



**CONSORTIUM FOR CITIZENS  
WITH DISABILITIES**

December 9, 2008

Mr. John Podesta  
Ms. Valerie Jarrett  
Mr. Peter Rouse  
Co-chairs  
Obama-Biden Transition Team

Dear Mr. Podesta, Ms. Jarrett, and Mr. Rouse:

On behalf of the Consortium for Citizens with Disabilities (CCD) Health and Long Term Services and Supports Task Forces, we are writing to express strong support for a significant increase in the Medicaid Federal Medical Assistance Percentage (FMAP) as part of the President-Elect's economic recovery plan. At a minimum, we urge you to include \$40 billion over two years.

The CCD is a coalition of over 100 national organizations working together to advocate for national public policy that ensures the self-determination, independence, empowerment, integration and inclusion of children and adults with disabilities in all aspects of society.

Medicaid is the largest funder of health and long term services and supports for children and adults with disabilities. Due to the economic downturn, a significant number of programs that serve these populations have been cut in recent months. According to a November 12, 2008 Center on Budget and Policy Priorities report, 25 states are reducing services for their most vulnerable residents and "[A]t least 15 states are cutting medical, rehabilitative, home care, or other services needed by people who are elderly or have disabilities." In addition to the harm these cutbacks cause beneficiaries, they also eliminate jobs for health care professionals, direct support workers, and suppliers of rehabilitation equipment.

We believe that the stimulus package must include a provision which would explicitly condition increased federal Medicaid funds to the states on a requirement that states maintain their current efforts in serving the needs of beneficiaries. States should not be permitted to allocate increased FMAP funds to other non-Medicaid programs. Therefore, we strongly



urge President-Elect Obama to support a requirement that states maintain program/benefit levels and current eligibility for coverage as a condition of increased FMAP funding.

In addition to a broad FMAP increase with maintenance of effort, we also urge President Elect Obama to include a temporary FMAP increase targeted towards Medicaid *home and community based services*. This targeted increase would act as an incentive for states to: 1) address unmet needs of individuals with disabilities for community-based services and supports, rather than institution-based care; and 2) restore and create new jobs for direct support professionals.

Addressing unmet needs for home and community based services will assist with correcting the institutional bias in Medicaid and support community participation and employment of individuals with disabilities and family caregivers:

- A long-standing goal of the disability community is to correct the institutional bias within Medicaid whereby approximately two-thirds of all spending is directed towards institutional settings while the vast majority of Americans prefer home and community-based supports.
- In 2006, there were over 280,000 individuals with disabilities on waiting lists for Medicaid HCBS 1915(c) waiver services. Some states do not keep official waiting lists so the true number of individuals with unmet needs is much higher and growing with the aging of the U.S. population.<sup>i</sup>

The economic downturn is resulting in significant job losses for direct support professionals who support individuals with disabilities. An increased FMAP for home and community based services will translate into jobs and economic growth:

- Based on resource allocations in community service providing agencies, an estimated 70% of an increased Medicaid FMAP to expand access to Medicaid home and community based services would go directly to wages and benefits for personnel providing such services.<sup>ii</sup>
- For every \$1 billion dollars allocated to states through an increased FMAP that is earmarked to increase access to services, it is estimated that 24,340 full-time direct support jobs could be created and administratively supported. Such estimates vary by the competitive wages necessary in each region and locality.
- Over a two-year period, a \$5 billion dollar commitment to address the support needs of persons with disabilities currently awaiting services could create an estimated 122,000 new full-time jobs to meet the needs of 120,000 to 400,000 Americans with disabilities needing home and community supports (depending on their circumstances and level of need).
- There is also a multiplier effect associated with Medicaid services that translates into additional economic benefits and business activity at the local community and state levels.<sup>iii</sup>



This FMAP increase could be accomplished by increasing home and community-based services broadly within Medicaid by \$5 to \$10 billion.

Medicaid is the lifeline for low income children and adults with disabilities, many of whom are our nation's most vulnerable individuals. We look forward to working with your colleagues and members of President-Elect Obama's Administration to ensure the ultimate protections for Medicaid beneficiaries with disabilities. Thank you.

Sincerely,

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<sup>i</sup> Kaiser Family Foundation, [statehealthfacts.org](http://statehealthfacts.org) (accessed December 3, 2008). Waiting lists for Medicaid 1915(c) Home and Community-Based Services Waivers, 2006.

<sup>ii</sup> Estimates concerning impact of FMAP for home and community-based services on direct support professional workforce provided by the Research and Training Center on Community Living, Institute on Community Integration, University of Minnesota.

<sup>iii</sup> Families USA (2004). Medicaid: Good medicine for state economies. Washington, DC.