

September 19, 2017

Re: Graham-Cassidy

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Majority Leader McConnell and Minority Leader Schumer:

The 70 undersigned organizations of the Save Medicaid in the Schools Coalition are concerned that the Graham-Cassidy bill jeopardizes healthcare for the nation's most vulnerable children: students with disabilities and students in poverty. Specifically, Graham-Cassidy reneges on Medicaid's 50+ year commitment to provide America's children with access to vital healthcare services that ensure they have adequate educational opportunities and can contribute to society by imposing a per-capita cap and shifting current and future costs to taxpayers in every state and Congressional district. While children currently comprise almost half of all Medicaid beneficiaries, less than one in five dollars is spent by Medicaid on children. Accordingly, a per-capita cap, even one that is based on different groups of beneficiaries, will disproportionately harm children's access to care, including services received at school. **Considering these unintended consequences, we urge a 'no' vote on Graham-Cassidy.**

Medicaid is a cost-effective and efficient provider of essential health care services for children. School-based Medicaid programs serve as a lifeline to children who can't access critical health care and health services outside of their school. Under this bill, the bulk of the mandated costs of providing health care coverage would be shifted to the States even though health needs and costs of care for children will remain the same or increase. Like the Better Care Reconciliation Act, which is incorporated into Graham-Cassidy it is projected that the Medicaid funding shortfall in support of these mandated services will increase, placing states at greater risk year after year. The federal disinvestment in Medicaid imposed by Graham-Cassidy will force States and local communities to increase taxes and reduce or eliminate various programs and services, including other non-Medicaid services. The unintended consequences of Graham-Cassidy will force states to cut eligibility, services, and benefits for children.

The projected loss of hundreds of billions in federal Medicaid dollars will compel States to ration health care for children. Under the per-capita caps included in Graham-Cassidy, health care will be rationed and schools will be forced to compete with other critical health care providers—hospitals, physicians, and clinics—that serve Medicaid-eligible children. School-based health services are mandated on the States and those mandates do not cease simply because Medicaid funds are capped by Graham-Cassidy. As with many other unfunded mandates, capping Medicaid merely shifts the financial burden of providing services to the States.

Medicaid Enables Schools to Provide Critical Health Care for Students

A school's primary responsibility is to provide students with a high-quality education. However, children cannot learn to their fullest potential with unmet health needs. As such, school district personnel regularly provide critical health services to ensure that all children are ready to learn and able to thrive alongside their peers. Schools deliver health services effectively and efficiently since school is where children spend most of their days. Increasing access to health care services through Medicaid improves health care and educational outcomes for students. Providing health and wellness services for students in poverty and services that benefit students with disabilities ultimately enables more children to become employable and attend higher-education.

Since 1988, Medicaid has permitted payment to schools for certain medically-necessary services provided to children under the Individuals with Disabilities Education Act (IDEA) through an individualized education program (IEP) or individualized family service program (IFSP). Schools are thus eligible to be reimbursed for direct medical services to Medicaid-eligible students with an IEP or IFSP. In addition, districts can receive Medicaid reimbursements for providing Early Periodic Screening Diagnostic and Treatment Benefits (EPSDT), which provide Medicaid-eligible children under age 21 with a broad array of diagnosis and treatment services. The goal of EPSDT is to assure that health problems are diagnosed and treated as early as possible before the problems become complex and treatment is more expensive.

School districts use their Medicaid reimbursement funds in a variety of ways to help support the learning and development of the children they serve. In a 2017 survey of school districts, district officials reported that two-thirds of Medicaid dollars are used to support the work of health professionals and other specialized instructional support personnel (e.g., speech-language pathologists, audiologists, occupational therapists, school psychologists, school social workers, and school nurses) who provide comprehensive health and mental health services to students. Districts also use these funds to expand the availability of a wide range of health and mental health services available to students in poverty, who are more likely to lack consistent access to healthcare professionals. Further, some districts depend on Medicaid reimbursements to purchase and update specialized equipment (e.g., walkers, wheelchairs, exercise equipment, special playground equipment, and equipment to assist with hearing and seeing) as well as assistive technology for students with disabilities to help them learn alongside their peers.

School districts would stand to lose much of their funding for Medicaid under Graham-Cassidy. Schools currently receive roughly \$4 billion in Medicaid reimbursements each year. Yet under this proposal, states would be incentivized to reduce spending on Medicaid and districts would be left with the same obligation to provide services for students with disabilities under IDEA, but no Medicaid dollars to provide medically-necessary services. Schools would also be unable to provide EPSDT to students, which would mean screenings and treatment that take place in school settings would have to be moved to physician offices or hospital emergency rooms, where some families may not visit regularly or where costs are much higher.

In addition, basic health screenings for vision, hearing, and mental health problems for students would no longer be possible, making these problems more difficult to address and expensive to treat. Moving health screenings out of schools also reduces access to early identification and treatment, which also leads to more costly treatment down the road. Efforts by schools to enroll eligible students in Medicaid, as required, would also decline.

The Consequences of Medicaid Per Capita Caps Will Potentially Be Devastating for Children

Significant reductions to Medicaid spending could have devastating effects on our nation's children, especially those with disabilities. Due to the underfunding of IDEA, districts rely on Medicaid reimbursements to ensure students with disabilities have access to the supports and services they need to access a Free and Appropriate Public Education (FAPE) and Early Intervention services. Potential consequences of this critical loss of funds include:

- **Fewer health services:** Providing comprehensive physical and mental health services in schools improves accessibility for many children and youth, particularly in high-needs and hard-to-serve areas, such as rural and urban communities. In a 2017 survey of school district leaders, half of them indicated they recently took steps to increase Medicaid enrollment in their districts. Reduced funding for Medicaid would result in decreased access to critical health care for many children.
- **Cuts to general education:** Cuts in Medicaid funding would require districts to divert funds from other educational programs to provide the services as mandated under IDEA. These funding reductions could result in an elimination of program cuts of equivalent cost in "non-mandated" areas of regular education.
- **Higher taxes:** Many districts rely on Medicaid reimbursements to cover personnel costs for their special education programs. A loss in Medicaid dollars could lead to deficits in districts that require increases in property taxes or new levies to cover the costs of the special education programs.
- **Job loss:** Districts use Medicaid reimbursement to support the salaries and benefits of the staff performing eligible services. Sixty-eight percent of districts use Medicaid funding to pay for direct salaries for health professionals who provide services for students. Cuts to Medicaid funding would impact districts' ability to maintain employment for school nurses, physical and occupational therapists, speech-language pathologists, school social workers, school psychologists, and many other critical school personnel who ensure students with disabilities and those with a variety of educational needs are able to learn.
- **Fewer critical supplies:** Districts use Medicaid reimbursement for critical supplies such as wheelchairs, therapeutic bicycles, hydraulic changing tables, walkers, weighted vests, lifts, and student-specific items that are necessary for each child to access curriculum as closely as possible to their non-disabled peers. Replacing this equipment would be difficult if not impossible without Medicaid reimbursements.

- Fewer mental health supports: Seven out of ten students receiving mental health services receive these services at school. Cuts to Medicaid would further marginalize these critical services and leave students without access to care.
- Noncompliance with IDEA: Given the failure to commit federal resources to fully fund IDEA, Medicaid reimbursements serve as a critical funding stream to help schools provide the specialized instructional supports that students with disabilities need to be educated alongside their peers.

We urge you to carefully consider the important benefits that Medicaid provides to our nation's most vulnerable children. Schools are often the hub of the community, and converting Medicaid's financing structure to per-capita caps threatens to significantly reduce access to comprehensive health and mental and behavioral health care for children with disabilities and those living in poverty. We look forward to working with you to avert the harmful and unnecessary impacts Graham-Cassidy would impose on Medicaid, which has proven to benefit children in a highly effective and cost-effective manner.

If you have questions about the letter or wish to meet to discuss this issue further, please do not hesitate to reach out to the coalition co-chairs via email: John Hill (john.hill@medicaidforeducation.org), Sasha Pudelski (spudelski@aasa.org), and Kelly Vaillancourt Strobach (kvaillancourt@naspweb.org).

Sincerely,

AASA, The School Superintendents Association
 Accelify
 American Civil Liberties Union
 American Dance Therapy Association
 American Federation of School Administrators
 American Federation of State, County and Municipal Employees
 American Federation of Teachers
 American Foundation for the Blind
 American Occupational Therapy Association
 American Psychological Association
 American Speech-Language-Hearing Association
 Association of Assistive Technology Act Programs
 Association of Educational Service Agencies
 Association of School Business Officials International (ASBO)
 Association of University Centers on Disabilities
 Autistic Self Advocacy Network
 Autism Society of America
 Center for American Progress
 Center for Public Representation
 Chiefs for Change
 Clearinghouse on Women's Issues
 Colorado School Medicaid Consortium
 Consortium for Citizens with Disabilities
 Conference of Educational Administrators of Schools and Programs for the Deaf

Council for Exceptional Children
Council of Administrators of Special Education
Council of Parent Attorneys and Advocates
Democrats for Education Reform
Disability Rights Education & Defense Fund
Division for Early Childhood of the Council for Exceptional Children (DEC)
First Focus Campaign for Children
Health and Education Alliance of Louisiana
Healthy Schools Campaign
Healthmaster Holdings LLC
Higher Education Consortium for Special Education
Judge David L. Bazelon Center for Mental Health Law
LEAnet, a national coalition of local education agencies
Learning Disabilities Association of America
Lutheran Services in America Disability Network
Michigan Association of Intermediate School Administrators
Michigan Association of School Administrators
National Association of Elementary School Principals
National Association of Pediatric Nurse Practitioners
National Association of Secondary School Principals
National Association of School Nurses
National Association of School Psychologists
National Association of Social Workers
National Association of State Boards of Education
National Association of State Directors of Special Education (NASDSE)
National Association of State Head Injury Administrators
National Black Justice Coalition
National Center for Learning Disabilities
National Association of Councils on Developmental Disabilities
National Disability Rights Network
National Down Syndrome Congress
National Education Association
National Health Law Program
National Respite Coalition
National Rural Education Advocacy Collaborative
National Rural Education Association
National School Boards Association
Paradigm Healthcare Services
School Social Work Association of America
School-Based Health Alliance
Share Our Strength
Society for Public Health Education
Teacher Education Division of the Council for Exceptional Children
The Arc of the United States
Union for Reform Judaism
United Way Worldwide

CC: Speaker Paul Ryan, Leader Nancy Pelosi