Your TASB Special Education Solutions Team is reaching out to you related to a major bill that impacts your School Health and Related Services program. As reported in April, school Medicaid funds continue to be in jeopardy. An amended version of Republicans' American Health Care Act (H.R. 1628) passed the House of Representatives in a narrow 217-213 vote at the end of last week.

One significant feature of the bill for urban schools is the elimination of the traditional Medicaid entitlement for low-income children and adults, with an $880 billion reduction in Medicaid spending over ten years. These are funds that all of us use to off-set costs for students with disabilities. As we reported to you previously, the Medicaid reduction is the result of the creation of a block grant or per capita grant ceiling. According to one school advocate, “More directly [impacting schools], cuts or even elimination of school-based Medicaid reimbursements from State Medicaid Offices would be expected if this legislation is ultimately signed into law, severely impacting health and special education-related services for Medicaid-eligible students. Obviously, we cannot let this happen.” In Texas this accounts for nearly a billion dollars a year. We cannot afford to lose this funding.

The next step brings AHCA to the Senate floor. Although the Senate currently has no official date for a vote on the AHCA, it is expected to take at least a few weeks for one to be scheduled, but could happen sooner. TASB continues to follow the action at the federal level and encourages you to do so too. In addition, there is still time for us to take action. The National School Boards Association joined fifty-nine other organizations in a letter to Congressional leadership urging members to oppose the American Health Care Act (AHCA). The letter outlines unintended consequences of the Obamacare repeal legislation and details the harmful effect the proposed bill will have on public
schools serving students with disabilities and students in poverty.

You and your district can join this fight by making yourself heard. Contact your Senators. Reach out to others in your district to join you in doing so. Contact your local media and tell them what this funding means for your district. Advocate for your needs. Information on advocacy and what to do may be found on this blog. If you are unsure what to say or how to get involved, TASB outlines options in our Advocacy Manual, and NSBA provides great first steps on their website. Our Texas Senators’ contact information may be found on the Senate website. If you have never written an Op Ed, information on how to do so may be found on this blog. Your local paper is a great starting point. Social Media Advocacy can also be used to spread the word and encourage others to support your program and tips may be found here. To assist you, we are attaching overview information from the HHSC & TEA presentation at our recent Member’s Conference.

Attached is information from our previous contact as well as updated information from NSBA. Additional media information on the impact of AHCA on the school Medicaid program may be found at:

- House Passes Health Care Bill Alarming Disability Advocates
- Health Care Bill's Changes to Medicaid Alarm School Advocacy Groups
- A Little-Noticed Target in the House Health Bill: Special Education
- Cuts to Medicaid Would Harm Young Children with Disabilities
- Special education could be under attack with new Republican health bill

If you produce materials or supports for this effort, we would love to be able to spotlight those. Please share your efforts. We will continue to follow ACHA and bring you information.

Your Special Education Solutions Team

Dr. Karlyn Keller
Lead Account Executive - Manager
TASB Special Education Solutions
2014 SHARS Cost Report – Cost Categories

- **Audiology & Hearing**: $924,930 (0.100%)
- **Counseling Services**: $8,245,668 (0.893%)
- **Nursing Services**: $130,246,224 (14.110%)
- **Occupational Therapy (OT)**: $117,781,376 (12.760%)
- **Personal Care Services**: $15,709,957 (1.702%)
- **Physical Therapy (PT)**: $437,245,092 (47.370%)
- **Physician Services**: $7,965,795 (0.863%)
- **Psychological Services**: $88,054,566 (9.540%)
- **Speech and Language Services (SLP)**: $87,627,449 (9.493%)
- **Transportation Services (not only Specialized Trans)**: $29,221,168 (3.166%)
- **Transportation Services (only Specialized Trans)**: $27,951 (0.003%)

**Total**: $279,513,900
Federal Portion of District Medicaid Allowable Costs
Per SHARS Cost Report Data

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Number of Districts</th>
<th>Federal Portion</th>
<th>Interim Payments</th>
<th>Settlement Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFY 2010</td>
<td>541</td>
<td>$222,410,382</td>
<td>$125,424,302</td>
<td></td>
</tr>
<tr>
<td>FFY 2011</td>
<td>569</td>
<td>$263,558,998</td>
<td>$163,558,998</td>
<td></td>
</tr>
<tr>
<td>FFY 2012</td>
<td>624</td>
<td>$247,686,557</td>
<td>$152,676,884</td>
<td></td>
</tr>
<tr>
<td>FFY 2013</td>
<td>635</td>
<td>$309,503,435</td>
<td>$157,463,268</td>
<td></td>
</tr>
<tr>
<td>FFY 2014</td>
<td>718</td>
<td>$362,459,980</td>
<td>$179,278,169</td>
<td></td>
</tr>
</tbody>
</table>

FFY stands for Fiscal Year.
District Medicaid Allowable Costs are calculated per SHARS Cost Report Data.
May 2, 2017

Re: The American Health Care Act Vote

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Majority Leader McConnell, Speaker Ryan, Minority Leader Schumer, and Minority Leader Pelosi:

The undersigned member organizations of the Save Medicaid in the Schools Coalition are concerned that the American Health Care Act (AHCA) jeopardizes healthcare for the nation’s most vulnerable children: students with disabilities and students in poverty. Specifically, the AHCA reneges on Medicaid’s 50+ year commitment to provide America’s children with access to vital healthcare services that ensure they have adequate educational opportunities and can contribute to society by imposing a per-capita cap and shifting current and future costs to taxpayers in every state and Congressional district. While children currently comprise almost half of all Medicaid beneficiaries, less than one in five dollars is spent by Medicaid on children. Accordingly, a per-capita cap, even one that is based on different groups of beneficiaries, will disproportionally harm children’s access to care, including services received at school. **Considering these unintended consequences, we urge a ‘no’ vote on The American Health Care Act (AHCA).**

Medicaid is a cost-effective and efficient provider of essential health care services for children. School-based Medicaid programs serve as a lifeline to children who can’t access critical health care and health services outside of their school. Under this bill, the bulk of the mandated costs of providing health care coverage would be shifted to the States even though health needs and costs of care for children will remain the same or increase. Most analyses of the AHCA project that the Medicaid funding shortfall in support of these mandated services will increase, placing states at greater risk year after year. The federal disinvestment in Medicaid imposed by the AHCA will force States and local communities to increase taxes and reduce or eliminate various programs and services, including other non-Medicaid services. The unintended consequences of the AHCA will force states to cut eligibility, services, and benefits for children.

The projected loss of $880 billion in federal Medicaid dollars will compel States to ration health care for children. Under the per-capita caps included in the AHCA, health care will be rationed and schools will be forced to compete with other critical health care providers—hospitals, physicians, and clinics—that serve Medicaid-eligible children. School-based health services are mandated on the States and those mandates do not cease simply
because Medicaid funds are capped by the AHCA. As with many other unfunded mandates, capping Medicaid merely shifts the financial burden of providing services to the States.

**Medicaid Enables Schools to Provide Critical Health Care for Students**

A school’s primary responsibility is to provide students with a high-quality education. However, children cannot learn to their fullest potential with unmet health needs. As such, school district personnel regularly provide critical health services to ensure that all children are ready to learn and able to thrive alongside their peers. Schools deliver health services effectively and efficiently since school is where children spend most of their days. Increasing access to health care services through Medicaid improves health care and educational outcomes for students. Providing health and wellness services for students in poverty and services that benefit students with disabilities ultimately enables more children to become employable and attend higher-education.

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 program (IEP) or individualized family service program (IFSP). Schools are thus eligible to be reimbursed for direct medical services to Medicaid-eligible students with an IEP or IFSP. In addition, districts can receive Medicaid reimbursements for providing Early Periodic Screening Diagnostic and Treatment Benefits (EPSDT), which provide Medicaid-eligible children under age 21 with a broad array of diagnosis and treatment services. The goal of EPSDT is to assure that health problems are diagnosed and treated as early as possible before the problems become complex and treatment is more expensive.

School districts use their Medicaid reimbursement funds in a variety of ways to help support the learning and development of the children they serve. In a 2017 survey of school districts, district officials reported that two-thirds of Medicaid dollars are used to support the work of health professionals and other specialized instructional support personnel (e.g., speech-language pathologists, audiologists, occupational therapists, school psychologists, school social workers, and school nurses) who provide comprehensive health and mental health services to students. Districts also use these funds to expand the availability of a wide range of health and mental health services available to students in poverty, who are more likely to lack consistent access to healthcare professionals. Further, some districts depend on Medicaid reimbursements to purchase and update specialized equipment (e.g., walkers, wheelchairs, exercise equipment, special playground equipment, and equipment to assist with hearing and seeing) as well as assistive technology for students with disabilities to help them learn alongside their peers.

School districts would stand to lose much of their funding for Medicaid under the AHCA. Schools currently receive roughly $4 billion in Medicaid reimbursements each year. Yet under this proposal, states would no longer have to consider schools as eligible Medicaid providers, which would mean that districts would have the same obligation to provide services for students with disabilities under IDEA, but no Medicaid dollars to provide medically-necessary services. Schools would be unable to provide EPSDT to students, which would mean screenings and treatment that take place in school settings would have to be
moved to physician offices or hospital emergency rooms, where some families may not visit regularly or where costs are much higher.

In addition, basic health screenings for vision, hearing, and mental health problems for students would no longer be possible, making these problems more difficult to address and expensive to treat. Moving health screenings out of schools also reduces access to early identification and treatment, which also leads to more costly treatment down the road. Efforts by schools to enroll eligible students in Medicaid, as required, would also decline.

The Consequences of Medicaid Per Capita Caps Will Potentially Be Devastating for Children

Significant reductions to Medicaid spending could have devastating effects on our nation’s children, especially those with disabilities. Due to the underfunding of IDEA, districts rely on Medicaid reimbursements to ensure students with disabilities have access to the supports and services they need to access a Free and Appropriate Public Education (FAPE) and Early Intervention services. Potential consequences of this critical loss of funds include:

- Fewer health services: Providing comprehensive physical and mental health services in schools improves accessibility for many children and youth, particularly in high-needs and hard-to-serve areas, such as rural and urban communities. In a 2017 survey of school district leaders, half of them indicated they recently took steps to increase Medicaid enrollment in their districts. Reduced funding for Medicaid would result in decreased access to critical health care for many children.

- Cuts to general education: Cuts in Medicaid funding would require districts to divert funds from other educational programs to provide the services as mandated under IDEA. These funding reductions could result in an elimination of program cuts of equivalent cost in "non-mandated" areas of regular education.

- Higher taxes: Many districts rely on Medicaid reimbursements to cover personnel costs for their special education programs. A loss in Medicaid dollars could lead to deficits in districts that require increases in property taxes or new levies to cover the costs of the special education programs.

- Job loss: Districts use Medicaid reimbursement to support the salaries and benefits of the staff performing eligible services. Sixty-eight percent of districts use Medicaid funding to pay for direct salaries for health professionals who provide services for students. Cuts to Medicaid funding would impact districts’ ability to maintain employment for school nurses, physical and occupational therapists, speech-language pathologists, school social workers, school psychologists, and many other critical school personnel who ensure students with disabilities and those with a variety of educational needs are able to learn.

- Fewer critical supplies: Districts use Medicaid reimbursement for critical supplies such as wheelchairs, therapeutic bicycles, hydraulic changing tables, walkers, weighted vests, lifts, and student-specific items that are necessary for each child to access curriculum as closely as possible to their non-disabled peers. Replacing this
equipment would be difficult if not impossible without Medicaid reimbursements.

- Fewer mental health supports: Seven out of ten students receiving mental health services receive these services at school. Cuts to Medicaid would further marginalize these critical services and leave students without access to care.

- Noncompliance with IDEA: Given the failure to commit federal resources to fully fund IDEA, Medicaid reimbursements serve as a critical funding stream to help schools provide the specialized instructional supports that students with disabilities need to be educated alongside their peers.

We urge you to carefully consider the important benefits that Medicaid provides to our nation’s most vulnerable children. Schools are often the hub of the community, and converting Medicaid’s financing structure to per-capita caps threatens to significantly reduce access to comprehensive health and mental and behavioral health care for children with disabilities and those living in poverty. We look forward to working with you to avert the harmful and unnecessary impacts the AHCA would impose on Medicaid, which has proven to benefit children in a highly effective and cost-effective manner.

If you have questions about the letter or wish to meet to discuss this issue further, please do not hesitate to reach out to the coalition co-chairs via email: John Hill (john.hill@medicaidforeducation.org), Sasha Pudelski (spudelski@aasa.org), and Kelly Vaillancourt Strobach (kvaillancourt@naspweb.org).

Sincerely,

AASA, The School Superintendents Association
Accelify
American Civil Liberties Union
American Dance Therapy Association
American Federation of Teachers
American Foundation for the Blind
American Occupational Therapy Association
American Psychological Association
Association of Assistive Technology Act Programs
Association of Educational Service Agencies
Association of School Business Officials International (ASBO)
Association of University Centers on Disabilities
Autistic Self Advocacy Network
Center for American Progress
Center for Public Representation
Clearinghouse on Women's Issues
Colorado School Medicaid Consortium
Conference of Educational Administrators of Schools and Programs for the Deaf
Council for Exceptional Children
Council of Administrators of Special Education
Council of Parent Attorneys and Advocates
Disability Rights Education & Defense Fund
Medicaid at Austin ISD

Austin ISD provides a variety of health and support services to approximately 5,400 students per year. The district bills Medicaid, on average, $21 million per year for reimbursement of these services.

The Issue

Cuts in Medicaid funding or changes in the way the program is administered could severely affect Austin ISD’s budget. The Individuals with Disabilities Education Act of 1975 ensures that children with disabilities have the opportunity to receive a free appropriate public education as other children without a disability or chronic condition. Medicaid participation is the mechanism that the federal government uses to support school districts’ implementation of IDEA.

Like a private health care provider, the district seeks reimbursement for services from Medicaid based on specific services provided to individual students. Reimbursement is claimed after those services are provided.

If the federal government were to cut Medicaid, the district would continue to provide services to a student in need, but the district’s overall budget could be harmed, jeopardizing other programs for the entire student population.

Medicaid Services for Special Needs Students

The district bills Medicaid for the following services:

- Assessments done by licensed specialists in school psychology
- Speech therapy, including Spanish-language speech therapy
- Occupational therapy
- Physical therapy
- Personal care services (diapering, feeding, escorting, etc.)
- Nursing medication administration (by nurses and by delegated staff)
- Nursing procedures by nurses and delegated staff (e.g., tube feedings, catheterizations, diabetes management, seizure management, etc.)
- Providing a bus monitor as a personal care service to ensure the safety of students unable to function independently

Medicaid in Context

The district bills Medicaid, on average, $21 million per year.

More than 57 percent of Austin ISD’s students—many of whom qualify for Medicaid—are classified as low-income.

If AISD were to lose all Medicaid reimbursements, the district would face the loss of 400 positions.

The Solution

Any changes to Medicaid need to ensure that school districts are guaranteed to receive reimbursements at current or increased levels, and that reimbursements are adjusted to accommodate healthcare inflation.