Critical Issues in Federal Policy
The Arc of Massachusetts: Chapter Leadership
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The Arc of the United States
Atmosphere in Washington, DC

- High Stakes ….High Tension…in the Nation’s Capital
- The U.S. is experiencing extreme differences in many areas – tactics, strategy, policy, and beliefs
- Most difficult working environment we have seen
- In the disability community, we focus on policies, not politics – do not identify with parties
- Historically, all major disability advances have been bipartisan: Americans with Disabilities Act; community supports through Medicaid; Supplemental Security Income; Social Security Disability Insurance
- Major exception: Affordable Care Act – included major advances in health coverage and long term supports and services for people with disabilities
Major Supports/Programs Now at Risk

- Essential health benefits; protections for people with pre-existing conditions; prohibitions on refusal to provide coverage; much more
- Medicaid – significant restructuring resulting in major cuts in federal reimbursements to states and loss of eligibility and services (community based supports possibly at greatest risk)
  - Total: over $1.4 Trillion in Medicaid cuts from House health bill and Administration Budget proposal
- Proposals to substantially cut SSI, Social Security disability insurance
FY 2018 President’s Budget

- Harms most Americans, including people with disabilities
- Benefits the most prosperous
- Creates a new social program that falls short and harms others
- Reinforces the myths of waste, fraud, and abuse
- Has unrealistic expectations, bad math, and does not balance
FY 2018 President’s Budget

More Details

• **Medicaid**: $610 billion cut over 10 years (on top of $830+ billion in American Health Care Act passed by House):
  – Combined cuts halve the program by 2027

• **Social Security**: $72.4 billion cut over 10 years
  – Vast majority of which impact people with disabilities – Supplemental Security Program or Social Security disability programs
Budget Proposal, cont.

Non-defense Discretionary (NDD) programs cut by $1.6 trillion over 10 years. Examples:

- **Housing** - Section 811 cut by 20%, resulting in 6,855 units of housing lost

- **Developmental Disabilities Councils** - Elimination of funding to state DD Councils, independent living services, and traumatic brain injury services to be replaced with a new “innovation” program with less than 50% of the funding for the three programs.

- **Energy assistance** - Elimination of Low Income Home Energy Assistance Program (LIHEAP)

- **Education** - 12% cut, including work study, aid to low income college students

- **Public health** - 17% cut to the Centers for Disease Control
Bottom Line

• Massive cuts to programs that serve low- and moderate-income Americans, people with disabilities, seniors, children

• Enormous tax cuts tilted heavily to high income earners – likely to cost several trillion dollars over 10 years – with no plan for “pay-fors”
Process & Next Steps

• President’s Budget is non-binding. It merely conveys Administration’s priorities.
• The House and Senate must each develop their own budgets and reconcile any differences in order to implement their budget plans.
• The House is currently developing its budget and is expected to release it near the end of June.
• It is expected to contain additional “reconciliation instructions” that direct committees to develop legislation for:
  – Tax cuts
  – Entitlement cuts
• Reconciliation only requires simple majority vote (51) in the Senate.
Education: School Choice

• President’s Budget provides for:
  – $250 million school voucher program
  – $1 billion Title I “portability” proposal, ramping up to $20 billion over time (1/3 of existing federal aid for education)

• Portability applies to public schools, opening the door to expand to private schools
School Choice
Parent Decision Checklist

1) Are you prepared to give up some/all of your IDEA rights?

2) Do you have schools to choose from in a reasonable proximity to your home?

3) Can you afford to pay the difference between the voucher amount and the full cost of tuition, or does the school offer scholarships for which your child would qualify?

4) Does your child not need, or can you independently afford to pay for, special education and related services?

5) Can your child meet admissions requirements to the private schools?

6) Are you comfortable with the school’s accountability requirements?

7) Will your child’s disability increase his/her chances of being disciplined or expelled?

8) Are your only options segregated settings?

Achieve with us.
Return to Medicaid

Per Capita Cap – Fundamental Restructuring of the Medicaid Program

- Undermines the states’ role in Medicaid partnership – no more federal reimbursement for actual costs
- Once gone – unlikely to ever get it back
- Burden shifts to states to pick up costs of growth – annual gap, emergencies, new health crises, demographic needs for LTSS
- States will be on the hook for a program that provides many of the services of last resort
Per Capita Caps - A More Detailed Exploration*

• End the Federal government’s 50-year guarantee of matching state spending for actual costs
  – Replaces guarantee with pre-set amount with a pre-set growth rate

• Result: Massive funding cut to states which grows over time

• HOW?
Per Capita Caps = Massive Cuts

1. Caps are measured by a flawed growth rate
   - Using “medical Consumer Price Index” – CPI-M
   - Inaccurate because it does not measure actual growth in any other part of the health system (only the average out-of-pocket household costs, not the actual costs for medical care)
   - For example, CBO recently projected Medicaid per capita spending at 5% (2016-2025), while CPI-M is 2.7% over the same period.
More on Per Capita Caps (PCC)

2. Per Capita Caps lock states into their 2016 Medicaid spending levels, including penalties for overspending

3. PCCs ignore the looming long term supports crisis for the aging baby boomers
   - Average Medicaid costs are 250% higher for people 85 and older than for those 65-74
   - In 2016, boomers were between late 40s and early 70s

4. PCCs can be used to cut Medicaid further at any time in the future

*Adapted from: Eliot Fishman, Families USA, *The Devastating Cut to the Entire Medicaid Program Hidden Within Obamacare Repeal*
Grassroots Impact

- Taken together, these are matters of life and death
- Never seen such a massive, across-the-board attack
- Grassroots action is critical
- Clearly having some impact
- Will it be enough to impact votes on the Senate bill/final bill on Medicaid or later bills (SSI, SSDI)?
Impact of The Arc

- The Arc depends on its state and local chapters and members to work with their Members of Congress, Governors, and state legislatures regarding federal policy and implementation.
- Now, more than ever, state/local/grassroots actions will have a decades-long impact on state services.
- National – Public Policy, Communications, and Advocacy Mobilization (new!) teams.
The Time Is Now

- Moving fast
- No hearings; no mark-ups
- Senate vote on Health Care and Medicaid by July 4(?) – only 51 votes needed (including VP)
- Final bill by end of July/August recess(?)
- Our efforts are focused on this bill
- Shore up your support
- Can you offer support to NCE colleagues?