

March 7 2017

The Honorable Greg Walden  
Chairman  
House Energy and Commerce Committee  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Frank Pallone  
Ranking Member  
House Energy and Commerce Committee  
U.S. House of Representatives  
Washington, D.C. 20515

Re: Vote on The American Health Care Act

Dear Chairman Walden and Ranking Member Pallone:

The undersigned member organizations of the Save Medicaid in the Schools Coalition are concerned that the Medicaid refinancing proposal the committee is considering this week jeopardizes healthcare for the nation's most vulnerable children: students with disabilities and students in poverty. Specifically, a per capita cap system will undermine states' ability to provide America's neediest children access to vital healthcare that ensures they have adequate educational opportunities and can contribute to society. Medicaid is a cost-effective and efficient funder of essential health care services for children. In fact, while children comprise almost half of Medicaid beneficiaries, less than one in five dollars spent by Medicaid is consumed by 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 The American Health Care Act.**

**Schools 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 services effectively and efficiently since school is where children spend 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 reimbursement 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 the Committee's proposal. Schools currently receive roughly \$4 billion in Medicaid reimbursements each year. Yet under this proposal, states would no longer have to consider schools to be eligible Medicaid providers, which would mean that districts would have the same obligation to provide services for students with disabilities under IDEA, but no Medicaid dollars to provide medically-necessary services. Schools would 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, where some families may not visit regularly, or to hospital emergency rooms 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 more 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 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. 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 indicated they have recently taken steps to increase Medicaid enrollment in their districts. Reduced funding for Medicaid would result in decreased access to critical healthcare for many children and youth.
- **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 reimbursement to cover personnel costs for their special education programs. A loss in Medicaid reimbursement 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 reimbursement.

- **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 reimbursement serves as a critical funding stream to help school provide the specialized instructional supports that students with disabilities need to be educated with their peers.

We urge you to carefully consider the important benefits that Medicaid, as it is currently structured, provides to our nation's most vulnerable children. Schools are often the hub of the community, and converting Medicaid 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 prevent unnecessary changes to this highly effective and beneficial program.

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](mailto:john.hill@medicaidforeducation.org)), Sasha Pudelski ([spudelski@aasa.org](mailto:spudelski@aasa.org)), and Kelly Vaillancourt Strobach ([kvaillancourt@naspsweb.org](mailto:kvaillancourt@naspsweb.org)).

Sincerely,

AASA, The School Superintendents Association  
 Accelify  
 American Civil Liberties Union  
 American Dance Therapy Association  
 American Federation of School Administrators (AFSA)  
 American Federation of Teachers  
 American Music Therapy Association  
 American Psychological Association  
 Association of Educational Service Agencies  
 Association of School Business Officials International  
 Children's Hospital Colorado  
 Coalition for Community Schools  
 Colorado Children's Immunization Coalition  
 Colorado School Medicaid Consortium  
 Council for Exceptional Children  
 Council of Administrators of Special Education  
 Council of Parent Attorneys and Advocates  
 Division for Early Childhood of the Council for Exceptional Children (DEC)  
 Easterseals  
 First Focus Campaign for Children  
 Healthy Schools Campaign  
 Institute for Educational Leadership  
 Judge David L. Bazelon Center for Mental Health Law  
 LEAnet, a national coalition of local education agencies  
 Learning Disabilities Association of America  
 Michigan Association of Intermediate School Administrators  
 Michigan Association of School Administrators  
 National Association of School Nurses  
 National Association of School Psychologists  
 National Association of Social Workers  
 National Association of State Directors of Special Education (NASDSE)

National Black Justice Coalition  
National Center for Learning Disabilities  
National Disability Rights Network  
National Education Association  
National Health Law Program  
National Rural Education Advocacy Collaborative  
National Rural Education Association  
National School Boards Association (NSBA)  
Paradigm Healthcare Services  
School Social Work Association of America  
School-Based Health Alliance  
Share Our Strength  
Society for Public Health Education  
The Arc of the United States



