July 21, 2017

Dear Senators,

I am writing to express the strong opposition of The Arc of the United States (The Arc) to proposals to reduce access to health care and to long term supports and services, included in the “Better Care Reconciliation Act of 2017” (BCRA) discussion draft released on July 20.

The Arc is the largest national community-based organization advocating for and serving people with intellectual and developmental disabilities and their families. We have more than 650 state and local chapters across the United States.

The Arc is concerned that the recent CBO analysis of the cost of the bill and the impact on health care coverage found that at least 22 million fewer individuals would have health care coverage by 2026. CBO also found that the Senate bill cuts Medicaid by $756 billion over the next 10 years, but the most severe cuts do not begin to take effect until 2025. Starting in 2025, the cuts are billions more than the cuts in the House bill and would increase significantly over time. CBO found that, compared to current law, Medicaid would decrease by 35% in 2036.

We understand that the Senate may consider adding an additional $200 billion in non Medicaid funding to help offset the deep cuts in Medicaid funding. This is inadequate to make up the difference in the cuts and the restructuring of Medicaid. It does not come close to repairing the damage done to the program by divorcing the federal contribution from the actual costs of meeting people’s health care and long term support needs.

The Arc is disappointed that the discussion draft also retains the $19 billion dollar cut of the enhanced federal match in the Community First Choice Option which is a permanent program that provides an enhanced federal match to any state that chooses the option to provide additional personal assistance services. Instead, the Senate bill includes a new home and community based demonstration program. A total of $8 billion is available over four years to a limited number of states. This is a woefully inadequate response to the deep cuts to Medicaid and the threat that poses to home and community based services.

Nationwide, Medicaid provides essential services to more than 10 million people with disabilities. People with disabilities rely on Medicaid for personal care services, specialized therapies, intensive mental health services, special education related services, and other needed services that are unavailable through private insurance. With greatly reduced federal contributions to Medicaid as proposed under the BCRA, most states would not be able to make up the difference. Cuts to Medicaid, including to home and community based services, would force a return to outdated modes of serving people with disabilities, such as institutional care and segregated services.

Cutting and capping Medicaid will force longer waiting lists for services in many states. The Arc has worked in a bipartisan manner for decades to build a home and community based system and reduce waiting lists. Waiting lists exist because the Section 1915 waiver authority allows states to limit eligibility for services and waive the requirement that all eligible people in the state receive comparable services. The problems with waiting lists are not related to the expansion of the Medicaid program to childless adults. The Medicaid expansion allowed millions of people with chronic illnesses and disabilities to gain access to health care. Allegations that the Medicaid expansion are causing waiting lists is false.

The Arc does not believe, within the radical restructuring of the Medicaid program and the deep cuts, that any eligible population can be protected. The Senate bill includes language exempting children with disabilities from the per capita cap. Neither the revised Senate bill nor the CBO estimate clarify who these children are or how the state might identify them. If this language is intended to target children who are eligible for Supplemental Security Income (SSI) (about 1.2 million children), it would leave out many children who have health needs or disabilities and do not meet SSI’s strict income and disability standards but who become Medicaid eligible through many different eligibility pathways.

This “carve out” implicitly acknowledges that Medicaid under per capita caps is unacceptable for children with disabilities. These children grow up to be adults and will face a devastated Medicaid program. States will not be able to make up the difference from the deep cuts under per capita caps and will not be able to protect any group. States will be focused on keeping Medicaid spending under the cap, or face penalties. The Senate bill’s cuts are greater over time and, to make up for this massive loss of federal funding, states will be forced to cut services, eligibility groups, reimbursement rates for providers, make across the board cuts, or take other actions to cut costs. These cuts will impact the doctors, hospitals, therapists, and other providers that serve these children. While the traditional match may be an incentive for some states to continue serving children with disabilities, there is no specific language in the bill that provides protections against tightening eligibility for these children or cutting their services and supports.

In addition, the BCRA discussion draft makes numerous changes to the private insurance market that would render health care unaffordable and out of reach for millions of people with disabilities and their families.

The lives and independence of people with disabilities are on the line. The Arc urges you to oppose the BCRA discussion draft and to preserve health care and access to community living provided under Medicaid.

Sincerely,

Marty Ford

Senior Executive Officer, Public Policy