House Health Plan Would Hurt Kids and Schools

House Republicans are considering a bill, the American Health Care Act (AHCA), that would repeal the Affordable Care Act (ACA). The House bill would end Medicaid as we know it. It would effectively end the ACA's Medicaid expansion and radically change Medicaid’s financing structure by capping and cutting federal spending for beneficiaries, including children with special needs. The bill would cut federal Medicaid spending by $880 billion by 2026.

To make matters worse, House leaders added to the bill an option to choose a “block grant” for children, parents and other adults in lieu of the cap in the original bill – leaving these groups with few federal protections and granting states new options that could reduce care. The block grant would lead to even deeper funding cuts over time.

In addition to these radical financing and benefit changes, the House bill would roll back mandatory Medicaid coverage for children by lowering eligibility for children 6 to 18 years old to 100 percent of the poverty line, or $20,420 for a family of three.

Medicaid is a Lifeline for Millions of Kids
Medicaid plays a critical role in ensuring children have access to health insurance by covering nearly 40 percent of children under the age of 18. That’s over 30 million kids. Kids who get Medicaid are guaranteed access to a robust set of comprehensive and preventive health services, known as Early Periodic Screening Diagnostic and Treatment (EPSDT) benefits – including regular well-child exams, hearing, vision and dental screenings, hearing aids and eyeglasses, and other services to treat physical, mental and developmental illnesses and disabilities.

Medicaid Helps Schools Help Kids
Medicaid can reimburse schools that provide health care services to Medicaid-eligible children. This helps schools offset a portion of their special education costs. It also allows schools to monitor the health care needs of children with certain conditions such as asthma and diabetes, and connect children to health care services they need outside the school setting.

The House Bill Puts Kids at Risk and Undermines Schools’ Ability to Support Students
The House bill’s Medicaid provisions would:

- **Cause children to lose access to critical health services, including mental health care, making it harder for them to succeed in school.** By cutting eligibility for kids ages 6 to 18, about 1.5 million fewer children would be eligible for Medicaid. The capped funding model would likely make it harder for children who remain eligible for Medicaid to get all the services they currently access under EPSDT. And states that choose the block grant financing option would no longer be required to provide EPSDT, ending the guarantee that all children get the important health care services they need. Under either a cap or block grant, states would be less likely to contract with schools to provide health screenings and monitor children with chronic health conditions.

- **Cut school funding.** Medicaid currently provides between $4-5 billion annually to schools by reimbursing health care services, such as speech and occupational therapy, provided to Medicaid children. Because the House bill would cut children from Medicaid and the capped funding would likely cause states to cut services, schools would see less Medicaid revenue. This would have a significant effect on school budgets, especially for special education.
• **Lead to loss of key school staff.** Sixty-eight percent of schools use Medicaid funding to pay the salaries of health professionals to provide services to services. The loss of Medicaid funding will make it harder for schools to keep school nurses, school counselors, speech therapists and other health professionals on staff, hurting a broad swath of students as these health professionals provide important services and support to a large group of students.

• **Force schools to shift more resources into special education and services for students with disabilities to make up for the Medicaid cuts.** Schools use Medicaid to directly fund health services that are essential for students with disabilities abilities to learn. Because the Individuals with Disabilities Act (IDEA) requires school districts to prioritize funding special education, schools would have to shift resources, such as diverting funds from general education, to cover the loss of this Medicaid funding. A cut in general education funding could result in larger class sizes or fewer teachers.

• **Leave parents without coverage, jeopardizing both their health and their ability to care for their children.** The ACA also expanded coverage for millions of parents – many weren’t eligible for coverage before ACA’s expansion of Medicaid. By effectively ending the Medicaid expansion, many of these parents will re-join the ranks of the uninsured. This has harmful effects on both children and parents alike.
  
  o Studies show that children are more likely to have health insurance if their parents are covered. The House bill jeopardizes parent coverage by effectively ending the Medicaid expansion, which could result in children losing coverage as well.
  
  o When parents cannot get the health care they need – whether for a physical illness, a mental health issue, or a substance use disorder – their ability to successfully care for their children can be significantly compromised.

• **Increase the number of children in state child welfare systems.** Parents who lose access to Medicaid, or do not receive adequate services due to funding cuts, could be forced to go without needed care to treat mental illnesses or combat substance use disorder. This would be highly problematic as substance use disorders and untreated mental illness are two factors that can lead to parents being unable to appropriately care for their children and families becoming involved in the child welfare system. For example, Medicaid currently pays for maternal depression screenings, allowing for early detection of depression, which if left untreated, can put children at risk for long-term physical and behavioral health consequences. Moreover, the opioid epidemic is already contributing to an increase in foster care placements in some communities – withdrawing health care from more parents could exacerbate this problem.

• **Cut state education budgets.** Education and Medicaid are two of the largest elements of state budgets. The House bill cuts $880 billion from Medicaid; states that do not want to reduce access to health care for their residents will face a sizable cost shift as they struggle to fill in the gaping hole left by federal cuts.

• **Increase local taxes.** Most states are currently funding their education systems at levels below what they were before the Great Recession hit. If local school districts seek to make up for losses in Medicaid funding as well as potential losses in state funding due to Medicaid cost shifts, states and local communities could be faced with the prospect of raising local taxes.