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September 19, 2017

Subject: Protect Medicaid and vote no on Graham-Cassidy bill

Dear Senator:

The Council for Exceptional Children (CEC) is concerned that the Graham-Cassidy bill jeopardizes healthcare for the nation's most vulnerable children: children and youth with disabilities and those in poverty. Specifically, Graham-Cassidy reneges on Medicaid's 50+ year commitment to provide America's children with access to vital healthcare services that ensure they have adequate developmental and educational opportunities and can contribute to society by imposing a per-capita cap and shifting current and future costs to taxpayers in every state and Congressional district. While children currently comprise almost half of all Medicaid beneficiaries, less than one in five dollars is spent by Medicaid on children. Accordingly, a per-capita cap, even one that is based on different groups of beneficiaries, will disproportionately harm children's access to care, including services received at school and early intervention programs. **Considering these unintended consequences, CEC urges a 'no' vote on Graham-Cassidy.**

Medicaid is a cost-effective and efficient provider of essential health care services for children. School-based and early intervention Medicaid programs serve as a lifeline to children who can't access critical health care and health services outside of their school or early intervention program. Under this bill, the bulk of the mandated costs of providing 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. Like the Better Care Reconciliation Act, which is incorporated into Graham-Cassidy it is projected that the Medicaid funding shortfall in support of these mandated services will increase, placing states at greater risk year after year. The federal disinvestment in Medicaid imposed by Graham-Cassidy will force States and local communities to increase taxes and reduce or eliminate various programs and services, including other non-Medicaid services. The unintended consequences of Graham-Cassidy will force states to cut eligibility, services, and benefits for children.

The projected loss of hundreds of billions in federal Medicaid dollars will compel States to ration health care for children. Under the per-capita caps included in Graham-Cassidy, health care will be rationed and schools and early intervention programs will be forced to compete with other critical health care providers—hospitals, physicians, and clinics—that serve Medicaid-eligible children. School and early intervention based health services are mandated on the States and those mandates do not cease simply because Medicaid funds are capped by Graham-Cassidy. As with many other unfunded mandates, capping Medicaid merely shifts the financial burden of providing services to the States.

Medicaid Enables Schools to Provide Critical Health Care for Children and Youth

A school's primary responsibility is to provide students with a high-quality education. However, children cannot learn to their fullest potential with unmet health needs. As such,

school district personnel regularly provide critical health services to ensure that all children are ready to learn and able to thrive alongside their peers. Schools deliver health services effectively and efficiently since school is where children spend most of their days. Increasing access to health care services through Medicaid improves health care and educational outcomes for students. Providing health and wellness services for students in poverty and services that benefit students with disabilities ultimately enables more children to become employable and attend higher-education.

Since 1988, Medicaid has permitted payment to schools and early intervention programs for certain medically-necessary services provided to children under the Individuals with Disabilities Education Act (IDEA) through an individualized education program (IEP) or individualized family service program (IFSP). Programs are thus eligible to be reimbursed for direct medical services to Medicaid-eligible children with an IEP or IFSP. In addition, programs can receive Medicaid reimbursements for providing Early Periodic Screening Diagnostic and Treatment Benefits (EPSDT), which provide Medicaid-eligible children under age 21 with a broad array of diagnosis and treatment services. The goal of EPSDT is to assure that health problems are diagnosed and treated as early as possible before the problems become complex and treatment is more expensive.

School districts use their Medicaid reimbursement funds in a variety of ways to help support the learning and development of the children they serve. In a 2017 survey of school districts, district officials reported that two-thirds of Medicaid dollars are used to support the work of health professionals and other specialized instructional support personnel (e.g., speech-language pathologists, audiologists, occupational therapists, school psychologists, school social workers, and school nurses) who provide comprehensive health and mental health services to students. Districts also use these funds to expand the availability of a wide range of health and mental health services available to students in poverty, who are more likely to lack consistent access to healthcare professionals. Further, some districts depend on Medicaid reimbursements to purchase and update specialized equipment (e.g., walkers, wheelchairs, exercise equipment, special playground equipment, and equipment to assist with hearing and seeing) as well as assistive technology for students with disabilities to help them learn alongside their peers.

School districts and early intervention programs would stand to lose much of their funding for Medicaid under the Graham-Cassidy. Programs currently receive roughly \$4 billion in Medicaid reimbursements each year. Yet under this proposal, states would no longer have to consider schools as eligible Medicaid providers, which would mean that districts would have the same obligation to provide services for students with disabilities under IDEA, but no Medicaid dollars to provide medically-necessary services. Schools would be unable to provide EPSDT to students, which would mean screenings and treatment that take place in school settings would have to be moved to physician offices or hospital emergency rooms, where some families may not visit regularly or where costs are much higher.

In addition, basic health screenings for vision, hearing, and mental health problems for children would no longer be possible, making these problems more difficult to address and expensive to treat. Moving health screenings out of schools and early intervention programs also reduces access to early identification and treatment, which also leads to more costly

treatment down the road. Efforts by schools and early intervention programs to enroll eligible children in Medicaid, as required, would also decline.

The Consequences of Medicaid Per Capita Caps Will Potentially Be Devastating for Children

Significant reductions to Medicaid spending could have devastating effects on our nation's children, especially those with disabilities. Due to the underfunding of IDEA, districts rely on Medicaid reimbursements to ensure students with disabilities have access to the supports and services they need to access a Free and Appropriate Public Education (FAPE) and Early Intervention services. Potential consequences of this critical loss of funds include:

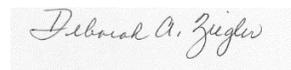
- **Fewer health services:** Providing comprehensive physical and mental health services in schools and early intervention programs improves accessibility for many children and youth, particularly in high-needs and hard-to-serve areas, such as rural and urban communities. In a 2017 survey of school district leaders, half of them indicated they recently took steps to increase Medicaid enrollment in their districts. Reduced funding for Medicaid would result in decreased access to critical health care for many children.
- **Cuts to general education:** Cuts in Medicaid funding would require districts to divert funds from other educational programs to provide the services as mandated under IDEA. These funding reductions could result in an elimination of program cuts of equivalent cost in "non-mandated" areas of regular education.
- **Higher taxes:** Many districts and early intervention programs rely on Medicaid reimbursements to cover personnel costs for their special education and early intervention programs. A loss in Medicaid dollars could lead to deficits in programs that require increases in property taxes or new levies to cover the costs of the programs.
- **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 for direct salaries for health professionals who provide services for students. Cuts to Medicaid funding would impact districts' ability to maintain employment for school nurses, physical and occupational therapists, speech-language pathologists, school social workers, school psychologists, and many other critical school personnel who ensure students with disabilities and those with a variety of educational needs are able to learn.
- **Fewer critical supplies:** Districts and early intervention programs use Medicaid reimbursement for critical supplies such as wheelchairs, therapeutic bicycles, hydraulic changing tables, walkers, weighted vests, lifts, and student-specific items that are necessary for each child to access curriculum as closely as possible to their non-disabled peers. Replacing this equipment would be difficult if not impossible without Medicaid reimbursements.

- Fewer mental health supports: Seven out of ten students receiving mental health services receive these services at school. Cuts to Medicaid would further marginalize these critical services and leave students without access to care.

CEC urges you to carefully consider the important benefits that Medicaid provides to our nation's most vulnerable children. Schools and early intervention programs are often the hub of the community, and converting Medicaid's financing structure to per-capita caps threatens to significantly reduce access to comprehensive health and mental and behavioral health care for children with disabilities and those living in poverty. CEC looks forward to working with you to avert the harmful and unnecessary impacts Graham-Cassidy would impose on Medicaid, which has proven to benefit children in a highly effective and cost-effective manner.

If you have questions about the letter or wish to meet to discuss this issue further, please do not hesitate to reach out to me at debz@cec.sped.org.

Sincerely,

A rectangular box containing a handwritten signature in cursive script that reads "Deborah A. Ziegler".

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