

NEW YORK STATE EDUCATIONAL CONFERENCE BOARD



December 2017

Proposed Medicaid cuts will hurt the nation's most vulnerable children

While primarily seen as a health care program, Medicaid also provides significant financial support to school districts for a variety of activities. As Congress works to enact a FY2018 federal budget and given the recent efforts to modify the Affordable Care Act, it is important to draw attention to the fact that cutting or changing Medicaid to a block grant program will have significant negative financial implications for school districts. These could have devastating effects on health care and educational programs that benefit the nation's most vulnerable children (students with disabilities and those living in poverty), as well as threaten programs that benefit schools and local taxpayers.

In fact, the proposed changes in Medicaid to become a block grant or a program with a per capita cap would cut Medicaid spending by \$1 trillion (or one-third of the program's budget) in the next decade, according to the Congressional Budget Office. The proposed 2018 federal budget could further impact Medicaid funding received by New York and all states, as it proposes to cut Medicaid funding by an additional \$610 billion over the next decade.

School districts and students would lose out

It's vital that any conversation around health care include a focus on what Medicaid cuts would mean to schools and students. New York currently invests more than \$273 million in Medicaid-funded services in schools, including \$136.7 million in federal funds. These funds are used to provide screening services to all children to identify issues that affect learning. Medicaid-eligible students living in poverty can receive health services that would not otherwise be easily accessible to them. For students with disabilities, Medicaid funding covers the costs of special education services and equipment, such as physical therapy, feeding tubes and wheelchairs. Many schools also use Medicaid funds to cover direct salaries for health professionals who work with children in school settings. In addition, more and more school leaders identify the need to meet students' increasing mental health needs as a top priority in their districts.

What is Medicaid?

Medicaid is the government-operated health care program that covers low-income children, parents, pregnant women and senior citizens. It is the single largest insurer for children, covering more than 30 million children nationwide — including 1.78 million in New York (37 percent of the state's Medicaid users). Medicaid is structured as a joint federal and state program, with individual states establishing eligibility requirements under broad federal guidelines that outline minimum standards. Federal Medicaid funding levels vary from state to state, with New York receiving approximately 50 percent of Medicaid dollars from the federal program in the form of reimbursements.



Funding for identifying needs and appropriate services is severely limited within school districts and the community at large. Any further fiscal cuts would exacerbate this already critical situation.

In a survey conducted by The School Superintendents Association (AASA), school administrators nationwide were asked to describe the impacts on their districts if there was, indeed, a 30 percent cut in Medicaid funding. These educators responded with great concern about the negative impacts on special education programs — namely, the ability to provide high-quality services and to meet federal mandates. In turn, providing the mandated special education services would then mean that general education programs would likely be short-changed to make up for the cuts in Medicaid funding for special education programs. It's a ripple effect that will impact all children, regardless of their disability status.

The survey respondents expressed concern, as well, about how students in poverty would fare if physical, mental health and developmental screenings were no

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longer covered by Medicaid reimbursements. In many cases, school districts would be forced to curtail these important services — again, in order to provide mandated services.

As many school districts are large employers in their communities, school administrators were also worried about having to lay off personnel whose salaries are covered by Medicaid funds. [Source: *The School Superintendents Association's "Cutting Medicaid: A Prescription to Hurt the Neediest Kids"*]

States and local taxpayers could be left to pick up the tab

The proposed Medicaid funding cuts could also cause states to consider scaling back their health programs or look for other areas to cut, including allocations to education. In many cases, school districts and local governments would be unable to make up for lost federal funds due to the restrictions of the tax levy cap.

In all, the intended — and unintended — consequences of the proposed federal Medicaid cuts are unacceptable and intolerable in a caring and socially conscious society.

BENEFITS OF CHILDHOOD MEDICAID COVERAGE CAN LAST A LIFETIME

Miss fewer days of school and perform better in school.



More likely to finish high school, attend college and graduate from college.



Have fewer costly chronic health conditions, hospitalizations and emergency room visits.



Improved economic success in adulthood with higher incomes, more tax contributions and less reliance on safety net programs and social services.

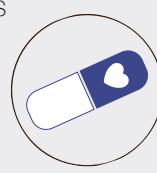
How is Medicaid funding used in schools to benefit children?

Similar to hospitals and physicians, schools can be designated as Medicaid providers. Once a state has authorized a public school district to become a Medicaid provider, the district most often receives and uses Medicaid funds in the following ways to finance the cost of services for low-income children:



Direct services required under individualized education plans (IEPs): School districts use Medicaid funds to ensure eligible students with disabilities can benefit from public education by providing medically related services and special education services.

Critical health services: School districts provide health and wellness services to children, including vision and hearing screenings, psychological services, occupational and speech therapy, as well as diabetes and asthma diagnosis and management. For many children, these services are their only interactions with health professionals.



School-based health centers often access Medicaid to help offset the cost of providing health services to students who live in poverty and those who have little or no other access to such services. Improving the overall health of students leads to fewer absences and improved academic performance.



Free care: Schools can use Medicaid funding to provide certain medical services to Medicaid-eligible students, which are performed by qualified medical clinicians.

Medicaid outreach: The federal government requires states to conduct outreach to individuals to educate them about Medicaid. School districts can and do assist the state with this outreach to families.