

Disability Rights Nebraska

Protection and Advocacy for People with Disabilities

**Testimony on LB 323
Before the Health and Human Services Committee
Nebraska Legislature
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Good afternoon Senator Howard and members of the committee. For the record, my name is Brad B-R-A-D Meurrens M-E-U-R-R-E-N-S and I am the Public Policy Director at Disability Rights Nebraska, the designated Protection and Advocacy organization for people with disabilities in Nebraska. I am here today neutral on LB 323.

First, we want to thank Senator Crawford and her office for introducing LB 323 and listening to our concerns about the current Medicaid Insurance for Workers with Disabilities (MIWD) program in Nebraska. We deeply appreciate her work on this issue, the time she has spent working with us and the Department, and her overall dedication to improving the lives of people with disabilities in Nebraska.

While we trust Senator Crawford implicitly, we are not sure about the impacts of the proposed amendment, as our organization has not had ample time to study the amendment and its implications. Subsequent discussions with the Department, policymakers, stakeholders, and individuals with disabilities utilizing Medicaid will need to be held to fully assess the ramifications of the proposed amendment. Progress in this instance means more people with disabilities utilizing the MIWD program. Please do not misunderstand our position as opposing LB 323 as introduced or amended—we are just being cautious regarding endorsement. We simply want to ensure that the proposed amendment would result in more people with disabilities who are utilizing Medicaid are competitively employed; if that can be demonstrated empirically, we would be supportive. We just have not had time or had discussions with the Department to reach that conclusion---yet.

The MIWD only applies to a selective group of Nebraskans: those who meet Social Security definition of “disability”, are utilizing Medicaid, and want to get a job or simply a raise; and then the eligibility limits kick in (e.g., asset limits, income limits, etc.). The program does not apply to all Nebraskans with disabilities as not all Nebraskans with disabilities are utilizing Medicaid. Our position is simply to allow more Nebraskans with disabilities, who are utilizing Medicaid, and want to work to be able to do that.

Why this program is important is simple: Nebraskans with disabilities who are utilizing Medicaid face a wholly unique problem—if they go to work and have an income, they risk becoming ineligible for Medicaid’s income limit due to their earnings. Who else risks losing their health insurance just by getting a job? Or who has to negotiate down

their compensation because that income is too high and it will jeopardize their health insurance? I would venture to say not too many of us in this room.

The Fiscal Note does raise some questions. First, the number of people who would be entering the program means that people with disabilities are getting jobs (and consequently paying income taxes, increasing their purchasing power and the sales taxes that go with that)! Second, the RespectAbility report¹ does not delineate between those people with disabilities who do and don't utilize Medicaid. Consequently, we are unsure how the fiscal note reaches the conclusion that 23.9% of the working-age disability community in Nebraska would be eligible for the MIWD program. Did the author perform any benefits planning on this population? Additionally, how did the note arrive at the conclusion that applications will rise by 50%? And if 96% of applicants are in fact deemed eligible, how come we only have 74 people on the program?

Finally, data from Kansas² demonstrates two significant benefits from a robust and effective Medicaid Buy-in program: wages/earnings go up (which means more people paying a premium and/or a higher premium) and Medicaid costs go down:

“Further, as participants’ personal income and contributions to state revenues via taxes paid increased, medical expenditures for those continuously enrolled in Working Healthy decreased. Adjusting for medical inflation, Medicaid expenditures per person per month for this group declined over time, dropping 41% from 2007 to 2011 (see Figure 3), with the greatest decrease being in outpatient expenditures that include doctor’s visits, case management, attendant and related services.”

Position Statement on MIWD Disability Rights Nebraska

Medicaid plays a vital role in the lives of many Nebraskans with disabilities as people with disabilities often live at or below the poverty line and Medicaid often provides a more robust array of essential services beneficial for people with disabilities that may not be provided in a private or employer-based insurance plan. So people with disabilities utilizing Medicaid are forced to choose between their Medicaid life-line and working—a huge disincentive to seeking employment—which is ultimately a situation of forced dependency. Nebraska is already paying for these individuals through

¹Stephanie Farfan, “3,838 New Jobs for People with Disabilities in Nebraska”, March 27, 2018, available at: <http://therespectabilityreport.org/2018/03/27/nebraska/>

² Hall, J., and Kurth, N., “Kansas Medicaid Buy-In Participants Continue to Earn More and Cost Less”, January 2013, available at https://ihdps.ku.edu/sites/ihdps.drupal.ku.edu/files/docs/PB14_jan_2013.pdf

Medicaid—hovering around approximately \$1,400-1,500 per member³ but receiving little in return for their investment—as of a couple of days ago, we had heard that only 74 people are currently on the 20-year old program and only 3 are paying a premium to “buy in” to Medicaid. The MIWD is an employment program, not a Medicaid handout.

While it is wonderful to hear all the platitudes and sentiments expressed by policymakers⁴ about how people with disabilities should be allowed to “reach their full potential” or should be encouraged to work (with all the ancillary benefits like dignity in work or a paycheck) it is disheartening to encounter resistance to reform a program that is designed expressly for that purpose (admittedly under-utilized) for a *segment* of the disability community who, through no fault of their own, are punished for getting a job..

We see, hear, and debate about all these different job training, job placement, or hiring preference programs for other groups, and I’m not saying those should not be done, but when it comes to Nebraskans with disabilities who utilize Medicaid, they are asked to “take one for the team” or “it’s too expensive”. When is it their turn?

³ Nebraska Medicaid Annual Report for State Fiscal Year 2017-2018, December 3, 2018, p. 12, available at: https://nebraskalegislature.gov/FloorDocs/105/PDF/Agencies/Health_and_Human_Services_Department_of/107_20181130-141401.pdf

⁴ See 2016 Developmental Disabilities Awareness Month proclamation, available at http://dhhs.ne.gov/developmental_disabilities/Documents/2016%20DD%20Awareness%20Proclamation.pdf