



ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES  

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*RESEARCH, EDUCATION, SERVICE*

US Senate Committee on Finance Hearing Titled:  
"Hearing to Consider the Graham-Cassidy-Heller-Johnson Proposal"  
Monday, September 25, 2017  
2:00 PM  
215 Dirksen Senate Office Building

Testimony submitted by:

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Dear Chairman Hatch, Ranking Member Wyden, and members of the Senate Finance Committee:

Thank you for this opportunity to submit a statement for the record regarding the September 25, 2017, hearing titled "Hearing to Consider the Graham-Cassidy-Heller-Johnson Proposal." The Association of University Centers on Disabilities (AUCD) is extremely concerned by the proposal under consideration.

AUCD represents over 130 university-based centers and programs conducting research, education, and innovative programming on disability issues across the life course. Our work focuses on ensuring equality of opportunity, inclusion, independent living, and economic self-sufficiency for people with disabilities and their families. AUCD has member programs in every state and territory.

This proposal would cause millions of people to lose coverage, deeply cut and cap Medicaid, dramatically weaken and give states the option to eliminate protections for people with pre-existing conditions, and increase out-of-pocket costs. The results would be devastating for people with disabilities: limited access to comprehensive and affordable health care, community-based services and supports, employment opportunities, and educational supports.

Medicaid is being used to "pay for" the repeal of the ACA, including the phasing out of Medicaid expansion by 2026, which has positively impacted access to care and utilization of health care services among low-income people with disabilities. Independent analysts at Avalere estimated that states collectively would lose \$215 billion from 2020 to 2026 from the proposal's block grants and caps, another \$283 billion in 2027 when the block grant funding disappears altogether, and \$4 trillion over the next two decades. Fundamentally altering Medicaid will dramatically shift costs to states and lead to significant cuts in community-based services. This ultimately puts the health, independence, and quality of life of people with disabilities at significant risk.

Capping and/or block granting Medicaid funding forces states to sharply reduce health care spending. Under this proposal, funding for state Medicaid programs will shrink over time, resulting in cuts in coverage and services for all beneficiaries. For states that exceed the cap due to having residents with greater needs, more optional benefits, a higher cost of living, natural disasters, or epidemics, this proposal imposes a penalty; these penalties would put immense pressure on states to cut services and eligibility, leaving many individuals with disabilities without vital services. Furthermore, it gives states permission to allow any insurance policy paid for or subsidized by the block grant to charge individuals with pre-existing

conditions premiums they cannot afford. The bill does not protect patients with pre-existing conditions.

Home and Community Based Services and Supports (HCBS) would also be threatened. States will be faced with the difficult task of cutting vital supports such as personal care services, employment supports, residential supports, and specialized therapies. HCBS are cost-effective for states and preferred by people with disabilities when compared to institutional care; however, HCBS are optional while institutional care is an entitlement, but far more expensive. Cuts to HCBS will also lead to increased waiting lists for services, which already number in the thousands in some states. In Florida, for example, well over 30, 000 people are waiting for services with an expected wait time of seven years; many of whom die before they are able to receive critical services.

Lastly, this bill would allow annual and lifetime coverage limits and the option for states to waive the 10 *essential* health benefits (EHB) such as habilitative services, preventive and wellness services and chronic disease management, and pediatric services. According to the CBO, the combination of allowing states to waive EHBs and imposing annual or lifetime limits could result in a state limiting their definition of EHBs and some enrollees seeing very large increases in out-of-pocket spending. This is of great concern to AUCD as people who are born with significant medical needs can reach the allotted annual and lifetime limits within their first few weeks of life.

There is evidence to show that Medicaid is working:

- Medicaid covers over 10 million non-elderly people with disabilities.
- Medicaid helps both children and adults with significant disabilities remain at home and avoid being placed in costlier and harmful segregated nursing homes or institutions.
- Medicaid provides long term supports and services such as personal care aides who help people in their own homes with basic human needs such as bathing, dressing, eating, and managing medications. It can even provide supports in the workplace for individuals with disabilities who are employed.
- Medicaid is a federal-state partnership. States can tailor services to meet their residents' needs, while also guaranteeing core services and rights, and having support from the Federal government in the event of unforeseen circumstances and emergency situations.
- Medicaid's costs per beneficiary are substantially lower than for private insurance and have been growing more slowly than per-beneficiary costs under private employer coverage.
- Medicaid already gives states significant flexibility to design their own programs — whom they cover, what benefits they provide, and how they deliver health care services.

We encourage Congress to work in a bipartisan fashion to provide comprehensive, affordable, and accessible health care and long term services and supports. We look forward to working

with all members throughout this process. For more information please contact our director of public policy, Kim Musheno at 301-588-8252, ext 222.