

TAMES Health Care Reform Position

June 28, 2017

Public schools provide more than education—they also provide health care. In 2015, Illinois public schools received reimbursement of more than \$115.7 million for health care services, and more than \$51.4 million for administrative costs.¹ This is due to the passage of Title XIX of the Social Security Act, E.P.S.D.T. – Public Law 101-239 Section 6403 in 1967 and amended several times to account for changes in health care standards. The law mandates that schools provide the medical services necessary to overcome impairments to a child receiving an education.

When public schools provide these allied health care services, the local school district pays for them. When a Medicaid-eligible student receives services, federal dollars are available to pay a portion. Because of Title XIX, those services are required of the schools. But because Title XIX didn't provide any source of funding, schools are forced to find funding on their own, often from the public education budget. If Medicaid is cut, public schools will lose funding for special education programs.

TAMES is a Medicaid billing agent, and we have been working with schools in Illinois for nearly 30 years. In 2016, we helped Illinois schools collect \$8.6 million from the federal government. That money is used to pay school nurses, speech therapists, health aides, occupational therapists, physical therapists, social workers, psychologists, and to keep special education programs operational.

The cuts to Medicaid proposed by Congress in the American Health Care Act (AHCA, passed by the House of Representatives) and Better Care Reconciliation Act (BCRA, proposed by the Senate) would repeal the Medicaid expansion implemented by the Affordable Care Act and have even more far-reaching consequences. Medicaid reimbursement rates would be outpaced by increased health care costs because of the limits on annual increases built into the AHCA and BCRA. These proposed bills intentionally shift the health care costs to the states—states that already have strained budgets. This action would certainly result in loss of needed care for children as well as a loss of funding for special education programs. These are vital services, required by law, that schools already struggle to pay for. The proposed changes will make it even more difficult. Medicaid payments provide a great deal of funding that would otherwise need to be filled by local taxes or made up for by cuts to services to special education children.

The legislation proposed by Republicans in Congress seeks to undo the Medicaid expansion of the Affordable Care Act, but it does not seek to replace it with something better. Instead it proposes further cuts to Medicaid. Common defenses of the law talk about “access” to health care, but ignore the function Medicaid plays in important services like special education.

Of particular concern are the “Per capita” and “Block grant” changes to Medicaid. These changes would force states to prioritize Medicaid payments and would likely see funding to schools sharply reduced or even eliminated. Even if that doesn't happen, options like lifetime

¹ https://www.illinois.gov/hfs/SiteCollectionDocuments/FY2015_Annual_Report_3-31-16_final.pdf

limits would create a situation where parents are incentivized to opt-out of Medicaid claiming to protect their own access. Our public schools already face a difficult task in budgeting, and cutting Medicaid would make it much more difficult.

It is vital that we value the proper functioning of our health institutions, including those in our public schools, and find ways to cut costs that don't compromise the programs that protect our children. Please stand with us in opposing this legislation until it keeps the President's promise not to cut Medicaid.