



NATIONAL ASSOCIATION OF  
**School Psychologists**

## Importance of Medicaid Funding for Children and Youth

### Overview

- Approximately 36 million children are covered by Medicaid or CHIP.
- It is estimated that the proposed federal plan would shift an estimated *\$370 billion* in Medicaid costs to states over the next ten years, effectively ending the Affordable Care Act's (ACA) Medicaid expansion for 11 million people while also harming tens of millions of additional seniors, people with disabilities, and children and parents who rely on Medicaid today.
- In response, states would have to contribute much more of their own funding or, far likelier, substantially cut eligibility, benefits, and provider payments, with those cuts growing more severe each year. Along with those who've gained coverage under the Medicaid expansion who would lose it, the remaining 63 million children and families, seniors, and people with disabilities who rely on Medicaid today would face the significant risk of ending up uninsured or losing access to needed care.
- A per capita cap, even one that is based on different groups of beneficiaries, will disproportionately harm children's access to care, including services received at school.
- According to data from the National Alliance for Medicaid in Education, schools currently receive approximately \$4 billion in Medicaid reimbursements each year.
- 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.
- Under this proposal, states would no longer have to consider schools to be 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, where some families may not visit regularly, or to hospital emergency rooms where costs are much higher.

### Benefits of Medicaid for Children

- Medicaid is a cost-effective and efficient funder of essential health care services for children.
- While children comprise almost half of Medicaid beneficiaries, less than one in five dollars spent by Medicaid is consumed by children.
- School district personnel regularly provide critical health services to ensure that all children are ready to learn and able to thrive alongside their peers.
- 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.

### What Could the Loss of Medicaid Funds Mean for Schools Districts?

- **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. Reduced funding for Medicaid would result in decreased access to critical healthcare for many children and youth.

- **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 reimbursement to cover personnel costs for their special education programs. A loss in Medicaid reimbursement 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 reimbursement.
- **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 reimbursement serves as a critical funding stream to help school provide the specialized instructional supports that students with disabilities need to be educated with their peers.

## Relevant Resources

- Fact sheets on the importance of Medicaid for kids and the adverse effects if Congress caps spending via block grants or per capita caps. From National Health Law Program. (NHLP)  
[Protect Medicaid Funding: Children's Health](#)  
[Protect Medicaid Funding: Medicaid Services](#)  
[Protect Medicaid Funding: Access to Providers](#)
- *Cutting Medicaid: A Prescription to Hurt the Neediest Kids.* A report from AASA, The School Superintendents Association. <http://aasa.org/medicaidcuts/>
- Medicaid Research and Resources from the Georgetown University Health Policy Institute Center for Children and Families: <http://ccf.georgetown.edu/topic/medicaid/> A
- Various Data Sources compiled by Georgetown University Center for Children and Families and the American Academy of Pediatrics (AAP). <http://ccf.georgetown.edu/2017/02/06/snapshot-sources/>

*Information in this fact sheet was compiled by the Medicaid in Schools Coalition, of which NASP is a member.*