

# JEWISH DISABILITY ADVOCACY DAY

ON CAPITOL HILL, WASHINGTON DC SPONSORED BY THE JEWISH DISABILITY NETWORK



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## Congress: Don't jeopardize access to critical services for millions of vulnerable Americans with disabilities

### Oppose legislation that would transform Medicaid into a block grant or cap the program's federal share of funding

**Medicaid extends opportunity and healthy living to millions of Americans with disabilities across the country.**

**Background:** Medicaid is the joint federal/state program that pays for health care and long-term care services for more than 70 million people, including 10 million Americans with disabilities (about 15% of the total Medicaid population). Medicaid is a vital program for people with disabilities, paying for services and support that allow people with disabilities to live and work in their communities.

**In 2017, Congress considered three major bills to fundamentally restructure Medicaid by limiting federal Medicaid funding through block grants or per capita caps.** The non-partisan Congressional Budget Office (CBO) estimated that the Better Care Reconciliation Act, considered by the U.S. Senate in 2017, would have cut Medicaid by 35% over 30 years in part by allowing these types of caps to the federal share of Medicaid.

**Block grants** provide a set amount of federal Medicaid funding for states, are not adjusted for the number of enrollees, and may or may not be adjusted for inflation over time. **Per capita caps** provide states a set amount of federal funding adjusted by the number of Medicaid enrollees, but still could be set at an insufficient level per enrollee. **Block granting or capping federal Medicaid funds would result in the denial of health and long-term care to millions of vulnerable Americans with disabilities.**

#### Consequences to Medicaid Recipients with Disabilities and their Families:

- Under a block grant or per capita cap, states would have no choice but to sharply restrict enrollment, eligibility, and benefits for populations they currently serve, including people with disabilities. As a result, **people with disabilities would be turned away from vital services and individuals who now qualify for Medicaid could end up uninsured.**
- A sharp decrease in federal Medicaid spending under a block grant or per capita cap could lead to **cuts in crucial services for people with disabilities**, such as home and community-based services (HCBS). HCBS include assistance with daily living, employment supports like job coaching, housing, nursing, and transportation, services that allow people with disabilities to live and work in their communities instead of being confined to institutions. Because HCBS are optional under Medicaid, states facing tighter budgets due to large decreases in federal Medicaid spending would be forced to reduce or eliminate these critical services. Cutting HCBS would undermine years of progress in caring for individuals with disabilities in less expensive and less restrictive settings. It would make individuals with disabilities more dependent on the unpaid support of already strained family caregivers, lead to increases in unnecessary and expensive

institutionalizations, and undermine longstanding bipartisan efforts to expand employment opportunities for people with disabilities while growing the tax base.

- Similarly, **people with disabilities depend greatly on Medicaid coverage for habilitation services**, such as physical therapy, occupational therapy, personal care services, speech/language/hearing therapy, transportation, and targeted case management. Habilitation services help people with disabilities lead healthier, more independent, and more productive lives. Because these services are optional in Medicaid, they would likely be among the first benefits to be cut due to a block grant or per capita.

#### **Consequences to States and State Economies:**

- **A block grant or per capita cap, which eliminates the federal guarantee to match states' Medicaid costs, would result in substantially less federal Medicaid funding for states.** Costs and liabilities would shift to the states, forcing states either to make up the difference with their own funds or cut their programs.
- Medicaid often pays providers inadequate rates for services. A block grant or per capita cap would further reduce **Medicaid provider payments** as inflationary adjustments for Medicaid would be far below the national level of health care inflation.
- **People with disabilities benefit greatly from new and improved therapies** – like Applied Behavioral Analysis for autism or new prescription drugs -- but these are often more expensive than older treatments. Capped federal funding, however, would not adjust to match these increases in health care costs. States would be left with the choice to make up the difference entirely at their own expense or exclude newer therapies. If states ban newer and more expensive therapies from coverage, this would further limit the healthy living, independence, and productivity of people with disabilities.
- **Reduced federal Medicaid funding would result in significant job losses among health care, long-term care, and social service workers.** Among providers that support people with disabilities, many heavily depend on Medicaid to serve their clients, and have reported that they would have to close or lay off a significant number of staff if federal Medicaid funding is cut substantially. **This outcome would leave many more individuals unemployed and requesting government assistance.** Fewer providers also would mean reduced access to services, which would be particularly problematic for people with disabilities who require more services with greater frequency over a longer period of time than others.

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