

## MEDICAID

### OVERVIEW

Medicaid is the nation's primary health insurance program for people with disabilities, but it is much more than health care. For individuals with disabilities and their families, Medicaid is what allows them to live, receive services, and excel in their communities. Medicaid is a jointly funded program with matching state and federal funds. The federal government pay for nearly 60 percent of the cost, with the matching state rate varying from state to state. Under the current structure, the federal government has a commitment to help states cover costs, and in turn, states are required to provide specific benefits to certain groups of people, including individuals with disabilities. If a state increases its Medicaid spending, the federal funding will also increase. Within the basic requirements of the program, states have substantial flexibility to administer the program and to add services and additional beneficiary categories.

For many people with intellectual and developmental disabilities (IDD), Medicaid generally is the only source of funds for them to live and work in the community with friends and families and avoid more costly and segregated nursing homes and institutions. Nationwide, state and federal Medicaid together provide over seventy-five percent (75%) of the funding for services for people with IDD. However, many states have lengthy waiting lists for these vital services or are only able to provide limited supports to eligible people with IDD.

Medicaid is critical for many people with disabilities who many not have access to employer-based or other private coverage. It allows for the support of individuals with IDD with daily living throughout their lifetimes. The program currently covers over 10 million non-elderly people with disability across the US.

### WHY IT MATTERS

Medicaid makes life in the community possible and is the primary source of healthcare and community-based supports for many people with IDD.

The federal/state Medicaid program is the major – and usually the only – source of funding for long term supports and services (LTSS) that many people with IDD rely on to live in the community. This effective and cost-efficient program allows people with IDD to live and work among their neighbors.

While Medicaid is a federally administered program, states retain both the authority and the flexibility in providing services. Medicaid funds both mandatory services, which states are required to provide under federal law, as well as optional services. Mandatory benefits include services like inpatient and outpatient hospital services, laboratory and x-ray services, and home health services, among others. Optional services or benefits include prescription drugs, case management, physical therapy, and occupational therapy.

Home and community-based services (HCBS) are optional services or subject to federally-approved waivers. The fact that HCBS are optional or waived services is why there are often long waiting lists in states for participation in Medicaid programs. Waiting lists should be addressed and Congress should strengthen the right to a full life in the community.

## **WHAT THE ARC OF NM IS DOING**

The Arc of NM advocated and lobbied for the State Legislature and Governor of New Mexico to use funds provided under the American Rescue Plan Act (ARPA) that were provided during the course of the COVID-19 pandemic to be used to reduce the waitlist for those with IDD to receive Medicaid services in the State of New Mexico.

Medicaid is critical for people with IDD and their families – providing benefits, supports, and civil rights protections that help make community living possible – and it is a topic priority for The Arc of NM. We believe in maintaining individual entitlement to a full range of Medicaid health and long term supports and services (LTSS) for all eligible children and adults with disabilities regardless of employment status, time limits, or other caps. We oppose Medicaid deconstruction or any moves to provide states with flexibility that eliminates basic protections for eligible individuals. We also oppose the imposition of entitlement caps, allotments, limiting provider taxes, and other proposals that shift costs to the states or other mechanisms that cause reductions in eligibility, services, or protections.