

## Medicaid Sustainability & Services for People with Disabilities

Alliance recognizes that policymakers must make extremely difficult decisions regarding Medicaid, particularly Long-Term Services and Supports (LTSS), which make up a disproportionate share of the program's spending and growth. **Medicaid is a lifeline for people with disabilities.**

- For most individuals with disabilities, including intellectual and developmental disabilities (IDD), it is the only funding source available to meet their long-term support needs.
- Without Medicaid-funded Home and Community-Based Services (HCBS), people would face institutionalization or go without essential supports.

We believe **Colorado's focus should be the long-term sustainability of HCBS and related programs**, which enable people with disabilities to live meaningful, integrated lives in their communities. HCBS are not only aligned with best practice and individual choice, they are also a sound fiscal investment, helping people avoid more costly institutional care.

We support the approach of prioritizing targeted reductions based on outlier data with the aim of bending the cost curve over time and helping avoid drastic reductions in years to come.

Conversely, **across-the-board rate reductions – while seemingly fair – disproportionately harm programs for people with disabilities.** HCBS providers are disproportionately impacted by rate reductions because Medicaid is the sole payor of service for most people with disabilities, meaning providers rely on Medicaid reimbursements for the vast majority of their revenue. Most of the recent rate increases in HCBS were directed toward increasing wages for Direct Support Professionals and significant reductions will erode these investments, risking reduced compensation for some of our lowest-earning community members. Rate cuts also disproportionately impact small providers and rural communities with already scarce coverage, and put providers operating on thin margins at risk of closure. Ultimately, the impact will be reduced service access for people with disabilities.

**While across-the-board cuts may help to balance the state budget, they erode the long-term sustainability of services for people with disabilities.**

**If each year we use provider rate reductions to fill the budget hole, we will eventually reach a point where no providers can sustain operations.**

### We urge the General Assembly to:

- Carve out critical disability services from any across-the-board cut, should it be necessary, including:
  - Medicaid Home and Community-Based Services
  - Case Management for HCBS, including Targeted Case Management
  - State Supported Living Services and the Family Support Services Program
- Pursue every avenue to generate additional revenue for critical state services, including Long-Term Services and Supports for people with disabilities.