

Medicaid Is Our Lifeline

People with intellectual and/or developmental disabilities (I/DD) receive assistance with living in the community, respite services, help with daily living such as help getting dressed, taking medication, preparing meals, managing money, 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.

- Nationwide, state and federal Medicaid together provide over 75% of the funding for these services for people with I/DD.

Medicaid is a primary source of health insurance for people with intellectual and/or developmental disabilities and provides needed health care services such as prescription drugs, dental, physical therapy, speech therapy, prosthetic devices, wheelchairs, and other health care services for eligible people.

- Private insurance is often unavailable or unaffordable for people with I/DD due to discrimination in health insurance, high unemployment, and other factors.

The Arc Opposes Spending Caps and Deep Cuts to Medicaid

Spending caps and deep cuts to Medicaid can lead to block grants and other structural changes that will devastate the Medicaid program and put the health and safety of people with I/DD at risk. Block grants could force bad choices and cause substantial conflict as groups with diverse needs compete for scarce dollars.

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

While there is no way to be certain about what states would do, we know there will be real life consequences, such as:

- **Losing home and community-based services and supports.** Waiting lists would quickly grow and it could create a crisis for the 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.** We could return to the days when states “warehoused” people with disabilities in institutions. Federal quality standards would either be diminished or eliminated and states might once again see this as an acceptable policy 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 their 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 intellectual and developmental disabilities.

- The budget cannot be balanced on spending cuts alone—raising revenues must be part of the solution.
- Deep cuts in Medicaid cannot be tolerated.
- Medicaid and other low income programs need to be exempt from any automatic enforcement provisions.
- Deficit reduction must be fair and balanced.

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

The Arc supports changing the institutional bias in Medicaid. The Arc believes that overall Medicaid could save money and **be more 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.
- Fully implementing the Community Living Assistance Services and Supports (CLASS) program to take the pressure off and save funds in Medicaid.

The Arc supports improved coordination between the Medicaid and Medicare programs.

Individuals who are dually eligible for Medicare and Medicaid are among the sickest and poorest beneficiaries. Even though they are only 15% of people receiving Medicaid, they account for 39% of Medicaid spending. The Arc supports:

- Improved alignment between the requirements of the two programs.
- Better care coordination to improve quality of care and reduce costly hospital admissions, emergency room visits, and other unnecessary health care costs.

The Arc supports efforts to bring down overall health care costs through:

- Expanding health insurance coverage;
- Increasing emphasis on prevention of chronic diseases;
- Ending insurance discrimination against people with disabilities; and
- Experimenting with alternative health care delivery methods while ensuring that health care quality improves.

DON'T CUT OUR LIFELINE!