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ONE HUNDRED NINTH CONGRESS

U.S. House of Representatives  
Committee on Energy and Commerce  
Washington, DC 20515-6115

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November 9, 2005

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## Why Should Individuals With Disabilities Be Asked to Help Pay For Tax Cuts?

Dear Colleague:

We urge you to vote against the Republican Reconciliation package, which offsets tax cuts for the wealthiest by allowing States to make significant cuts in the Medicaid program, which provides healthcare for our most vulnerable citizens. These cuts would fall particularly heavily on those with disabilities.

**1. Increased Cost-sharing.** The healthy do not use extensive health services, but those with disabilities and chronic illnesses do, such as individuals with diabetes, multiple sclerosis, spina bifida, schizophrenia, and AIDs. This bill would impose \$2.5 billion in new out-of-pocket costs on individuals with disabilities, and of course, these costs will be the greatest for those who need the most care.

**2. Reduced Benefits.** Healthy people do not use inpatient mental health care, case management services, rehabilitation therapy, or neonatal intensive care units. Individuals with disabilities, chronic health needs, and congenital disorders do. The Reconciliation package allows States to cut critical benefits that these individuals need, with the burden again falling most heavily on those who need healthcare the most. Nearly \$4 billion in cuts come from reduced coverage.

**3. Exacerbating the "Institutional Bias" – forcing those with disabilities into institutions.** Over the past number of years, individuals with disabilities have made great gains in improving options for community living. But increased costs and decreased benefits for individuals with disabilities residing in the community will leave them with no other option but to return to an institution where they can get needed medical care. And, the working disabled may find they must sell their house if they wish to continue to receive the needed services Medicaid provides them so that they can continue to work. It is harder to keep people in the community if they are forced to sell or mortgage the home they reside in.

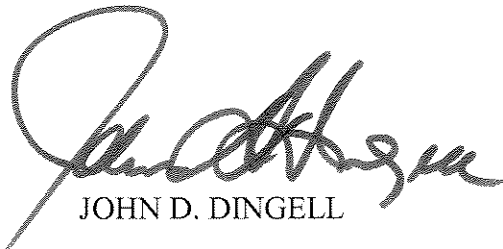
The Reconciliation package spends \$945 million for two new service options for individuals with disabilities, but this pales in comparison to the \$9 billion in cuts to coverage and increases in costs that would fall most severely on those with disabilities. And, under these options States could still discriminate against those with disabilities by imposing caps or waiting lists, or only providing services in certain parts of the State, or forcing them to accept vouchers.

This is not simply a matter of personal responsibility. Where are individuals with disabilities going to come up with the extra money to pay the increased cost-sharing they will face under this bill?

- The disabled under Medicaid already have higher out-of-pocket medical expenses than higher-income, privately insured people, even with the current protections the program offers. Out-of-pocket costs consume an average of 5.6 percent of the incomes of these beneficiaries in 2002. On the other hand, privately insured adults with incomes exceeding \$19,140 spent 0.7 percent of their incomes on out-of-pocket medical costs.
- Individuals with disabilities already have their incomes stretched to the limit. In 2004, as a national average rent for a modest one bedroom unit consumed *more than* the entire monthly payment (109.6 percent) for a person receiving SSI.

We urge you to vote against this Reconciliation package. Severely disabled children and adults, the elderly in nursing homes, and chronically ill individuals should not have their healthcare cut, particularly when those cuts are made to help offset billions of dollars of tax cuts benefitting the most privileged in our society.

Sincerely,



JOHN D. DINGELL



HENRY A. WAXMAN



DIANA DEGETTE