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**TESTIMONY OF DISABILITY RIGHTS CALIFORNIA FOR THE HEARING
TO CONSIDER THE GRAHAM-CASSIDY-HELLER-JOHNSON HEALTH
CARE PROPOSAL**

United States Senate Finance Committee
September 25, 2017, 2:00 p.m.

Dear Chairman Hatch, Ranking Member Wyden, and Honorable Senate Finance Committee Members:

We write to urge you to reject the Graham-Cassidy-Heller-Johnson bill, which will have devastating effects on Californians with disabilities.

Disability Rights California (DRC) is the protection and advocacy agency for California established to protect, advocate and advance the human, legal, and service rights of Californians with disabilities. Since 1978, Disability Rights California has provided essential legal services to people with disabilities. In the last year, Disability Rights California provided legal assistance to nearly 26,000 Californians with disabilities. A significant focus of our work is ensuring access to critical health and long-term services and supports. Here is one example of our work:

Mrs. Jones called DRC because her husband had become disabled from a stroke. She had depleted her savings paying for home care and was on the verge of declaring bankruptcy. Mr. Jones' retirement pension was not enough to pay for all of his care needs. DRC assisted Mrs. Jones to apply for Medi-Cal (California's Medicaid program) for her husband, who became eligible under the "spousal impoverishment" provision of the Affordable Care Act. By receiving Medi-Cal, Mrs. Jones can hire attendants to help care for her husband at home, instead of placing him in a nursing home, which would be more costly and result in a devastating separation from his home and family.

The Graham-Cassidy-Heller-Johnson proposal, which would repeal the Affordable Care Act (ACA) and fundamentally change Medicaid, will be catastrophic for Californians with disabilities. If this bill passes, states will no longer be required to offer essential health benefits such as mental health and substance abuse treatment; it will undermine and eliminate protections for people with pre-existing conditions; the subsidies for health insurance exchanges will end; and cost-sharing reduction for low-income individuals will be eliminated. The bill will also decimate the Medicaid program, ending more than 50 years of a federal-state partnership ensuring health care coverage for low-income and disabled Americans. Instead, California's Medicaid program would face enormous cuts through block grants and per capita cuts, and the ACA's Medicaid expansion would end. In California, 14.1 million people, including children and adults with disabilities and seniors, receive their health care services through Medi-Cal (California's Medicaid program). Almost 4 million people gained coverage through the ACA expansion of Medi-Cal. The health and economic consequences of this proposal for individuals with disabilities and our state will be devastating.

The Graham-Cassidy bill proposes to redistribute federal resources from large populous states (who took advantage of the ACA in order to serve their residents and ensure coverage to as many needy people as possible) and will result in California losing \$28 billion dollars through 2026, then jumping to \$57.5 billion in 2027.¹ The California Department of Health Care Services' analysis concluded: *"Simply stated, this proposal is the most devastating of the three federal health care proposals that we have evaluated this year."*²

The Congressional Budget Office estimates Medicaid would be cut over a quarter (26%) by 2026 and over a third (35%) by 2036. The per capita caps proposal would shift the responsibility for 100% of the costs above the per-beneficiary cap back to the state. It would also not account or adjust for increasing health care costs, an aging population, or public health emergencies.

In addition, Graham-Cassidy directly threatens the 2.3 million people who buy coverage in the individual market, in which 1.5 million are in Covered California (1.2 million who get ACA tax subsidies).

¹ <http://laborcenter.berkeley.edu/the-gops-last-ditch-effort-to-repeal-the-affordable-care-act-is-the-worst-one-yet-for-california/> "Return to Main Document"

² http://www.dhcs.ca.gov/Documents/Graham_Cassidy_Impact_Memo_DHCS_092217.pdf. See Page 1. "Return to Main Document"

California will lose a total cumulative cut of \$114.6 billion between 2020 and 2027, and another \$5-6 million annually in subsidies now available through Covered California.³ In total, 6.7 million Californians would lose coverage in 2027; this will disproportionately hurt those in areas of the state with the highest Medi-Cal enrollment, including the Central Valley, Imperial Valley, and parts of Los Angeles.⁴

This proposal will be even more detrimental to people with disabilities and California's economy than earlier health care proposals. Medi-Cal is the primary funder of critical home and community-based services (HCBS), ensuring that people with disabilities both young and old can receive services that allow them to live in their own homes, go to school, work, and participate in their communities.

These HCBS services are optional under Medicaid and states could eliminate them under the Graham-Cassidy bill. Because private insurance largely does not cover the nursing and personal care services, specialized therapies, intensive mental health services, special education services, and other needed services, people with disabilities must rely on Medicaid HCBS services. For example, according to the California Department of Health Care Services:

"California's [In-Home Supportive Services attendant care] program is the largest in the country, and is the core of our home-and-community-based system that allows the elderly and disabled to remain in their homes rather than be placed in a more costly institutional care setting."⁵

These services are now in imminent danger. Cuts to critical and cost-effective Medicaid HCBS services like IHSS will result in waitlists, and will force people into more expensive institutions, resulting in the unnecessary movement of people away from their families and home communities.

We urge you to protect Californians with disabilities and reject this proposal, as well as any other attempt to gut the fundamental and life-saving benefits provided to millions through Medicaid and the ACA.

³ <http://laborcenter.berkeley.edu/the-gops-last-ditch-effort-to-repeal-the-affordable-care-act-is-the-worst-one-yet-for-california/> "Return to Main Document"

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⁵ http://www.dhcs.ca.gov/Documents/Graham_Cassidy_Impact_Memo_DHCS_092217.pdf. See Page 4. "Return to Main Document"

Sincerely,

A handwritten signature in black ink, appearing to read "C. Blakemore". The signature is written in a cursive style with a large initial "C" and a long, sweeping underline.

Catherine Blakemore
Executive Director