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July 24, 2017

Dear Senator,

The Council for Exceptional Children (CEC) expresses serious concerns that the American Health Care Act (AHCA), as passed by the House of Representatives on May 4th, will jeopardize healthcare for the nation's most vulnerable children: children and youth with disabilities and those in poverty.

CEC remains concerned that restructuring Medicaid to a per capita cap system will undermine States' ability to provide America's neediest children access to vital healthcare necessary to ensure they are able to succeed in school, early intervention programs and beyond. Medicaid is a cost-effective and efficient provider of essential health care services for children. School-based and early intervention Medicaid programs in particular serve as a lifeline to children who can't access critical healthcare and services outside of their program. Under this bill, the bulk of the costs for health care coverage would be shifted to the States even though health needs and costs of care for children will remain the same or increase. States and local communities will have to compensate for this federal disinvestment in our children's healthcare. If they cannot adequately make up the difference in federal funding, providers will be forced to cut eligibility, services, and benefits for children and youth.

#### Schools and Early Intervention Programs Provide Critical Health Care for Children and Youth:

A primary responsibility of schools and early intervention programs is to provide children and youth with a high-quality education. Children cannot learn to their fullest potential with unmet health needs. As such, specialized instructional support personnel regularly provide critical health services to ensure all children are ready to learn and able to thrive alongside their peers. Schools deliver services effectively and efficiently since schools and early intervention programs are where children spend their days. Increasing access to healthcare services through Medicaid improves health care as well as educational outcomes for children and youth. Providing health and wellness services for children and youth in poverty and services that benefit children and youth with disabilities ultimately enables more children to become employable and attend higher education.

Programs would stand to lose much of their funding for Medicaid under the current proposal. Programs currently receive roughly \$4 billion in Medicaid reimbursements each year. Under the current proposal, States would no longer have to consider schools and early intervention programs as eligible Medicaid providers, leaving programs with the same obligation to provide services for children and youth with disabilities under the Individuals with Disabilities Education Act (IDEA), but no Medicaid dollars to provide medically-necessary services. Programs would be unable to provide EPSDT to children and youth. Instead, screenings and treatment currently provided in schools and early intervention settings would have to be delivered in physicians' offices, which may be less accessible for families or in hospital emergency rooms where costs are much higher. Basic health screenings for vision, hearing, and mental health would no longer be possible, making these issues more difficult to address and more expensive to treat. Moving health screenings out of programs also reduces access to early identification and treatment, resulting in more costly treatment down the road.

#### The Consequences of Medicaid Per Capita Caps Will Potentially Be Devastating for Children and Youth:



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- Significant reductions to Medicaid spending could have devastating effects on children and youth, especially those with disabilities. Due to the underfunding of IDEA, programs rely on Medicaid reimbursements to ensure children and youth with disabilities have access to the supports and services they need to access a free appropriate public education, as required by federal law. Potential consequences of this critical loss of funds include:
- Fewer health services: Providing comprehensive physical and mental health services in programs improve accessibility for many children and youth, particularly in high needs and hard to serve areas such as rural and urban communities. In a 2017 survey of school district leaders, half indicated they have recently taken steps to increase Medicaid enrollment in their districts. Reduced funding for Medicaid would result in decreased access to critical healthcare for many children and youth.
- Cuts to general education: Cuts in Medicaid funding would require districts to divert funds from other educational programs to provide the services as required under IDEA. These funding reductions could result in program eliminations in other areas of the education system.
- Job loss: Districts and early intervention programs use Medicaid reimbursement to support the salaries and benefits of the staff performing eligible services. Sixty-eight percent of districts use Medicaid funding to pay direct salaries for health professionals who provide services for children and youth. Cuts to Medicaid funding would impact program's ability to maintain employment for nurses, physical and occupational therapists, speech-language pathologists, social workers, psychologists, and many other critical personnel who ensure students with disabilities and other children and youth with a variety of educational needs are able to learn.
- Fewer critical supplies: Programs use Medicaid reimbursement for critical supplies such as wheelchairs, therapeutic bicycles, hydraulic changing tables, walkers, lifts, and student-specific items that are necessary for each child to access curriculum as closely as possible to their peers without a disability. Replacing this equipment would be difficult if not impossible without Medicaid reimbursement.
- Fewer mental health supports: Seven out of ten students receiving mental health services receive these services at schools and early intervention programs. Cuts to Medicaid would further marginalize these critical services and leave children and youth without access to care.
- Noncompliance with IDEA: Given the failure to commit federal resources to fully fund the IDEA, Medicaid reimbursement serves as a critical funding stream to help programs provide the specialized instructional supports children and youth with disabilities need to be educated with their peers.

As the Senate begins to consider alternatives to the policies set forth by the Patient Protection and Affordable Care Act, CEC urges you to carefully consider the important benefits that Medicaid, as it is currently structured, provides to our nation's most vulnerable children. Schools and early intervention programs are often the hub of the community, and converting Medicaid to a per capita cap system threatens to significantly reduce access to comprehensive physical, mental and behavioral health care for children and youth with disabilities and those living in poverty.

Sincerely,

A handwritten signature in cursive script that reads "Deborah A. Ziegler". The signature is written in black ink on a light-colored background.

Deborah A. Ziegler  
Director, Policy and Advocacy  
Council for Exceptional Children