

Medicaid – A Lifeline for People with Disabilities

Medicaid is the nation's primary health insurance program for persons with disabilities and low-income populations. The program currently covers 8 million non-elderly people with disabilities.

Medicaid is a lifeline for most people with significant disabilities who generally do not have access to employer-based or other private coverage, have greater medical needs, and often require assistance with activities of daily living throughout their lifetimes. Nationwide, state and federal Medicaid together provide over 75% of the funding for services for people with intellectual and developmental disabilities (I/DD).

Medicaid's most critical services are:

- **Acute care** - including hospital care, physician services, and laboratory and x-ray services. These acute care services are mandatory which means they must be provided to everyone who is eligible and needs them. States also have the option to offer prescription drugs, dental, physical therapy, speech therapy, prosthetic devices and other services.
- **Long term services and supports** - including help getting dressed, taking medication, preparing meals, and getting in and out of bed. States are required to provide these services in nursing homes for people who need that level of care and they have the option of providing these services in home and community based settings (referred to as home and community based services (HCBS)).

Medicaid is efficient and cost effective. After controlling for health status (since Medicaid enrollees tend to have greater health care needs), it costs 20 percent more to cover people in private insurance than in Medicaid.ⁱ

What is at Stake for People with Intellectual and Developmental Disabilities?

While there is no way to be certain about what states would do if faced with block grants and reduced federal funds, we know there will be real life consequences for people with I/DD, such as:

- Losing home and community-based services and supports. Waiting lists would quickly grow and it could create a crisis for the over 730,000 people with I/DD living with aging caregivers.
- Losing other critical services such as personal care, prescription drugs, and rehabilitative services. If funds become scarcer, states may decide to stop providing these services altogether.
- Being forced into unnecessary institutionalization. States could return to the days of “warehousing” people with disabilities in institutions. Federal quality standards would be diminished or eliminated and states might once again see this as an acceptable option.

- Shifting the costs to individuals or family members to make up for the federal cuts. The costs of providing health care and long term services and supports will not go away, but will be shifted to individuals, parents, states, and providers.
- Losing the entitlement to Medicaid. Currently if a person meets the eligibility requirements (generally poverty, age and/or disability), he or she is entitled to the services available under the state Medicaid program. People could lose all access to health care services.

What are The Arc's Views on Deficit Reduction?

- The budget cannot be balanced on the backs of people with disabilities including I/DD.
- The budget cannot be balanced through spending cuts alone. Raising revenues must be part of the solution.
- Deep cuts in Medicaid cannot be tolerated.
- Medicaid and other low income programs must be protected.
- Corporations and wealthy Americans must pay their fair share.

What Changes to Medicaid and Health Care Does The Arc Support?

The Arc supports changing the institutional bias in Medicaid. The Arc believes that Medicaid could be more cost-effective if home and community based services and supports were the basis of the program and institutional services were the exception. Toward that end, The Arc supports:

- Fully implementing the Community First Choice Option and the improved Section 1915 (i) state plan option.
- Taking greater advantage of the "Money Follows the Person" demonstration grants to move eligible Medicaid beneficiaries from institutions to community-based settings.
- Improving and fully implementing the Community Living Assistance Services and Supports (CLASS) program.

The Arc Opposes Changes to the Medicaid Program that Would Reduce Eligibility and Benefits for People with Intellectual and Developmental Disabilities

The Arc is gravely concerned about proposals that the Joint Select Committee on Deficit Reduction may be considering in its deliberations:

- block granting the Medicaid program.
- repealing the Medicaid Maintenance of Effort provisions of the Affordable Care Act.
- requiring mandatory managed care for all beneficiaries.
- imposing beneficiary caps.

These proposals would simply shift costs to states, individuals with disabilities, and/or their families, which none can afford. This will devastate Medicaid and put the health and safety of people with intellectual and developmental disabilities at risk.

¹ Families USA (2009). Covering the Uninsured in Medicaid. <http://www.familiesusa.org/assets/pdfs/health-reform/covering-uninsured-in-medicaid.pdf>