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September 22, 2017

Senate Committee on Finance
Attn. Editorial and Document Section
Rm. SD-219
Dirksen Senate Office Bldg.
Washington, DC 20510-6200

cc: Senator Ron Johnson; Senator Tammy Baldwin

Re: Hearing to Consider the Graham-Cassidy-Heller-Johnson Proposal

Dear Chairman Hatch, Ranking Member Wyden, Members of the Committee;

The Arc Wisconsin is urging you to preserve the funding structure for the Medicaid program and the critical services and supports it provides to people with intellectual and/or developmental disabilities (I/DD) in Wisconsin and nationwide. Specifically, people with I/DD in Wisconsin rely on Medicaid funded programs like Family Care, IRIS, Children's Long-Term Supports, BadgerCare, occupational, physical and speech therapies, autism supports and more. More than 1 million Wisconsin residents depend on Medicaid for their health insurance and funding for essential community based care. Two-thirds of Medicaid funding goes to support people with disabilities and older adults.

The Arc Wisconsin has 15 local chapters and many of them provide essential Medicaid services to people with I/DD. We are located in Eau Claire, La Crosse, Richland Center, Fond du Lac, Monroe County, Green County, Waupaca County, Washington County, Mineral Point, Lincoln County, Racine, Dane County, Dodge County and Dunn County. The Arc Fond du Lac is an example of a chapter that employs more than 50 workers and receives more than 70% of their operating revenue through the Medicaid program to provide day and residential services to very vulnerable people.

Wisconsin currently receives a 60% funding match from the federal government for all its Medicaid programming which includes flexible waivers that allow individuals and families with disabilities to get supports in the community that help them to be healthy, allow them to live in their own homes and keep them out of institutions. These community-based waiver programs, serving more than 70,000 older adults and people with disabilities and nearly 7,000 children with disabilities in Wisconsin, are considered optional under Medicaid and are predicted to be at risk for elimination through the per capita caps proposed in the Graham-Cassidy bill.

Wisconsin has worked hard to eliminate waiting lists for community services for people with the most significant disabilities. This is unheard of in most other states. By 2018 no adult with a disability who qualifies for Family Care and IRIS long-term care will have to wait for supports in our state. The Wisconsin state budget passed this month includes new funding to eliminate waiting for children with significant disabilities, including autism and other developmental disabilities. Unfortunately, analysts of Graham-Cassidy have predicted that states will likely respond to per capita cap funding restrictions in Medicaid by instituting waiting lists for services.

Although early estimates of Graham-Cassidy show Wisconsin may not lose funding immediately, by 2027 Medicaid per capita cap cuts become increasingly severe for our state. Wisconsin stands to lose \$2,909,000,000 (or nearly \$3 billion) by 2027 and \$29 billion by 2036.

Nationwide, Medicaid provides essential services to more than 10 million people with disabilities. The disability community and bipartisan Congressional leaders have worked together for decades to ensure that adults and children with disabilities have access to home- and community-based services that allow them to live, work, and receive an education in the community. People with disabilities rely on Medicaid for nursing and personal care services, specialized therapies, intensive mental health services, special education related services, and other needed services that are unavailable through private insurance.

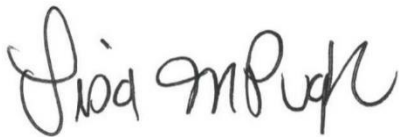
On behalf of people with I/DD we ask that you consider the impact of billions of dollars in Medicaid funding reductions in Wisconsin and all states. With reduced federal spending, we worry that Wisconsin taxpayers will not be able to make up the difference to maintain our system of supports. We fear that Wisconsin will be forced to return to outdated modes of serving people with disabilities, such as institutional care and segregated services.

The cutting and capping of the Medicaid program over time affects each state budget differently. It is clear that the proposal will mean significantly less federal support for any future efforts to rebalance spending from institutional services to community spending. It is not likely that states will be able to address the problems of low reimbursement rates for

providers of home and community based services or to address the need to provide adequate wages for the direct support workers who provide these critical community services. Quality of care will surely suffer.

Thank you for considering the harmful consequences per capita caps would have on individual with disabilities, children and families in Wisconsin. **We ask that you vote NO on any legislation that cuts or caps Medicaid.**

Sincerely,



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