



# **Threats to Medicaid and Healthcare Protections: How People with Disabilities Could Be Impacted and What You Can Do**

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# What Is Medicaid?

- The **primary health insurance program for people with disabilities**, older Americans, and low-income populations.
  - Covers more than 10 million non-elderly people with disabilities.
- Provides a wide range of **services that people with disabilities need to live and thrive in the community**
  - Residential supports, employment supports, rehabilitative and habilitative services, medical and nursing services, durable medication equipment, assistive tech., personal care services, etc.
  - In Georgia, this includes COMP, NOW, SOURCE, ICWP, CCSP, GAPP and EPSDT services

# What Is Medicaid (cont'd)?

- People with disabilities make up 21% of the Medicaid population nationally but account for 48% of the total Medicaid costs (in part due to need for long term services and supports)
  - **This means that cuts to Medicaid disproportionately hurt people with disabilities**
- Currently, the federal and state government share the cost of all services
  - For Medicaid services provided to Georgians, the federal government pays 68.5% and the state only pays 31.5%

# **Threats to Medicaid in the ACA Repeal**

# ACA Repeal: The American Health Care Act

- American Health Care Act introduced on March 13 and is moving on a fast track through “budget reconciliation”
- Repeals much of the ACA, including parts impacting PWD:
  - Eliminates Medicaid expansion (about 1/3 are PWD)
  - Eliminates the essential health benefits requirements for Medicaid expansion & exchange plans (including “habilitative” services for people with IDD)
  - Eliminates 6% enhanced federal match for Community First Choice Option (community attendant care)
  - Replaces subsidies with tax credits
  - Eliminates most revenue sources for the ACA (individual mandate, taxes, etc)

# ACA Repeal: The American Health Care Act

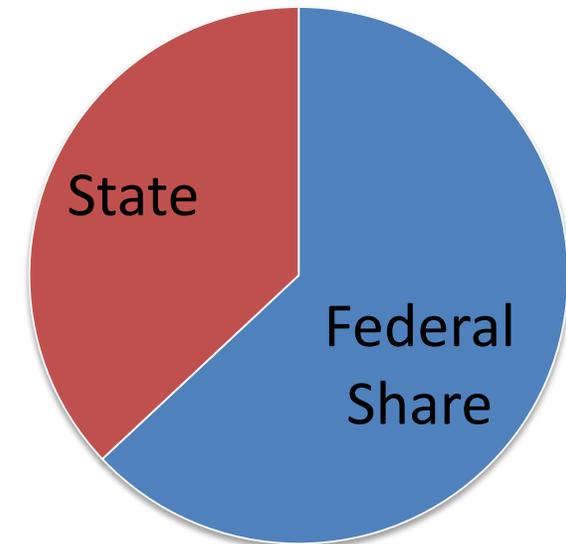
- AHCA must reduce federal spending per budget reconciliation rules.
  - Question: With repeal of the revenue provision of the ACA, how will the replacement be paid for????
  - **Answer: Medicaid cuts!!!**
- AHCA proposes to completely restructure and significantly reduce federal spending on the Medicaid program through **“per capita caps”**

# **THREATS TO MEDICAID: FUNDING CAPS**

# Medicaid's Current Structure

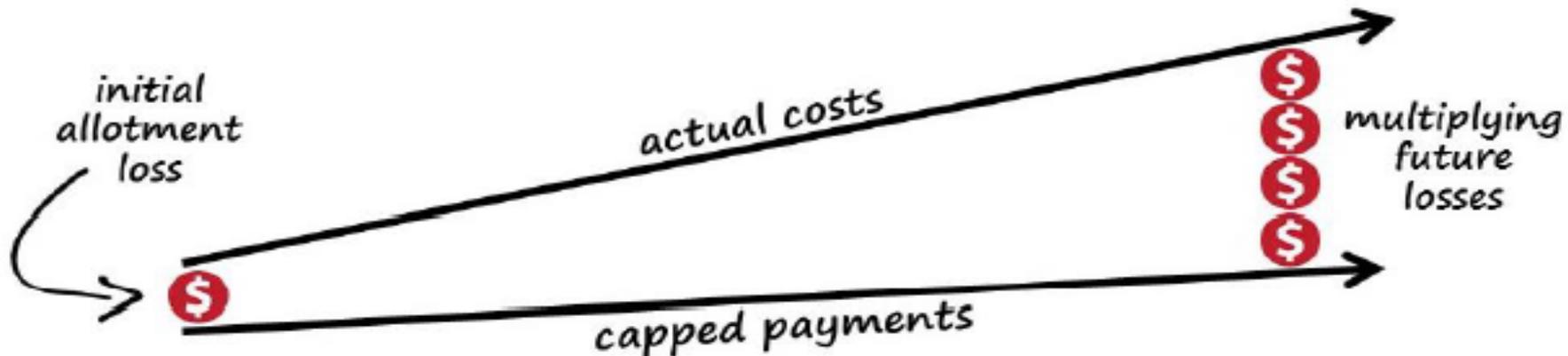
- Federal government and states share actual costs of coverage
- Feds pay on average 63%
- Different matching rates by state (50 to 75%) – Georgia is 68.5%
- Some services or populations incentivized with higher match
  - Ex: Community First Choice Option that some states are using in their IDD systems gives an extra 6% match; Money Follows the Person 100% of costs covered for 1<sup>st</sup> year someone moves from an institution to the community

Actual Costs



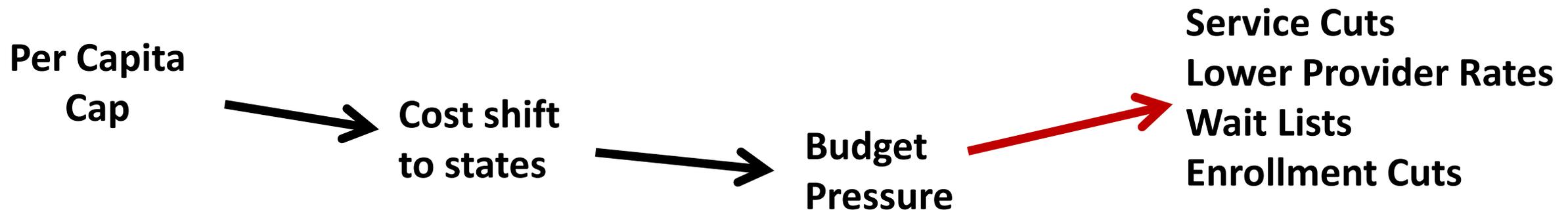
# Funding Caps: Block Grant

- Provide states with a **set amount of federal money** instead of the federal government paying a share of all a state's actual costs
- **Massive cost shift to the states**
- Eliminates current Medicaid protections & likely lead to eligibility and service cuts and waitlists
- Early House conversations focused on a block grant



# Funding Caps: Per Capita Caps (PCCs)

- Federal gov't pays a **set amount per Medicaid enrollee** instead of paying for state's actual service costs Same basic problem with starting rate and with annual growth
- Unlike block grant, it accounts for changes in enrollment
- Does not account for new technologies, aging population, changing health needs, etc.

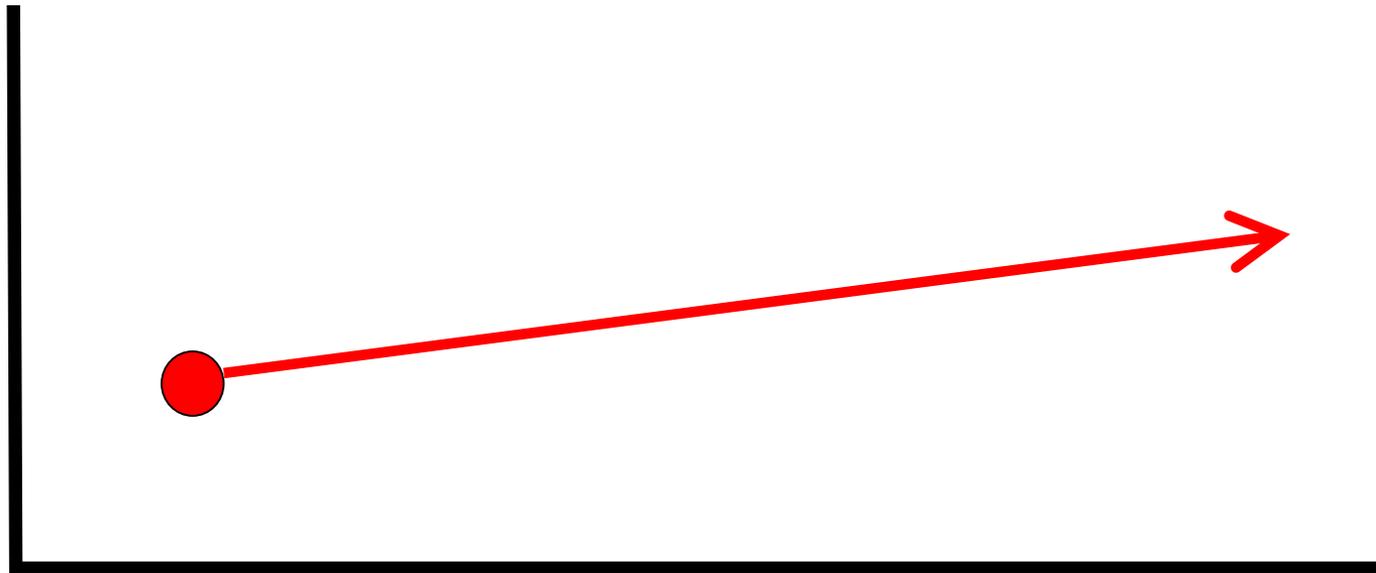


# Current financing v. block grants & per capita caps (in theory)\*

If your state wants to . . .	Do you get more federal \$?		
	Current Structure	Block Grant	Per Capita Cap
add more enrollees	✓	✗	✓
add more services	✓	✗	✗
cover new Rx	✓	✗	✗
increase provider reimbursement	✓	✗	✗

# Designing a PCC

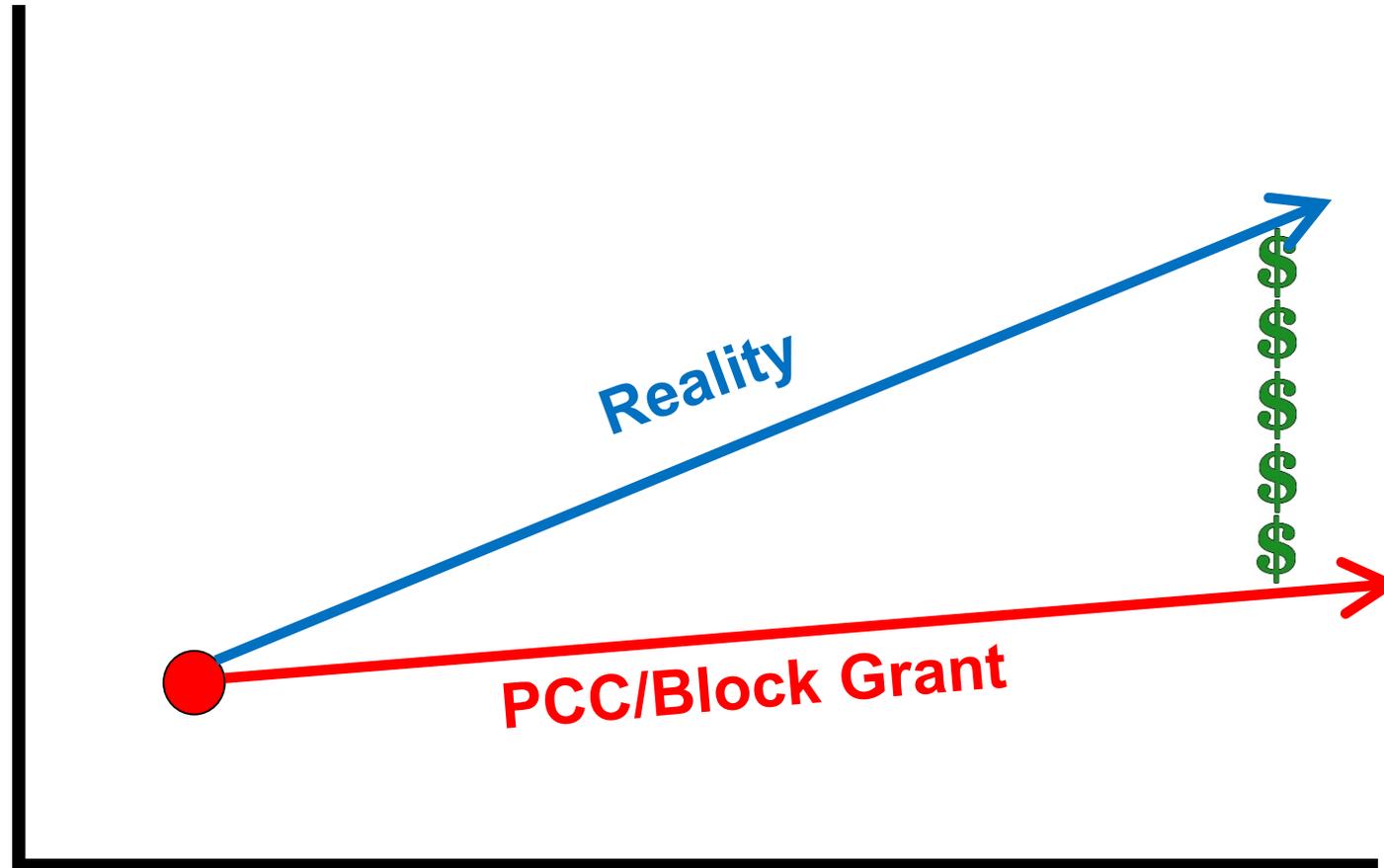
- First, a base year spending level is set
- Second, an index is used to set the yearly growth rate for the base spending level



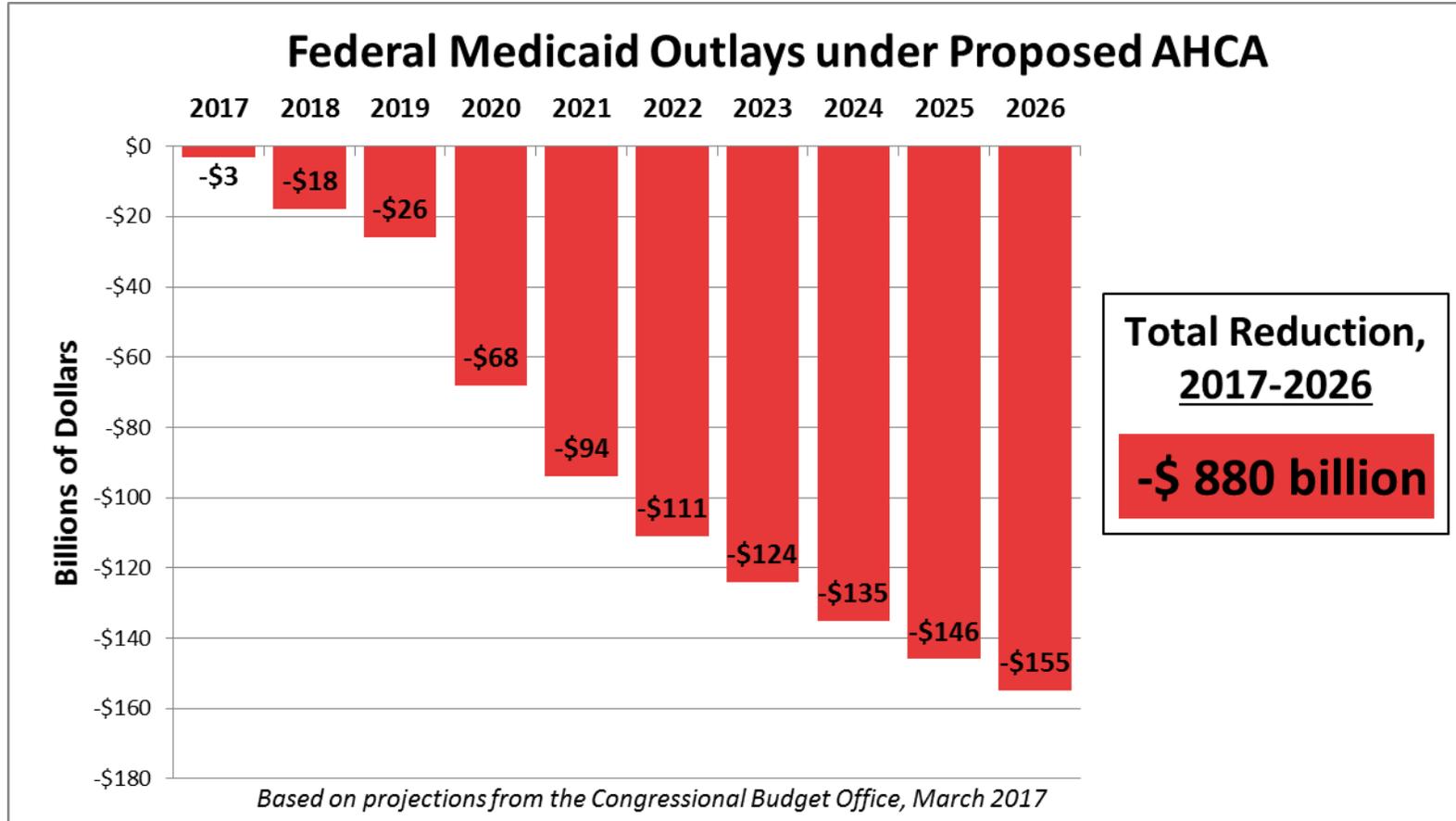
# Per capita caps: Growth Index

- AHCA, like prior proposals, use a growth index based on objective factors (such as CPI) **that increase much more slowly than Medicaid spending**
- AHCA has proposed using a medical CPI
  - Earlier leaked House draft has a worse “chained CPI”
  - Depending on the CBO for the bill, the growth index could get worse
- Ultimately they make the federal funding gap *grow* every year
- This means that states budget shortfalls in their Medicaid programs increase each year.

# From bad to worse



# Congressional Budget Office Estimate: \$880 billion cut in federal Medicaid spending



# Impact of Budget Shortfalls on People with IDD

- As state Medicaid budget shortfalls grow, states may:
  - **Cut services** (particularly “optional” services like waivers)
  - **Totally eliminate optional services** (again like waivers)
  - **Increase waitlists for services** (GA already has almost 9,000 people in its waitlists)
  - **Decrease provider rates** (GA already has a problem with low rates to serve people with complex needs)
- States like GA that spend less per capita on Medicaid (7<sup>th</sup> lowest spending in US) will be particularly harmed
  - PCCs based on states’ 2016 spending

# Funding Caps Likely to Stifle State Flexibility

- **Medicaid already give states flexibility in program design:**
  - Range of optional services, including Home and Community Based Service (HCBS) options
  - Range of optional eligibility groups and income limits
    - 1915(k) Community First Choice (states get a 6% enhanced federal match)
  - Managed care authorities and 1115 demonstrations
- **Innovation often requires up front investments in system change**
  - Expanding HCBS, improving access to behavioral health treatments
- Investment unlikely with less money due to caps

# GETTING INVOLVED

# What Can You Do?

- **Educate your representatives in Congress** about the importance of Medicaid for people with disabilities, its current flexibilities, and your concerns about the impact of cuts to federal Medicaid spending through PCCs
  - Go in person to local offices (mid-April recess especially), call or write
- **Educate your governor & state legislature** about how PCCs would hurt your state's budget and shift costs to your state
- The Consortium of Citizens with Disabilities (NACDD is a member) is creating fact sheets and alerts for the disability community, as are other IDD groups like the Arc of the United States

# Tell Your Story

- **Personal stories are the most effective advocacy.** Talk about why is Medicaid important to you.
  - What was your and/or your family member's lives like before receiving Medicaid services?
  - If you or a family member are on Medicaid (including a waiver), what are the most important services to you? What difference has that made in yours and/or your family member's lives?
    - Access to critical healthcare or therapies
    - Ability to receive in-home supports, residential supports or live independently
    - Ability to work or go to a day program (so your family can work)
  - Are you or a family member on a waitlist for Medicaid services? How would getting services make a difference in your lives?

# Other Opportunities

- Build state level advocacy coalitions
  - Cross-disability and aging advocates should work together closely
- Connect with national efforts
  - CCD, the Arc of the United States, Protect Our Care Coalition
  - All are sending out information and updates, collecting stories, etc
- Engage the media
  - Write an op-ed
  - Post on social media

# Resources to Keep Informed and Help You Advocate

- Consortium for Citizens with Disabilities: [www.c-c-d.org](http://www.c-c-d.org)
- The Arc: <http://www.thearc.org/what-we-do/public-policy>  
(Lifeline Toolkit)
- National Health Law Program: <http://www.healthlaw.org/>
- Center on Budget and Policy Priorities: <http://www.cbpp.org/>
- Protect Our Care Coalition:  
<http://familiesusa.org/initiatives/protect-our-care>

**QUESTIONS?**