

GOP Health Bill's Medicaid Cuts Threaten Care for People with Disabilities



The House-passed American Health Care Act (AHCA) would threaten Medicaid coverage and access to care for millions of people with disabilities and their families. It would radically restructure federal Medicaid financing and effectively end the Affordable Care Act's (ACA) Medicaid expansion, reducing enrollment by 14 million people by 2026 and cutting federal spending by \$834 billion over ten years.

Of the 70 million people who rely on Medicaid, about 10 million have disabilities. Medicaid provides supports that help people with disabilities remain independent in their homes and communities. Many of them would have to get care in an institution without the home- and community-based services they receive through Medicaid. States would likely scale back or eliminate these services, which federal law doesn't require them to cover, to cope with the increasing loss of federal funding over time under the House bill.

Medicaid Provides Crucial Services for People with Disabilities and Their Families

Over 22 million adults under age 65 — more than 1 in 10 — have a disability. About 10 million of them rely on the medical and long-term care services that Medicaid provides.

- **Medicaid is the primary payer for essential long-term services and supports** that help people with disabilities stay independent in their homes. Many of these services are unavailable through private insurance and are too costly for all but the wealthiest people to fund out of pocket, such as personal and attendant care services. Medicaid also covers wheelchairs, lifts, and even supportive housing services.¹
- **Medicaid can also help people with disabilities find and hold jobs.** A number of states provide supportive employment programs that offer services such as skills assessments, job search, job development and placement, and job training to help people with disabilities join the workforce.

Capping Medicaid Funding Would Jeopardize Coverage for People with Disabilities

The House bill would impose a rigid, arbitrary cap on federal funding for state Medicaid programs.

- **The cap would require states to make tough choices,** which could put services for people with disabilities on the chopping block. Federal funding would grow more slowly over time than states' projected Medicaid costs, leaving states with much less funding than they would get under current law. Faced with growing shortfalls in federal funds, states would have to make deep cuts. This could jeopardize the services that people with disabilities rely on for care and independence.
- **States are not required to provide many of the services that people with disabilities count on,** making these services especially vulnerable to cuts. In 2013, Medicaid spent more than \$83 billion on "optional" services for people with disabilities, including home- and community-based services such as case management, home health aides, personal care services, and respite care.² Other "optional" programs that help people stay independent in their homes, such as Community First Choice, Money Follows the Person, and Medicaid "buy-in" programs would also be at risk of deep cuts.
- **Medicaid cuts would threaten key resources for students with disabilities.** Many children with disabilities rely on individualized education plans (IEPs) detailing the education and related services they need. IEPs often include services that Medicaid covers for children, such as physical and speech therapy. Schools' ability to leverage Medicaid funding enables them to meet their requirements under the Individuals with Disabilities Education Act and provide the range of services needed to educate students with disabilities.

When a Crisis Occurs, Cuts Could Be Even Deeper

Capping federal Medicaid funding would leave states responsible for 100 percent of costs above their arbitrary cap. This includes higher costs stemming from new medical treatments that improve health but raise costs, public health emergencies (like the current opioid crisis), or changing demographics (like the growing share of seniors who are over 85 and thus have higher health costs).

- **As new treatments emerge, states would have to choose between not offering them and cutting elsewhere.** Unlike today, the federal government wouldn't provide additional funding when the cost of care increases. This would put states in the impossible position of choosing which treatments they could afford to provide.
- **Similarly, if the demand for treatment rose, states would have to cover the entire cost on their own.** Instead of investing in innovative ways to improve care, many states would have to ration care as need increased, or cut Medicaid coverage for other groups.

Ending the Medicaid Expansion Would Put People with Disabilities at Risk of Losing Coverage

The ACA's Medicaid expansion covers 11 million people. Many of them struggle with a chronic illness or a disability (such as a mental health condition) that wouldn't, by itself, qualify them for Medicaid. Only 36 percent of non-elderly Medicaid beneficiaries with disabilities receive Supplemental Security Income, which allows them to enroll in Medicaid even without the expansion. While others may be eligible for Medicaid based on other criteria, many could lose Medicaid coverage under the House bill and wind up uninsured.

Key Advocates for People with Disabilities and Their Caregivers Oppose the House Bill

- **The Consortium for Citizens with Disabilities:** "It is simply unconscionable to use the Medicaid program to pay for the repeal of the ACA, the repeal of corporate and provider taxes, and to provide new tax benefits for individuals. Medicaid provides services and supports that maintain the health, function, independence, and well-being of 10 million enrollees living with disabilities."
- **The Arc:** "The bottom line is that under this legislation, Medicaid will be decimated. People will lose vital benefits and services that support their basic human right to a life in the community. It will turn back the clock on the progress we have made as a society over the last 65 years. It's morally reprehensible, and our nation cannot let this happen."
- **Easterseals:** "People with disabilities rely on Medicaid-funded services such as attendant care, adult day and home health services to remain in their homes and communities and live productive lives. Thousands of individuals with disabilities across the country are on wait lists to receive these critical Medicaid waiver services. Restricting Medicaid resources by capping the federal amount available to states and including further reductions based on aggregate Medicaid expenditures will further limit access to services."
- **The National Disability Rights Network:** "The National Disability Rights Network urges the House not to send people with disabilities back to a time when it was nearly impossible for us to obtain health insurance, live in the home of our choice or participate in community life. We will never go back to those days. Never."

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¹ MaryBeth Musumeci and Julia Foutz, "Medicaid Restructuring Under the American Health Care Act and Nonelderly Adults with Disabilities," Kaiser Family Foundation, March 2017, <http://kff.org/medicaid/issue-brief/medicaid-restructuring-under-the-american-health-care-act-and-nonelderly-adults-with-disabilities/>.

² Medicaid and CHIP Payment and Access Commission, "Analysis of Mandatory and Optional Populations and Benefits," April 21, 2017, <https://www.macpac.gov/wp-content/uploads/2017/04/Review-of-June-Report-Chapter-Analysis-of-Mandatory-and-Optional-Populations-and-Benefits.pdf>.