



## Maintain Medicaid Coverage for School-Based Services

***SSWAA opposes the proposed per capita cap on Medicaid under the American Health Care Act, which would seriously impact schools' ability to provide services to students.***

1. Children constitute approximately 44% of Medicaid beneficiaries, but only about 19% of Medicaid costs; reduced funding via per capita caps will disproportionately harm children.
2. An estimated 1% of all Medicaid reimbursement goes to local school districts (between \$4-5 billion), roughly a quarter of the federal investment (\$17 billion) in the Individuals with Disabilities Education Act (IDEA).
3. States already have lots of flexibility in design of their Medicaid programs, including services covered, payment to healthcare providers, service delivery, and eligibility levels.
4. A per capita cap would cut federal costs by setting arbitrary limits on federal Medicaid spending, imposing higher costs on States and ultimately reducing the number of services to children.
5. **Students and school districts would be seriously impacted by this proposal:**
  - a. Noncompliance with IDEA: As Congress has not met its IDEA funding promise of providing 40% of the excess costs of educating children with disabilities, Medicaid reimbursement is a critical funding stream that allows districts to provide the specialized instructional support services – including school mental health services – and other medically necessary services to children with disabilities.
  - b. Fewer services: Providing comprehensive physical and mental health services in schools improves accessibility for many children, particularly in high needs and hard to serve areas such as rural and urban communities. Reduced funding for Medicaid would result in decreased access to critical healthcare for many children and youth.
  - c. Higher taxes: Many districts rely on Medicaid reimbursement to cover personnel costs for special education programs and other school-based health services. A loss in Medicaid reimbursement could lead to deficits in districts that require increases in property taxes or new levies to cover these costs.
  - d. Cuts to general education: Cuts in Medicaid funding would require districts to utilize funds from other sources to provide the medically necessary services mandated under the IDEA. The subsequent reduction from other sources could result in elimination of programs in other areas of the education system.
  - e. Job loss: Cuts to Medicaid funding would impact districts' ability to maintain employment for specialized instructional support personnel who assist students with and without disabilities to be ready and able to learn and succeed in school.
  - f. Fewer mental health supports: Seven of 10 students who need mental health services receive those services at school. Cuts to Medicaid would further marginalize these critical services and leave students without access to care.

**Action Requested: Maintain the current Medicaid program to ensure students with disabilities continue to receive critical services to help them succeed in school and beyond.**

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