



June 9, 2017

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Charles E. Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Orrin Hatch
Chairman, Finance Committee
United States Senate
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member, Finance Committee
United States Senate
Washington, D.C. 20510

The Honorable Lamar Alexander
Chairman, Health, Education, Labor and
Pensions Committee
United States Senate
Washington, D.C. 20510

The Honorable Patty Murray
Ranking Member, Health, Education, Labor and
Pensions Committee
United States Senate
Washington, D.C. 20510

Dear Majority Leader McConnell and Minority Leader Schumer, Chairmen Alexander and Wyden and Ranking Members Wyden and Murray:

As a leading nonprofit that delivers life-changing Medicaid services to people with disabilities and seniors, Easterseals urges you to oppose per capita cap, block grant or other Medicaid cut proposals that may be considered this year in the U.S. Senate. Based on the experience of our national network, we know that cuts to Medicaid result in individuals losing or receiving fewer essential services, providers ending community programs, and states adding to their long service wait lists.

Easterseals partners with state Medicaid agencies across the country to provide community services and long-term supports to individuals with disabilities and seniors. Through joint federal-state Medicaid investments, Easterseals helps individuals reach their potential and live productive lives—from providing physical therapy for children with cerebral palsy and behavioral health services for children with autism to personal assistance services for adults with spinal cord injuries, and home health services for vulnerable seniors. Our most recent Medicaid success stories are featured on our web page at www.Easterseals.com.

Repealing Medicaid's federal match guarantee and replacing it with a per capita cap allotment—regardless of the formula calculation—will hurt people with disabilities and seniors by limiting their access to Medicaid care and community supports.

The Congressional Budget Office (CBO) analysis of the per capita cap provision included in the American Health Care Act (AHCA) is not theoretical to Easterseals. Our experience shows us that without additional resources to close the funding hole left by the AHCA's Medicaid

provisions, states will resort to eliminating optional home and community-based services, restricting eligibility for enrollment, or cutting health care delivery rates. Medicaid cuts have real and negative consequences on the people we serve. We have operated under Medicaid cuts or stagnant funding at the state level for decades. Please consider our experiences and the harmful impacts on people with disabilities and seniors.

States Cutting Back; Not Investing in Traditional Medicaid

While CBO is correct that states could commit more state resources to finance the Medicaid funding shortfall caused by a per capita cap proposal, the reality is that states have been restricting Medicaid funding not expanding funding in recent years. Past state Medicaid provider cuts have adversely impacted home visitation service in Nebraska, medical rehabilitation services in Connecticut, and outpatient speech, physical and occupational therapies in Illinois. Texas Medicaid services were doubly hit, with early intervention services facing a 7 percent cut in 2017 while outpatient rehabilitation rates were recently cut by 25 percent. For the few states that have increased Medicaid provider rates, the investments often fail to even restore rates back to previous levels.

Medicaid Cuts Lead to Programs Closing and Services Ending

Continued rate cuts for delivering Medicaid services have forced Easterseals and other providers to close programs and end services for people with disabilities and seniors. Easterseals is experiencing two significant losses just this year. Easterseals Northeast Central Florida will discontinue its pediatric therapy services in Daytona Beach this fall because reimbursement rates fail to cover program costs. Earlier this year, Easterseals North Texas closed an entire service location in Dallas where 70 percent of their clients— children with disabilities—relied solely on Medicaid for crucial services. The affiliate used donated and other funds to sustain past operating losses. However, the state's most recent provider cuts made it unsustainable to keep the center open. Before the center closed, a teenage client who received therapy at the location brought all of his money, \$7, to help save the south Dallas center. The children who received autism services and other supports through the center now have limited service options given the area.

Numerous other Easterseals programs and services also operate at significant losses due to unreasonably low Medicaid rates. For example, Illinois' Medicaid rate covers just one-third of the cost to provide quality outpatient physical therapy. In Ohio, the expense to operate a new community integration program for individuals with disabilities is double what Medicaid reimburses for these services. While these affiliates have been able to cover these program operating losses through fundraising, donations and implementation grants, the trajectory is not sustainable and will only get worse if states receive millions of dollars less from the federal government under a per capita cap Medicaid allotment.

Medicaid Cuts Jeopardize Essential Service Availability and Quality

Federal and state cuts to Medicaid are felt directly by individuals with disabilities and seniors who rely on these services for their health, well-being, and independence. Extended state Medicaid cuts have narrowed the availability and amount of services individuals receive under Medicaid. Individuals may receive an assessment and a recommended plan of care, but then are placed on long wait lists with little hope of receiving any services. Individuals who do

receive services face limitations, including fewer visits and decreased therapy hours—all of which hurt their ability to achieve clinical outcomes and goals identified in their individual plans.

If services are reduced further, the impact will be great and long-lasting. For example, children who do not get full access to early intervention services will enter school with high needs and delays— which hurts the child and their family and shifts the funding burden to the local community and school. Medicaid cuts also make it difficult to maintain the highest level of service. For example, caseloads for service coordinators who are responsible for writing and implementing individual service plans have nearly doubled in states that haven't seen Medicaid increases in over a decade. In addition, Medicaid cuts have prevented service providers from providing regular training or other professional development opportunities for their staff to ensure services are offered at the highest level. These combined effects will only worsen if further cuts are planned.

Individuals with disabilities and seniors have a great stake in the debate around health care, especially proposals to cut Medicaid through a per capita cap or block grant. These individuals and their families cannot afford to lose or receive fewer home and community-based services. Easterseals urges you to maintain and improve—not diminish—health coverage and access to community supports for the individuals with disabilities and seniors. In particular, Easterseals asks that you oppose any proposal that would block grant or cap in any way Medicaid.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Katy Beh Neas".

Katy Beh Neas
Executive Vice President, Public Affairs