long term supports systems and invest in the community instead of costly and outdated institutions. These include extending the Money Follows the Person Program (MFP), adding the Community First Choice Option (CFC) (Sec. 1915 (k)), and improvements to the State Plan Home and Community-Based Services Option (Sec.1915(i)). Unfortunately, MFP expired September 30, 2016, and must be reauthorized.

Access to Health Care: The ACA made significant progress in expanding access to health care. The ACA establishes strong non-discrimination provisions and health insurance improvements such as ensuring that people with pre-existing conditions can gain health insurance coverage and coverage of specific benefits needed because of the condition. The law prevents insurers from charging people with disabilities and health conditions significantly more for health insurance. These improvements and the Medicaid expansion allowed approximately 20 million Americans, including many people with disabilities, to obtain coverage. People with disabilities and chronic conditions are able to obtain essential health benefits such as prescription drugs, physical or occupational therapy, wheelchairs, and other assistive devices that help people to live healthy and independent lives. To repeal the ACA would put consumers' health at risk.

KEY ISSUES

Medicaid Per Capita Caps: Under a Medicaid per capita cap, the federal government would set a limit on how much to reimburse states based on the number of people enrolled in the program. Unlike current law, it is expected that a per capita cap model would not adjust for changes in the costs of providing supports and services beyond the cost growth limit. To achieve federal savings, the per capita growth amounts would be set below current spending and the projected rates of growth. Per capita caps are a significant cost shift to states. To make up the lost federal funding, states will have to consider raising state taxes or reducing eligibility, limiting

services and supports, cutting reimbursements to providers, or taking other drastic steps. Ultimately the health and wellbeing of the individuals who need support from the Medicaid program are at risk.

Medicaid Block Grant: A block grant is a funding structure that provides states with a fixed amount of federal money to fund its Medicaid program. A block grant would effectively end the flexible state and federal partnership. States would be responsible for covering the costs beyond the federal allotment. Deep cuts in federal spending on Medicaid and block grants would be a cost shift to already cash-strapped states. The effect of a block grant is the same as a per capita cap proposal.

Medicaid Work Requirements: Several states are proposing work requirements for Medicaid beneficiaries that do not promote work but would result in significant barriers to eligibility. Work requirements are a punitive condition on eligibility that does not accommodate the needs of individual Medicaid beneficiaries—with and without disabilities—and provide few if any additional services or resources to create new job opportunities, improve access to affordable child care, or increase funding for job training, employer accommodations, or other employment supports. Congressional leaders have expressed interest in imposing the burdensome work requirements in the Medicaid program.

RECOMMENDATIONS

- Congress must understand that Medicaid is a necessity to people who have I/DD and their families and protect the individual entitlement to Medicaid.
- Congress must reauthorize Money Follows the Person (MFP).
- Congress should reject reductions or caps to the Medicaid program, and reject any effort to block grant Medicaid.
- Congress should not repeal the Affordable Care Act.
- Congress should not consider imposing work requirements in the Medicaid program.

RELEVANT COMMITTEES

House Energy and Commerce Committee

House Education and the Workforce Committee

Senate Finance Committee

Senate Health, Education, Labor and Pensions (HELP)

For more information, please contact The Arc at (202) 783-2229, Association of University Centers on Disabilities at (301) 588-8252, American Association on Intellectual and Developmental Disabilities at (202) 387-1968, National Association of Councils on Developmental Disabilities at (202) 506-5813, Self Advocates Becoming Empowered at SABEnation@gmail.com, or United Cerebral Palsy at (202) 973-7185.

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