



Dane County Area Agency on Aging

Board of Directors

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8 March 2017

The Honorable Ron Johnson, U.S. Senator
328 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Johnson:

The Dane County Area Agency on Aging Board of Directors has serious concerns regarding potential results of changing the currently-effective Medicaid program to a Block Grant program. Although there are many problems with the concept, focus was placed on those having negative impact on older adults.

1. One of the primary arguments in favor of block grants is “flexibility.” This is both a simple and a simplistic reason to change Medicaid to a block grant. Wisconsin over many years has made Medicaid “flexible” for low-income Wisconsin citizens through the creative use of federal waivers. In fact, most of Medicaid in Wisconsin comprised of waiver programs, such as SeniorCare, Family Care, IRIS, and BadgerCare. As you know, SeniorCare is a highly successful waiver program providing prescription drugs to low- and moderate-income seniors with over 60 percent of total cost being provided through rebates from drug companies. Family Care is one of the most successful waiver programs in the country to provide long-term care services and supports to older people and persons with disabilities. It provides people with choices other than institutional care, will completely eliminate waiting lists, and has reduced the percentage of Medicaid funds spent on long-term care. Without SeniorCare and Family Care, low-income older people in Wisconsin will not be able to afford their prescription medications, and without Family Care seniors could easily go back to waiting lists or being forced into nursing homes as the only options available for long-term care. The question that must be answered is: “Will these highly successful waiver programs continue with adequate funding under a Medicaid block grant?”
2. Clearly, from a federal perspective the primary reason for block granting is to reduce the amount of federal funding for health care. Speaker Paul Ryan’s “Better Way” health care plan outlines several ways that funding could be cut, including imposition of caps and creating waiting lists. Block grants in other programs have resulted in significant decreases in funding, and recent Medicaid block grant proposals could result in an estimated 25 percent to 35 percent decrease in funding over time. Reduced funding means that states will not be able to respond to economic

recessions, be forced to downsize or eliminate programs and decrease funding to providers, such as doctors and hospitals. Uncompensated care will doubtlessly rise with reduction in funding and states will have less flexibility to provide health care with less money. They will be forced to make agonizing decisions regarding who gets health care and who doesn't (i.e., rationing).

3. Alternatives being discussed to replace the Affordable Care Act (ACA), such as Health Savings Accounts, Tax Credits, and High Risk Pools, do not have good records of meeting needs of low-income individuals and families who will be unable to afford health care under such options. Medicaid must be retained as a "Safety Net" for the potential millions of people who will fall through cracks in any transition to proposed alternatives.

Wisconsin has a history of optimally crafting its Medicaid program to meet individual health care needs of its residents. Medicaid in Wisconsin covers children, men and women, elderly, persons who are blind or have physical or other disability, most of whom are clearly eligible and deserving of help. On behalf of the more than 82,000 older Dane County adults, the Board of Directors asks for extra caution when voting for changes in Medicaid and your consideration of the potential for serious consequences to the people of Wisconsin.

Sincerely,



Bill Clausius, Chair

cc: The Honorable Scott Walker, Governor, State of Wisconsin
Members, Dane County Board of Supervisors
The Honorable Joe Parisi, Dane County Executive
Ms. Lynn Green, Director, Dane County Department of Human Services