



# Cutting Medicaid: A Prescription to Hurt the Neediest Kids

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## INTRODUCTION

Education is an important and effective way to level the socio-economic playing field for children in poverty. Schools have a great responsibility to provide educational opportunities for children, particularly impoverished children and those with special needs, to ensure they become productive, civically-oriented members of society. Meeting the health and wellness needs of students in school is a necessary and effective approach to reducing educational barriers for children and ensuring America's economic dominance in the 21st century.

Since 1988, Medicaid has permitted payment to schools for certain medically necessary services provided to children under the Individuals with Disabilities Education Act (IDEA) through an individualized education plan (IEP) or individualized family service plan (IFSP). Schools are thus eligible to be reimbursed for direct medical services to students eligible for Medicaid with an IEP or IFSP. In addition, districts can be reimbursed by Medicaid for providing Early Periodic Screening Diagnosis and Treatment Benefits (EPSDT), which provides Medicaid eligible children under age 21 with a broad array of health care screening, diagnosis and treatment services. These services may include vision and hearing screenings, and diabetes and asthma diagnosis and management.

Despite the enormous paperwork hurdles for districts to become Medicaid providers<sup>i</sup> and bill Medicaid for eligible services, the benefits for students and districts are very high. As detailed in the survey below, districts rely on Medicaid revenue to pay for nurses, therapists and other key personnel that provide IDEA services for students with disabilities and critical health services to students in poverty. Since almost 50 percent of Medicaid beneficiaries are children,<sup>ii</sup> providing health and wellness services and services that benefit students with disabilities ultimately



enables more children to become employable and attend higher education.

Schools are an ideal place to offer these services because they are the central hub for all children. Educators have a great interest in ensuring children are healthy, and when children are well, they do better on all indicators of achievement: academic performance, attendance, grades, cognitive skills, attitudes and in-class behavior.<sup>iii</sup> To ensure students are ready and able to achieve academically, schools must be poised to meet the myriad health, emotional and social needs that can negatively impact student performance. Simply put, schools are involved because this is where the children are.

Republicans have expressed a desire to reduce federal Medicaid spending by 25 percent by distributing Medicaid funding through a block-grant or a per-capita cap, which would shift costs to states. However, the Congressional Budget Office estimates that the block grant like the one proposed in the House 2017 budget would cut Medicaid spending by \$1 trillion over a decade, which would be the equivalent in 2026 of cutting away one-third of the program's budget.<sup>iv</sup> Other estimates include a proposed cut closer to 30 percent or 35 percent in the long-term since it encompasses a 25 percent cut over 10 years on top of the cuts that would occur with the repeal of the Affordable Care Act.<sup>v</sup>

Reduced federal expenditures and a lack of responsiveness to adjust funding levels because of changing health costs and circumstances would create competition for limited Medicaid dollars between hospitals, doctors, urgent-care clinics and other health-care centers to ensure continued reimbursement. The National Alliance for Medicaid in Schools estimates that schools receive less than 1 percent of the federal Medicaid allocation,<sup>vi</sup> so it is unlikely they would be able to compete for funds with these other providers. The assumption is that schools would experience a 30 percent reduction in Medicaid funds if Medicaid refinancing occurs.

If a per-capita cap or block grant were to be enacted, school districts would stand to lose much of their funding for Medicaid. A block grant means that districts may no longer receive a dedicated source of funding based on the services they are reimbursed for providing to students. Instead, schools would be forced to compete with hospitals, doctors, urgent-care clinics and other health-care centers to ensure continued reimbursement. Furthermore, there is no guarantee a state may choose to allow school districts could continue to receive reimbursement for IDEA or EPSDT services, so they could lose their entire allocation.

The AASA survey asks school leaders to anticipate how service delivery and student health would be impacted by a 30 percent decline in Medicaid reimbursement.

*Cutting Medicaid: A Prescription to Hurt the Neediest Kids* is divided into five sections:

- Part I outlines the AASA survey questions and findings.
- Part II highlights how students with disabilities and low-income students will be particularly impacted by a per-capita cap or Medicaid block grant.
- Part III describes how communities will be economically affected by a per-capita cap or Medicaid block-grant for school districts.
- Part IV details the potential of districts to lose critical mental health supports for students that are reimbursable by Medicaid.
- Part V notes how recent district efforts to expand Medicaid coverage to students and their families will be undermined by a block grant or per-capita cap.

## PART I: AASA FINDINGS

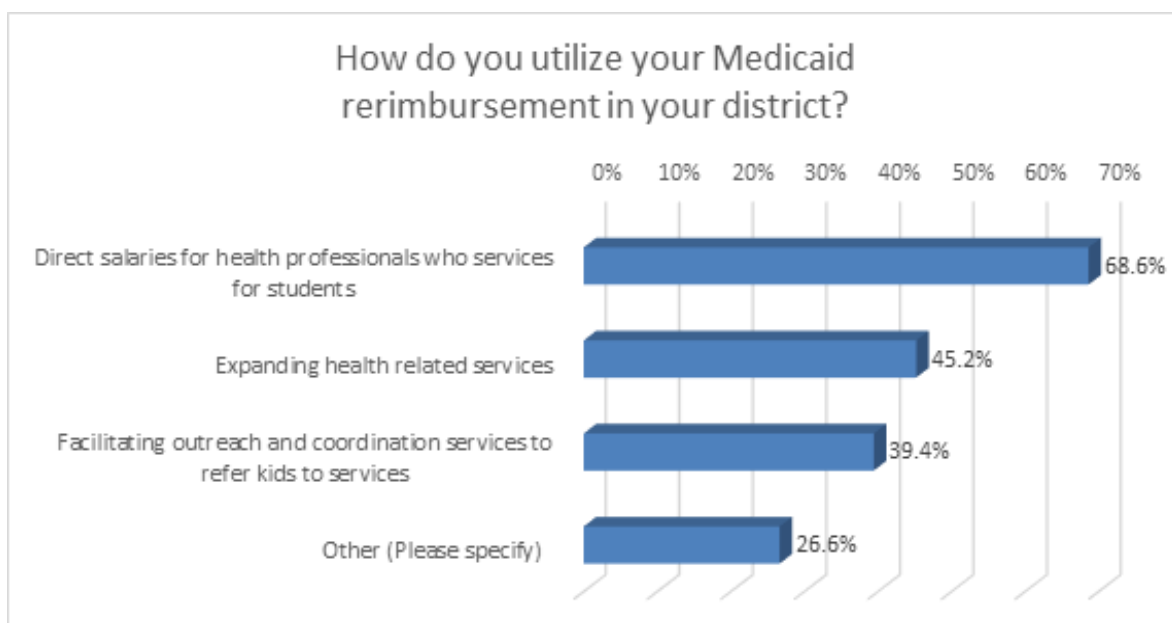
AASA, along with our partners, the Association of School Business Officials and the Association of Educational Service Agencies, conducted a survey in January 2017 to assess the impact of potential per-capita caps or block grants to the Medicaid program in schools. We received close to 1,000 responses from 42 states. School superintendents,

assistant school superintendents, school business officials, special education directors, and education service agency leaders responded to the survey. Throughout the report, we have embedded quotes taken from the survey of school leaders, as they often illustrate the impact of these cuts in far more meaningful terms.

The first survey question asked respondents to explain the impact, if any, of a federal policy that would reduce Medicaid reimbursements for districts by 30 percent. The responses to this open-ended item are grouped by response theme.

The top two responses focused on how a Medicaid cut would harm the neediest students in the district.

- Respondents overwhelmingly expressed concern that students in special education programs will be negatively impacted if a 30 percent Medicaid reduction were to occur. Specifically, there are concerns about the ability of districts to maintain special education program quality and meet federal mandates.
- Respondents were deeply worried about how students in poverty will be impacted if ESPDT services are no longer reimbursable. School leaders were distressed by reductions to general education personnel and programs that would be necessary to make-up for the shortfall in reimbursement for special-education programs. Respondents also expressed concern with the economic impact of Medicaid cuts.
- As one of the largest employers in the community, districts would have to furlough or lay-off school personnel who are paid for, in part or entirely, through Medicaid reimbursement.





- School leaders also indicated that the loss of Medicaid funding could result in new local tax levies or requests for higher taxes.

Finally, respondents expressed deep concern about how a Medicaid cut would impact their ability to deliver critical mental health services for students.

The second question asked how districts utilize their Medicaid reimbursement.

- Two-thirds of respondents indicated they use the Medicaid funds to pay the salaries of health care professionals who provide services for students. Almost half indicated they use Medicaid funds to expand health-related services for students.
- Close to 40 percent said they use the dollars to facilitate outreach and coordination services to refer kids to services.
- A quarter of the responses listed other ways they use Medicaid reimbursement with the most common response being equipment and technology for students with disabilities. Specifically, many said they reinvest funds in equipment (walkers, wheel chairs, exercise equipment, special playground equipment, equipment to assist with hearing and seeing) and assistive technology. Others respondents indicated they use the money for transporting students with disabilities, professional development for special education personnel and ancillary service professionals. A few stated that the dollars reimbursed from Medicaid flow back into the general fund where they are used to off-set the costs of devoting substantial funding to special education programming.

The third question in the survey asked about district efforts to expand Medicaid enrollment and ensure students receive the health benefits to which they are entitled under federal law. Many districts have been eager to engage in activities that expand health care coverage for students. AASA, in partnership with the Children's Defense Fund, has worked for several years with districts<sup>vii</sup> across the country to increase the number of students enrolled in Medicaid. Medicaid enrollment is a win for schools and students—it reduces costs for school districts while providing the care students need to achieve academically and be physically and mentally healthy.

Over 50 percent of survey respondents indicated they have taken steps to increase Medicaid enrollment in their districts. The main reason for taking on this additional task is to increase district revenue, so personnel can better address the health needs of students that may be imped-

## Special Education Students Will Be Harmed

- ◇ "It would drastically cut back on the individualized supports I can provide to disabled children."
- ◇ "This would lead to reduced services for children with disabilities especially children with significant cognitive and motor delays."
- ◇ "Our Medicaid funding is used to help pay the salary of skilled therapists needed to fulfill the IEP requirements of our school age children. We live in a very rural area with a shortage of skilled, qualified therapists (Physical, Occupational, Speech). To meet the needs of our students, we supplement their rates with our Medicaid money."
- ◇ "Districts in our state are already struggling to provide the required (per IDEA) services due to limited funding from the state and federal levels. A cut of this caliber would have a directly negative impact on services and frankly relationships with students and families."
- ◇ "A reduction in federal funding that effects Medicaid funding would be devastating for providing services to students with disabilities. Medicaid funding closes the resource gap between IDEA, State and local dollars to ensure the students can assess their education."

ing academic progress. Many leaders indicated they were motivated to work on increasing enrollment because their districts needed the additional fiscal support they would receive to maintain services for students with disabilities and low-income students.

## PART II: STUDENTS WITH DISABILITIES AND LOW-INCOME STUDENTS WILL BE ESPECIALLY HARMED BY A MEDICAID BLOCK GRANT OR PER CAPITA CAP, BUT ALL STUDENTS WILL BE IMPACTED

AASA, along with our partners, the Association of IDEA created a right for students with disabilities to receive a free appropriate public education in the least restrictive environment. IDEA is the primary federal funding stream allocated to school districts to meet the needs of students with disabilities and comply with the numerous mandates in federal law related to their educational programming. Unfortunately, IDEA is woefully underfunded. While Congress promised to provide 40 percent of the additional

cost to educate a student with a disability, lawmakers have never come close to meeting that promise. Districts currently receive approximately 16 percent<sup>viii</sup> of the additional cost to educate a student with a disability, which means the bulk of funding to cover the federal shortfall for special education comes from state and local levels.

Medicaid permits payments to districts for certain medically necessary services made available to children under IDEA through an individualized education program (IEP) or Individualized Family Service Program (IFSP). Given Congress's failure to commit federal resources to fully-funding IDEA<sup>ix</sup>, Medicaid reimbursement serves as a critical funding stream to ensure districts can provide the specialized instructional supports that students with disabilities need to be educated with their peers. The National Alliance for Medicaid in Education estimates that 1 percent of all Medicaid reimbursement goes to local school districts (between \$4-5 billion), which is roughly a quarter of the investment made in IDEA (\$17 billion).<sup>x</sup>

AASA asked school leaders to identify how their systems would be impacted by a 30 percent reduction in Medicaid funding. By far, the most common result is that students with disabilities will be harmed.

### **COMPLIANCE WITH THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT MAY BE JEOPARDIZED**

Another way special education programs and students may be effected by a Medicaid cut is that without this funding stream, districts be at may risk for noncompliance



### **IDEA Compliance Will Be Compromised**

Cutting 30 percent of our funding would mean a change in how we program for children. Currently students in the least restrictive setting, those most often in the mainstream classroom with 1:1 or 1:2 staffing, would need to move to a more restrictive setting to maintain safety.

A 30 percent cut in Medicaid reimbursement would seriously impact our ability to continue to provide special education supports and services. We would have to reduce the number of paraeducators in our district, thereby compromising IEP services and leaving us open to legal action.

A reduction of funding would directly translate to increased reliance on ESA services. Meaning, students currently being educated in district, may have to attend out of district programs.

The reduction would mean less money for auxiliary services time which would affect our compliance with IEP's and the services that are mandated. It would undermine our ability to work with outside agencies with coordination of services.

We are growing with the student needs in regards to number of students as well as the severity of disability. Losing 30 percent of our reimbursement would lead us to being unable to hire additional teachers to meet these needs, because we don't have the funding to take on both the 30 percent and the need for additional staff to meet the needs of students. This would increase caseloads for special education teachers beyond where they are (which is currently understaffed) which will lead to watered down special education services for students, and not as many students making progress on their IEP goals.

A 30 percent cut in Medicaid reimbursement would seriously impact our ability to continue providing special education supports and services.

with IDEA. School leaders note that compliance with one of IDEA's central tenets, educating students in the least restrictive environment, would be substantially jeopardized by a funding cut. The ability of districts to supplement this funding stream with another federal funding stream—Medicaid—has made the difference in being able to provide many services for students with disabilities and fully adhere to the requirements in IDEA. As this funding stream disappears at a time when IDEA funds comprise merely 16

percent of the additional cost of educating students with disabilities,<sup>xi</sup> district leaders are concerned they will be unable to meet critical IDEA mandates. Specifically, they worry about how to guarantee a student is educated in the least restrictive environment and how to ensure students can access the professionals and supports they need to achieve.

### **STUDENTS IN POVERTY COULD LOSE CRITICAL HEALTH SERVICES**

District leaders are deeply concerned by how a Medicaid cut may affect their ability to provide critical preventative screenings and health care to low-income students. Across the country, some students begin their tenure in school without having seen a doctor recently or at all. Schools are in a unique position to identify and connect eligible children with health care coverage and to provide basic health care screenings directly to children. Many students and families are unaware that they may qualify for Medicaid or for other health care benefits. Schools can assist families in connecting with eligible providers and can also provide critical health care services directly to students if the care is eligible under Medicaid's Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program. In 1967, Congress introduced the Medicaid benefit EPSDT. The goal of this benefit is to ensure that children under the age of 21 who are enrolled in Medicaid receive age-appropriate screening, preventive services, and treatment services that are medically necessary to correct or ameliorate any identified conditions. EPSDT is key to ensuring that children and adolescents receive appropriate preventive, dental, mental health, developmental and specialty services.

Districts that are reimbursed for EPSDT services are better equipped to address the basic healthcare needs of low-income students and ensure they receive appropriate physical, mental and developmental health services. Many respondents indicated low-income students would lose critical care if a 30 percent reduction in Medicaid were to occur.

### **A MEDICAID BLOCK GRANT MEANS STUDENTS OF ALL INCOMES AND ABILITIES LOSE EDUCATIONAL RESOURCES**

Services that are Medicaid reimbursable under IDEA are mandated to be provided by law. As noted above, while IDEA compliance will be increasingly difficult, districts will have to prioritize meeting the needs of students with disabilities first since they have an obligation under federal law to allocate resources to their educational programming.

### **Students in Poverty Lose Critical Services**

- ◇ “We currently fund much of our health-related services from Medicaid reimbursement. A 30 percent reduction would mean less health aid time to assist with critical issues such as monitoring students with diabetes, medicine administration, and other important services.”
- ◇ “Limiting funding to Medicaid would limit their access to quality health care, thus diminishing opportunities for success in school.”
- ◇ “Without this service in our schools, many students would go without health care as their parents are unable to find, pay for, or get their child to critical services.”
- ◇ “Our district utilizes our Medicaid funding to provide more services for students that have a lack of immunizations, mental health concerns as well as screenings for physical development, anticipatory guidance, vision, dental, hearing. If Medicaid funding was reduced, the students in Early Childhood through grade 12 would receive less care and services that allow them the ability to learn. The impact would greatly increase our absenteeism as well as put students at risk for lower academic achievement.”

There is no similar obligation for any other groups of students—English language learners, low-income students, homeless students, etc.—so students without this right to specific educational services and professionals will see their funding stream cut. The practice of taking general education dollars to back-fill costs for special education is called encroachment. Because of the chronic underfunding of IDEA at the federal and state level, all local contributions for special education “encroach” upon their general education programs.

Medicaid reimbursement is helpful in that it mitigates the encroachment of special education spending on general education programs. Medicaid returns some funding to the district that can go back into the special education programs, reducing the need to dip into general education coffers to subsidize special education students and services. A Medicaid block-grant would mean districts are forced to cut services where they can legally do so (general education) in order to continue meeting the needs of students they must legally prioritize serving (special education students).



### All Students Lose Out

- ◇ “This funding would have to come out of the general fund, so it hurts all students.”
- ◇ “Without Medicaid funds we would be forced to cut services to the majority of our students to make up for the special education mandates, that are mostly underfunded or not funded at all.”
- ◇ “This would cause our district to divert more money toward special education than we already do. Our special education costs continue to increase while the support we receive from the state and federal governments is not keeping up with our costs. This means less money for our regular education programs, which are already strained because of educational cuts here in our state.”
- ◇ “It would place a strain on other areas of the district budget, thus affecting both Medicaid eligible students as well as non-Medicaid eligible students.”
- ◇ “A cut in Medicaid funding would be very detrimental to students. The funding pays for staff to meet the needs of children. Since many of the programs for these students are rightly mandated by federal or state law, we would have to cut funds from other areas that are not required, such as general education teachers/class size and counselors.”

### Critical School Personnel Will Be Unemployed

- ◇ “Our Medicaid reimbursements currently fund salaries for several individuals who directly impact the health, safety and well-being of students. It would mean approximately \$600,000 to \$700,000 less as a conservative estimate. This would translate into 8-10 staff positions potentially being lost along with the associated services provided on behalf of special need students.”
- ◇ “Medicaid funds help offset overall expenditures in the school district specific to the services that Speech/Language Pathologists (SLPs) and Occupational Therapists (OTs) provide. As a small rural school district, we have only a dearth of discretionary funds at our disposal to compete with other districts in terms of keeping SLP/OT caseloads at levels commensurate to other school districts. By reducing Medicaid, our ability to maintain caseloads commensurate to other local school districts will suffer, and could result in losing staff and being unable to fill critical positions.
- ◇ “The majority of our Medicaid funds are used for salaries. The result would be reduced staff or weakened local budget to keep positions. Certain class sizes could be increased to accommodate fewer staff. Special education is a staff intense program. It is the staff, small groups and relationships that will help these children be successful.”

## PART III: THERE WILL BE SIGNIFICANT LOCAL ECONOMIC CONSEQUENCES IF MEDICAID BLOCK GRANT OR PER-CAPITA CAP IS ADOPTED

Outside of the direct harm a block grant or per-capita cap represents for students in poverty and low-income students, AASA respondents also had concerns about how a block grant would economically impact district taxpayers and community members employed by the district.

When asked how Medicaid reimbursement is re-allocated in the district, two-thirds of survey respondents indicated they use the funding stream to pay for salaries.

### SCHOOL PERSONNEL WILL LOSE THEIR JOBS

In many small communities, the school district is the largest employer. As districts seek to educate increasing numbers of students with significant health and learning needs, they need a team of specialized instructional support personnel who can assist them in achieving this

goal. School nurses, physical and occupational therapists, speech-language pathologists, school social workers, school psychologists, and many other critical school personnel are employed by the district to ensure students with disabilities and those with a variety of educational needs are able to learn. Many of these providers deliver services that are reimbursable through Medicaid, so the district uses its Medicaid dollars to cover the salaries of these personnel. Without this funding stream, districts leaders are extremely concerned that school personnel positions will be eliminated or that the retention of these sought-after personnel will be compromised.

### LOCAL TAXES WILL INCREASE

According to the Center on Budget Policies and Priorities, 35 states provided less overall state funding per student in the 2014-15 school year (the most recent year available) than in the 2008-09 school year, before the recession took hold. And, in 27 states, local government funding per stu-

### Local Tax Increases May Be Necessary

- ◇ “There will be a shift in funding from Medicaid to local property tax dollars thus impacting all students’ access to other educational items.”
- ◇ “We already run a special education deficit which increases taxes. Reducing the Medicaid disbursement will increase that deficit and raise taxes even more.”
- ◇ “This would drive our spending further into deficit spending and increase our property taxes while also compromising some services to kids.”
- ◇ “The reduction of funding would require the district to utilize funds from other sources to provide the services as mandated under IDEA. The subsequent reduction from other sources would result in elimination of equivalent costing program cuts in “non-mandated” areas of regular education or an increase in local taxes to retain equivalent costing programs.”

dent fell over the same period, adding to the damage from state funding cuts.<sup>xiii</sup> In states where local funding rose, those increases rarely made up for cuts in state support. A cut in Medicaid would result in districts raising more local revenue and/or scaling back other educational services. With property values still not at pre-recession levels, it has been challenging for districts to raise additional revenue through local property taxes without raising tax rates.

### PART IV: MENTAL HEALTH SUPPORTS FOR STUDENTS WILL BE LIMITED OR ELIMINATED

Almost one in five children show signs or symptoms of a mental health disorder each year and more than 60 percent of our children under the age of 17 experience some form of trauma.<sup>xiii</sup> But, nearly 80 percent of children do not receive critical mental health services or interventions.<sup>xiv</sup> Of those that do receive mental health services, 70-80 percent receive services in schools.<sup>xv</sup> Medicaid is a critical funding stream utilized by school districts to increase the number of students who receive mental health services.

Access to school-based mental health services directly improves students’ physical and psychological safety, academic performance, and social-emotional learning. Research shows that the most positive outcomes occur when these services are provided by high quality professionals,

such as school psychologists, school social workers, and school counselors.<sup>xvi</sup> However, there is a scarcity of mental health professionals in schools: only 63 percent of public schools offer a full-time counselor; 22 percent have a full-time psychologist; and 18 percent have an in-house social worker.<sup>xvii</sup> Consequently, many districts cannot develop prevention and early intervention services that allow professionals to address mental health for students that impede academic achievement. Survey respondents indicated a desire to allocate more resources and professionals to addressing mental health needs quickly and effectively by designing early intervention programs for students.

In times of a crisis, such as a school shooting or sudden death of school personnel or students, districts must find ways to provide intensive mental health services for students. Frequently, districts outsource to community mental health clinics and ask personnel from other districts to work at the schools impacted, so they have an appropriate number of professionals on-site for students. It is essential that in these unexpected and tragic circumstances that district leaders do not have to weigh the cost of providing these key professionals to students because they know their services and assistance can be reimbursed by Medicaid.

### Mental Health Supports for Students Will Be Limited

- ◇ “Every year we see an increase in both the severity of mental health issues and the frequency of occurrences within our student population. Cutting funding at this time will create a crisis situation in our schools. We are a rural community and our supports and services are limited. Without the work of our school district, our community will have little to no options for support.” Medicaid funding is critical to our support for students, particularly with regard to serving those with mental health needs. School-based mental health therapy is especially important in that early intervention because it holds the greatest promise for positively impacting long-term outcomes.”
- ◇ “The impact would marginalize mental health services that remain desperately needed.”
- ◇ “All of our social workers and mental health therapists are paid for with Medicaid dollars. We currently have a waiting list of children needing services. We don’t need cuts, we need additional dollars so that we can hire more people to meet this ever-growing need.”



## PART V: DISTRICT EFFORTS TO EXPAND MEDICAID COVERAGE WILL BE UNDERMINED

Because many students are not signed up to receive Medicaid benefits despite being eligible for them, schools represent a critical door to health care that children desperately need and parents and families desperately want. School-based health enrollment does not come without challenges. As noted in the AASA toolkit<sup>xviii</sup> “disconnected phone numbers and frequent relocation within and outside the district boundaries make it difficult for outreach workers to find or contact families for follow up... Maintaining a consistent system of communication with families who have been assisted by the outreach team is essential.” Updating district systems to track uninsured students, connecting these students with trained district personnel who can assist them in receiving health coverage, and doing outreach with community partners to ensure students receive the care they need takes time and funding.

Many survey respondents shared how important it is for districts to receive Medicaid reimbursement to perform outreach services to families and inform them of their eligibility under Medicaid. Other school leaders indicated they felt it is their duty to local taxpayers to try and capture the greatest possible reimbursement from the federal government for services they provide to Medicaid-eligible students, even if the paperwork burden associated with Medicaid reimbursement and the up-front costs of operationalizing a reimbursement system are considerably high.

Respondents also discussed the ethical obligation they felt to ensure every child in their system receives the medical care they need regardless of their parents’ ability to pay. Many respondents pointed to the increased mental health needs of students being a main motivation to expand Medicaid enrollment and reimbursement processes in their district. Others mentioned they have more students in poverty than in the past, so taking the time and resources to create a Medicaid reimbursement system at the district level made more sense than in prior years. Several respondents noted state budget cuts coupled with the loss of student enrollment incentivized them to start enrolling students to ensure they could deliver the same quality of health services.

It is unknown whether states will continue to ensure children who are eligible for EPSDT services or whether district services will be reimbursed by Medicaid. Consequently, continuing or developing limited resources and personnel to enroll and expand health care coverage may not be a worthwhile investment for districts. Many districts



also assist families in their renewal applications to maintain their health coverage each year. Districts will be less able to assist with these renewal efforts if they cannot be reimbursed for this aid, so students who used to receive Medicaid coverage may no longer have access to it.

## CONCLUSION

It is difficult to imagine how a block grant or per-capita cap can work well for children who receive critical health care in schools. Under caps as well as block grants, states will face a gap between the costs of providing coverage and the federal funds available to offset those costs. Last year’s lead exposure crisis in Flint, Mich. is a prime example of the need for districts to receive Medicaid reimbursement on an as-needed basis. Currently, Medicaid funding is responsive to changing program needs so that when an extraordinary number of Medicaid eligible students are suddenly in need of intensive health supports and services, specialized instructional support personnel can address their needs adequately. Under a per-capita cap, the fact that some students may have much more costly health needs due to an environmental crisis are not considered. No additional funds are given to cover the cost of their care leaving districts scrambling to raise local taxes or cut into the general education fund to find ways of providing health services.

Under a block grant, it would also be more difficult to allocate funds equitably across states and coverage would not be guaranteed for children. Puerto Rico provides a prime example of how children are harmed when a Medicaid block grant is implemented. As documented by First Focus, “the effects on Puerto Rico’s children have been

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devastating. Doctors are fleeing to the mainland or refusing to accept patients on Medicaid, leaving children without access to pediatric and preventive care. Consequently, children are more likely to have preventable hospitalizations and use overwhelmed hospital emergency departments for illnesses that should be treated by primary care physicians. Furthermore, the lack of access to specialists leaves children at risk of developing preventable chronic diseases.”<sup>xix</sup>

If a block grant is enacted, experts believe the percentage of uninsured children is expected to increase from 12.1 percent (10 million) to 21.6 percent (17.9 million).<sup>xx</sup> Moreover, the critical EPSDT benefits could be eliminated. Under a block grant scenario, there may not be federally required minimum benefits packages for children. Some state leaders have already indicated their dis-

pleasure with the EPSDT and could choose to eliminate it altogether which would jeopardize health care for millions of children across the country.

These survey findings highlight the importance of preserving Medicaid’s financing structure. School leaders are deeply concerned by the impact a block grant would have on districts’ ability to deliver critical special education supports and health services to students. We urge members of Congress to weigh how children will be impacted by a Medicaid block grant and to reach out to school leaders for specific insights about the importance of their school-based Medicaid programs for students. Finally, please keep in mind that adults employed by the community, taxpayers, and students of all socio-economic classes and abilities could be hurt if this critical reimbursement stream is eliminated.



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