

# Cuts to Medicaid Harm Disability Services

**Medicaid is the primary payer of long-term services and supports for people with intellectual and developmental disabilities.**

- Disability services, including home and community-based services, help people with intellectual and developmental disabilities (I/DD) to live full and independent lives in their communities. These person-centered supports may assist with activities of daily living, meal preparation, medication management, and employment support among many other crucial and life-saving services.
- Medicaid operates as a partnership between states and the federal government to fund certain health care services. States determine the scope and payment for services to be provided for beneficiaries and the federal government provides matching funds at a predetermined rate. This combined funding is then used to pay community providers for the services they deliver to people with I/DD.

**Federal Medicaid cuts shift costs to states and harm disability services.**

- Proposals to limit federal funding, including block grants and per capita caps, seek to limit Medicaid funding based on the number of individuals enrolled. These strategies shift the full fiscal burden to states when beneficiary needs exceed the federal contribution. Because this type of block grant or cap provides only a fixed amount of funding for states, rather than ensuring states receive a matching share of the total need, this leaves states exclusively responsible for funding all remaining costs.
- Reductions in federal Medicaid funding harm state budgets. When federal Medicaid funding is reduced, states must find new funding to balance the shortfall in state budgets. While reductions may not specifically target funding for I/DD services, the resulting pressure on state budgets creates an elevated risk of further limits and cuts to services for individuals with I/DD. When new funding sources cannot be found, optional services like community-based services for people with I/DD are at risk of being cut. Without community-based services, people with disabilities remain on long state waitlists for services and may be forced to resort to unnecessary placement in expensive hospitals and institutions.
- In order to preserve disability services, we must invest in—not divest from—the Medicaid program. Disruptions to disability services, whether through cuts to Medicaid, introducing new administrative burdens, or making benefits more difficult to access, will force individuals out of community-based settings and into more expensive hospital and institutional services.

**Congress must preserve Medicaid and ensure people with I/DD have access to community-based services.**