

Changes in Medicaid Funding Could Equal Significant Losses

Medicaid is a health care program that assists millions of low-income families or individuals in paying for long-term medical and custodial care costs. It is a joint program, funded primarily by the federal government and run at the state level, where coverage may vary and individuals and families must meet certain criteria to be eligible. Medicaid is mostly associated as being for the elderly, those in poverty, or the disabled. What many people do not realize is that school systems also rely on Medicaid funds to offset or reimburse for services they provide to special education and low income students.

The Commonwealth of Virginia has been known to be against the expansion of Medicaid. One would assume that the Federal Government has taken a similar stance as recent information shows that they now want to reduce Medicaid funding by 25% federally as well as require that any funds come in the form of a block grant. Many find this concerning due to the fact that the use of a block grant would force schools to compete against hospitals, doctors, and therapists in order to continue to receive reimbursements.

So how does this impact the students, families, staff, and taxpayers in Virginia?

As discussed at a recent AASA conference, there is a strong likelihood that cuts to Medicaid will negatively impact mostly everyone. The damage could be felt in the following ways:

- Low income students may miss out on critical health services under Medicaid's Early and Periodic Screening Diagnostic and Treatment (EPSDT) program which could lead to problems with attendance and success in school.
- In times of crisis, districts must provide intensive mental health services to individual or groups of students and staff. These valuable services could be reduced or eliminated leaving individuals unprepared to deal with the emotional toll and possibly seeking negative reinforcement of their feelings.
- Medical and therapeutic services for children with disabilities will be reduced, possibly reducing their quality of life and chances for independent living and employment after high school.
- Reduction of reimbursements to the schools may mean that monies previously allocated to other projects and capital expenditures would have to be transferred to cover related services and medical care of those special education students on Individual Education Plans (IEPS) and Individual Family Service Plans (IFSP).
- School districts may be found non-compliant by not providing related services to those students with disabilities under IDEA which could lead to more legal fees for the district as parents file complaints.
- School districts may have to reduce staff in special education teachers, therapists, psychologists and school nurses, leading to a higher unemployment in their district. Since in many districts, the school system is the biggest employer, this could lead to a loss of revenue stream that could impact other local businesses such as restaurants and retail who feel the loss of customers.
- In an effort to help offset the cuts, tax rates may increase which may make owning property or having services performed cost more.