



September 22, 2017

Wisconsin Board for People with Developmental Disabilities

101 E. Wilson Street, Rm 219

Madison, WI 53703

Re: Hearing to Consider the Graham-Cassidy-Heller-Johnson Proposal, September 25, 2017

Senate Committee on Finance,

Attn. Editorial and Document Section, Rm. SD-219,

Dirksen Senate Office Bldg.,

Washington, DC 20510-6200

Dear Chairman Hatch and members of the Senate Finance Committee:

The Wisconsin Board for People with Developmental Disabilities (BPDD) is charged under the federal Developmental Disabilities Assistance and Bill of Rights Act (DD Act) with advocacy, capacity building, and systems change to improve self-determination, independence, productivity, and integration and inclusion in all facets of community life for people with developmental disabilities.

We agree with the [75 national disability groups opposed to the Cassidy-Graham-Johnson-Heller](#) (CGJH) bill that this legislation puts people with disabilities at risk and actively undermines the improvements the DD Act is working to achieve for people with Intellectual and Developmental Disabilities (I/DD) and their families. Many provisions within the bill will disproportionately harm people with disabilities, and threaten Wisconsin's innovative, cost-effective Medicaid programs that have successfully reduced costs and kept people out of expensive institutions.

The Cassidy-Graham-Johnson-Heller bill (CGJH) contains the same ideas as previous ACA repeal bills—including cuts and per capita caps to Medicaid, weakening of consumer protections, and no controls on rising health care, prescription, and other increasing costs—and would have the same negative effects on people with disabilities, people with pre-existing conditions, and their families.

BPDD hears from Wisconsin people with disabilities and their families across the state. Their opposition to this bill has been universal.

Medicaid critical to Wisconsin people with disabilities and their families

Medicaid pays for the Forward HealthCard and almost 20 Wisconsin programs—including Family Care, IRIS, Children's Long Term Support, BadgerCare, intensive autism services, etc.—that help older adults, people with disabilities, families with children, and low income working adults.

50% of people with disabilities in Wisconsin rely on Medicaid, and people with I/DD participate in all Wisconsin's 20 state Medicaid programs to stay healthy, become employed, and remain in their homes.

Medicaid provides essential therapies, equipment, special education services and equipment from physical therapists to feeding tubes, and many other services critical to people with disabilities. Medicaid funded supports and services often makes the difference between caregivers being able to keep their jobs or leaving the workforce—jeopardizing their own financial futures—to care for family members.

Per Capita caps threaten services, increase risk for expensive institutionalization

People with disabilities will be disproportionately harmed by Medicaid cuts and per capita caps. Care for people with disabilities makes up a significant part of state Medicaid budgets due to their long-term care needs.

Reduced federal funding threatens Wisconsin investment and flexibility

The block grants and per capita caps included in the CGJH bill does not provide states with additional flexibility. Current Medicaid law provides states with tremendous flexibility through waivers to custom design their state's Medicaid programs. In fact, no two state Medicaid programs operate the same way, a testament to the Medicaid innovation and experimentation states have undertaken the past 52 years.

Wisconsin state government has made extensive use of federal waivers (e.g. BadgerCare Plus, Family Care, Partnership, SeniorCare, IRIS, and Children's Long-Term Support etc.) to shape and design programs to specifically meet the health and long-term care needs of the people of Wisconsin. Because Wisconsin has been able to leverage these flexibilities, it is the only state in the nation that has eliminated waiting lists for adults, according to the Kaiser Family Foundation, and a proposal to do the same for children has been included in this state budget. Waitlists for long-term care services have ended while also cutting Medicaid costs by hundreds of millions of dollars and keeping administrative costs constrained at 2%.

The CGJH bill will force states to make large and continued cuts to Medicaid each state budget cycle as the federal funding contribution continues to decline and costs continue to rise. The Medicaid block grant and per capita caps proposed in the bill will result in dramatically reduced funding for Wisconsin, and will force the state to reduce services, cut optional services, restrict eligibility, and increase waiting lists.

Early analysis projects Wisconsin may not lose funding immediately, but projections show a \$562M loss of federal funds for Wisconsin's 20 Medicaid programs and ForwardHealth card by 2026. By 2027 Wisconsin stands to lose \$3 billion in federal Medicaid funds. Per capita caps continue to deepen cuts over time (Avalere predicts \$29B reduction to traditional Wisconsin Medicaid by 2036).

Per Capita caps and funding reductions put people with disabilities at risk for institutionalization

Federal Medicaid law currently mandates states to pay for high-cost institutional facilities (such as nursing homes, and state centers for the developmentally disabled if states have chosen not to close them). Wisconsin has dramatically reduced Medicaid costs by keeping people in the community, progress that this bill threatens to reverse. The home and community based services (HCBS) on which people with disabilities rely to live and participate in their communities are especially at risk because they are optional and could be completely eliminated.

Wisconsin has valued and invested in home and community based (HCBS) services as a mechanism to maximize people's independence and lower overall Medicaid spending by keeping people out of expensive institutions. For more than 20 years, Wisconsin has been expanding the Medicaid funded long-term care programs Family Care and IRIS; these programs have dramatically reduced high-cost institutional spending and kept people in their homes, jobs, and communities.

Since 2002, Family Care and IRIS have reduced overall spending on Medicaid long term care by 10%, reduced the amount of long term care Medicaid dollars spent on institutions by 50%, and decreased the number of people in nursing homes paid for by Medicaid by 35%. 70% of Wisconsin's long-term care enrollees live in a home or community-based setting, which are typically 30-40% less expensive than institutional care. Wisconsin is poised to become one of the only states in the nation to have no waiting lists for kids and adults needing home and community based supports.

Per Capita Caps and the funding reductions that go with it could take Wisconsin backwards 25 years to the days where people waited years (and sometimes died waiting) for needed supports or could force people back into more expensive institutions because they can no longer wait for home-based supports.

Uncertainty for people with disabilities with pre-existing conditions

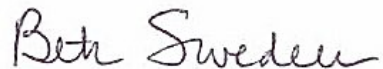
Most people with disabilities have one or more care needs that could be considered a pre-existing condition. Prior to the ACA, many people with disabilities faced discrimination, high premiums, coverage limits, and challenges to accessing care from insurers.

The CGJH bill allows states to choose not to cover Essential Health Benefits, effectively ending pre-existing conditions protections. States could roll back the 10 essential health benefits (including hospitalization, prescription drugs, habilitative and rehabilitative services etc.) currently required to be a part of all insurance plans, and to permit insurers to charge higher premiums to people with pre-existing conditions, which means insurers could once again discriminate based against people based on their medical history. The bill does not define what "adequate and affordable" care means. Without these protections, experts warn that coverage could become unattainable and/or unaffordable for many."

The inclusion of high risk pools will provide little protection for people with pre-existing conditions. Experts on both sides of the aisle have clearly warned that high risk pools lead to higher costs, fewer benefits and waiting lists rationing care for those with pre-existing conditions.

BPPD strongly opposes the CGJH bill because of these negative impacts on people with disabilities and urges Congress to work with the disability community on any changes to both the Affordable Care Act and existing Medicaid programs.

Sincerely,

A handwritten signature in cursive script that reads "Beth Swedeen". The signature is written in black ink on a white background.

Beth Swedeen, Executive Director, Wisconsin Board for People with Developmental Disabilities