



2900 Crystal Drive, Suite 1000 | Arlington, VA 22202-3557  
(P) +1.703.620.3660 | (Toll Free) 888.232.7733 | (TTY) 866.915.5000 | (F) 703.264.9494  
[www.cec.sped.org](http://www.cec.sped.org)

March 7, 2017

The Honorable Greg Walden  
Chairman  
House Energy & 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,

On behalf of the Council for Exceptional Children (CEC) we are writing to express concern that the Medicaid refinancing proposal the House Energy and Commerce Committee is considering this week jeopardizes healthcare for the nation's most vulnerable children: children with disabilities and children in poverty. Specifically, a per capita cap system for states will undermine state's ability to provide America's neediest children access to vital healthcare that ensures they have adequate educational and developmental 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 disproportionality harm children's access to care, including services received at school and early childhood programs. Considering these unintended consequences, **we urge a 'no' vote on The American Health Care Act.**

The Council for Exceptional Children (CEC)—an international association of special educators, administrators, related service personnel, higher education faculty, and researchers—is the voice and vision of special education. Our mission is to advance the success of children with exceptionalities. We accomplish our mission through advocacy, standards, and professional development.

#### **Schools and Early Childhood Programs Provide Critical Health Care for Children**

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

Since 1988, Medicaid has permitted payment to schools and programs for certain medically necessary services provided to children under the Individuals with Disabilities Education Act (IDEA) through an



2900 Crystal Drive, Suite 1000 | Arlington, VA 22202-3557  
(P) +1.703.620.3660 | (Toll Free) 888.232.7733 | (TTY) 866.915.5000 | (F) 703.264.9494  
[www.cec.sped.org](http://www.cec.sped.org)

individualized education program (IEP) or individualized family service program (IFSP). Schools and programs are thus eligible to be reimbursed for direct medical services to Medicaid eligible children with an IEP or IFSP. In addition, districts can be reimbursed by Medicaid for providing Early Periodic Screening Diagnosis and Treatment Benefits (EPSDT), which provides 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 costly.

School districts and programs 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](#), it was reported that two-thirds of Medicaid dollars are used to support the salaries of health professionals and other specialized instructional support personnel (e.g. speech-language pathologists, audiologist, 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 (walkers, wheelchairs, exercise equipment, special playground equipment, equipment to assist with hearing and seeing) and assistive technology for students with disabilities so they can learn alongside their peers.

School districts and programs would stand to lose much of their funding for Medicaid under the Committee's proposal. Schools receive roughly \$4 billion in reimbursement for Medicaid annually. States would no longer have to consider schools and programs to be eligible Medicaid providers, which would mean that districts and programs would have the same obligation to provide services for children with disabilities under IDEA, but no Medicaid dollars to provide medically necessary services. Schools and programs would be unable to provide EPSDT to children, which would mean screenings and treatment that take place in school settings and early childhood programs would have to be moved to physician offices, where some families may not visit regularly, or hospital emergency rooms where the costs are much higher.

In addition, basic health screenings for vision, hearing and mental health problems for children would no longer be possible making these problems more difficult to address as well as more expensive to treat. Moving health screenings out of schools and programs also reduces access to early identification and treatment, which also leads to more costly treatment down the road. Efforts by schools and programs to enroll eligible children 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 and programs rely on Medicaid reimbursements to ensure children with disabilities have access to the supports and ensure a Free 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 and programs improves accessibility for many children and youth, particularly in high needs and



2900 Crystal Drive, Suite 1000 | Arlington, VA 22202-3557  
(P) +1.703.620.3660 | (Toll Free) 888.232.7733 | (TTY) 866.915.5000 | (F) 703.264.9494  
[www.cec.sped.org](http://www.cec.sped.org)

hard to serve areas such as rural and urban communities. In a 2017 [survey](#) of school district leaders, half indicated they have taken steps recently 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 utilize funds from other sources to provide the services as mandated under IDEA. The subsequent reduction from other sources would result in elimination of equivalent costing program cuts in "non-mandated" areas of regular education.
- **Higher taxes:** Many districts rely on Medicaid reimbursement to cover personnel costs for their special education and early intervention programs. A loss in Medicaid reimbursement could lead to deficits that require increases in property taxes or new levies to cover the costs of special education and early intervention programs.
- **Job loss:** Districts and programs 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 and programs use Medicaid reimbursement for critical supplies such as wheelchairs, therapeutic bicycles, hydraulic changing tables, walkers, weighted vests, lifts as well as items that are very student specific and are necessary for each child to access the 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-funding IDEA, Medicaid reimbursement serves as a critical funding stream to ensure districts can provide the specialized instructional supports that students with disabilities need to be educated with their peers.

CEC thanks you for considering our positions and urge you to carefully consider the important benefits that Medicaid, as it is currently structured, provides to our nation's most vulnerable children. Schools and early childhood programs 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. CEC looks forward to working with you to prevent unnecessary changes to this highly effective and beneficial program.

Please feel free to contact me at [debz@cec.sped.org](mailto:debz@cec.sped.org) if you have any questions or need additional information.

Sincerely,



2900 Crystal Drive, Suite 1000 | Arlington, VA 22202-3557  
(P) +1.703.620.3660 | (Toll Free) 888.232.7733 | (TTY) 866.915.5000 | (F) 703.264.9494  
[www.cec.sped.org](http://www.cec.sped.org)

A handwritten signature in black ink that reads "Deborah A. Ziegler". The signature is written in a cursive style and is set against a light gray, textured background.

Deborah A. Ziegler, Ed.D.  
Director  
Policy and Advocacy

Cc: Members of the House Energy & Commerce Committee