



## UPDATE FROM WASHINGTON

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#### Public Policy Priorities

- Medicaid
- Social Security
- Education
- Appropriations
- Coalition



#### Current political context



Trifecta



Narrow majorities in the House and Senate



Focus on reducing the size of federal government



Renewing tax cuts



**Cutting federal spending** 

#### Why is Medicaid Important?

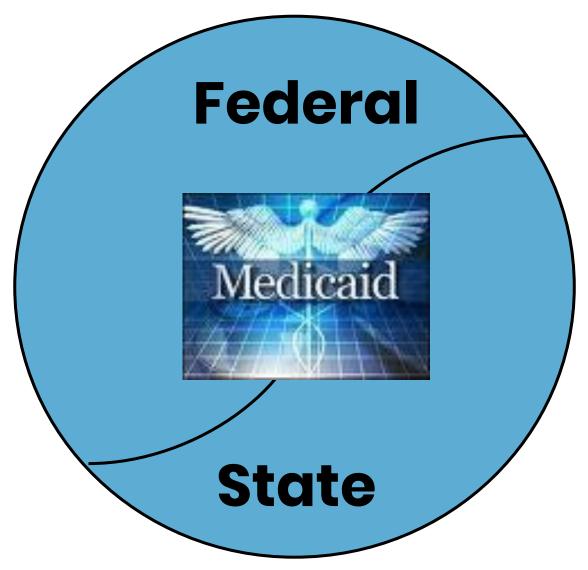
- Almost 80 million people get health care through Medicaid and CHIP
- Helps people with disabilities work by providing a means to continue to receive health care, personal assistance services, and supported employment.
- Is the largest federal payor of **long-term services and supports** (LTSS) needed by more than 10 million children and adults with disabilities.
  - LTSS means assistance with essential tasks, such as feeding, dressing, bathing, and walking. Also managing finances, shopping, meal preparation, and housecleaning.
- For many people with intellectual and developmental disabilities (IDD), Medicaid is their only source of funding for Home and Community Based Services to enable them to live in the community.

Medicaid: A Federal-State Program

 Provides comprehensive health care and long term supports & services for certain populations

 Congress sets baseline eligibility, financing structure, and rules states must follow to get federal funding

 States can add to what Congress does

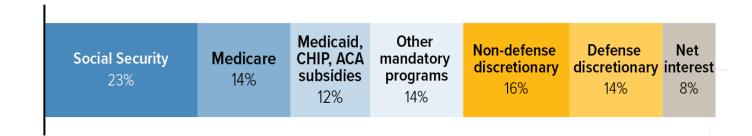


### Why is Medicaid a Target?

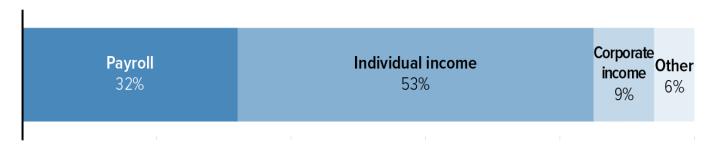


#### Federal Budget Context

#### **Components of Federal Spending**



#### **Components of Federal Tax Revenue**



Note: "CHIP" = Children's Health Insurance Plan. "ACA" = Affordable Care Act. "Other" includes excise, customs duties, and more. Data are for fiscal year 2023 and do not add to 100 percent due to rounding.

Source: Congressional Budget Office

#### Reconciliation process

- Allows for expedited consideration of certain tax, spending, and debt limit legislation
- Avoids 60 votes required to overcome a filibuster in the Senate
- Only needs 51 votes Senate can only afford to lose 3
- Special rules
- Used for high priority legislation
- Congress passes Budget Resolution that directs committees to make changes to meet targets

#### Current status of reconciliation

- House narrowly passed a "Big Beautiful Bill" along party lines 215-214 on May 22 while we were sleeping.
- Next Step is for the Senate to take up the bill
- If changes are made, House will vote again
- President signs

### What's in the big bill? Medicaid

- Mandates work requirements that take health care away from almost 5 million people, many of whom are people with disabilities, older adults, and caregivers.
- Freezes provider taxes and state directed payments so that states will have little flexibility to finance their programs to meet unexpected needs.
- Cost-shift to states will lead to cuts in home- and community-based services (HCBS) and other "optional" services.

#### Big bill, cont.

- Stops the Eligibility & Enrollment rules that reduce barriers to coverage and care for people with disabilities, older adults, and children who are already eligible for Medicaid. This rollback would make Medicaid less efficient.
- Shortens the retroactive coverage period, which threatens financial disaster for people who experience a sudden health crisis and who need long-term care.

#### Big bill, cont.

- The bill allows states to apply cost-sharing to some Medicaid expansion enrollees and will impact people with disabilities who are enrolled in Medicaid expansion in significant numbers.
- The bill allows states to impose cost sharing on the individual of up to \$35 per service on expansion adults with incomes 100-138% FPL with a 5% family income cap on out-of-pocket costs.

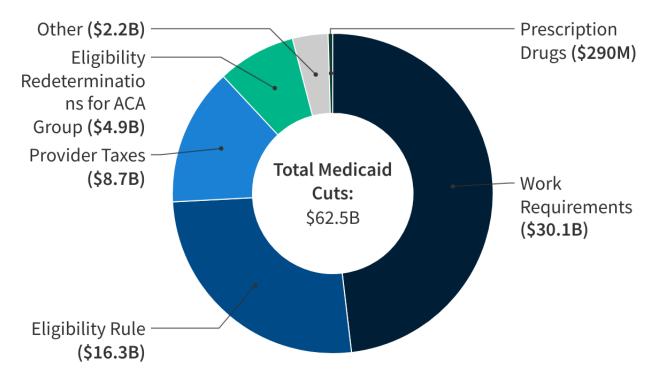
#### Big bill, cont.

- Requires states to conduct costly eligibility redeterminations at least every 6 months for Medicaid expansion adults.
- People lose coverage when they miss notifications, steps in the process, or just don't know that they are up for review. This provision will create gaps in coverage for qualified people and changes the rules that currently require review once a year.

Figure 1

#### CBO Estimates of Potential Federal Medicaid Cuts in the House Energy and Commerce Reconciliation Bill

1-year average estimate of federal spending cuts, by policy



Note: Dollar amounts reflect the average of the 10-year Congressional Budget Office (CBO) estimates. See Methods in "State-Level Context for Federal Medicaid Cuts of \$625 Billion and Enrollment Declines of 10.3 Million" for more details.

Source: KFF analysis of CBO Preliminary Estimates of Energy & Commerce Committee Subtitle D, Part I - Medicaid.



#### What's in the bill? SNAP



- SNAP provides basic food assistance for more than 40 million people, including some 16 million children, 8 million seniors, and 4 million nonelderly adults with disabilities.
- The House reconciliation bill would dramatically raise costs and reduce food assistance for millions of people by cutting federal funding for the Supplemental Nutrition Assistance Program (SNAP) by \$300 billion through 2034 — about 30 percent.

#### What's in the bill? Federal School Voucher Program

- The first federal school voucher program
- \$20B- a dollar for dollar match (higher write-off than donating to other nonprofits)
- Says that "students cannot be denied because of having an IEP" but no oversight mechanism
- Private school "choice" means private schools get to "choose" their students



#### Misinformation Abounds

1

President said he "loves and cherishes" Medicaid but then stated he supports the House-passed bill. 2

Some members of Congress tell constituents "Medicaid" is not mentioned in the budget. 3

Some Members saying they are only cutting "waste, fraud, and abuse" not hurting beneficiaries.

4

Some Members are saying they only support work incentives because there is dignity in work.

#### Next steps

- Congress returned from recess this week
- Senate will review, possibly amend the bill
- Some members are nervous about the cuts to Medicaid
- Some are nervous about increasing the deficit
- We need 4 members to vote "no"

#### Department of Education

- President Trump signed EO to close the Department of Education (ED)
  - Judge blocked Trump's effort (Arc US joined lawsuit)—but will be appealed, etc.
- Nearly 50% of the staff at ED have been fired or placed on leave
  - Significant reductions at Office for Civil Rights (OCR)
  - o 7 field offices shuttered
- Katy Neas (Arc US CEO Op-Ed) <u>Department of Education</u> <u>Helps Students With Disabilities. Don't Let It Disappear</u> <u>Opinion - Newsweek</u>

#### Department of Education, cont.

- There has been mention of moving jurisdiction of IDEA to HHS
  - After meeting with Asst. Secretary Diana Diaz-Harrison that seems less of a priority
- President's budget proposal—proposes to "block grant" pieces of IDEA
  - Cuts all of Part D (personnel prep, parent training centers)
     and moves it to Part B
  - Cuts 619 preschool grants and moves to Part B

# What is The Arc doing?

- Campaign to educate chapters, the public, and Congress
- Coalition of disability and aging advocates visited over 100 offices since January
- Working with chapters in targeted states
- Outreach to the press



### Take Action-The Arc's Action Center







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