answered

United States Senate

COMMITTEE ON LABOR AND
HUMAN RESOURCES
WASHINGTON, DC 20510-6300

November 2, 1993

copy to HHS 11-16-93
Betty Eqr

Hillary Rodham Clinton
Office of the First Lady
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Hillary:

Again, congratulations on your continuing efforts to focus our nation's attention on the need for health care reform. I look forward to working with you to improve the quality of health care provided to all Americans.

In reviewing the Administration's bill, I was gratified to see that EPSDT services have been maintained for poverty-level children with special needs on Medicaid, and that standards will be developed to ensure coordination with services under parts B and H of the Individuals with Disabilities Education Act. However, I remain concerned about coverage for outpatient rehabilitation services for children and adults who are not eligible for EPSDT services.

Under the bill, outpatient rehabilitation services, including outpatient occupational therapy, outpatient physical therapy, and outpatient speech therapy services for the purpose of attaining or restoring speech, are covered to restore functional capacity or minimize limitations on physical and cognitive functions <u>as a result of an illness or injury</u>. Further, at the end of each 60-day period, the need for outpatient rehabilitation services must be reevaluated and additional periods of services are covered only if it is determined that <u>functioning is improving</u>.

By using the phrase "illness or injury" the bill does not appear to cover functional limitations due to birth disorders or congenital conditions. Am I correct in my reading of this limitation?

Also, by using the phrase "functioning is improving" the bill appears not to cover therapies designed to "maintain functioning" or "prevent further deterioration." Am I correct in my reading of this limitation?

If I am correct in my reading of these two limitations, I would appreciate receiving information on the following additional questions as soon as practicable. As you may know, the

Labor and Human Resources Committee is planning a hearing on November 19 regarding the Administration's proposal and the needs of Americans with disabilities. The information I am requesting will be invaluable to me as I prepare for this hearing.

ADDITIONAL QUESTIONS:

1. Why did the Administration limit outpatient rehabilitation therapies to functional limitations due to illness or injury and not cover therapies relating to birth disorders or congenital conditions? Why did the Administration limit continued treatment after reevaluations to "improving functioning" and not include "maintaining functioning" and "preventing further deterioration"?

2. If therapies for those with birth disorders and congenital conditions were not included because of anticipated costs to provide such therapies, what were the cost estimates? How were the costs arrived at? By whom? What assumptions were made in calculating the number, in terms of the size of the prospective population? Do you have a breakdown by age group? Did the actuaries assume any cost savings from preventing secondary disabilities? If not, why not in light of the fact that studies clearly show that preventing secondary conditions associated with disabilities saves money.

3. What are your thoughts about how people in need of outpatient rehabilitation services not covered in the comprehensive benefits package will obtain necessary therapies? Many people with disabilities will not be able to afford supplemental insurance (assuming that companies will make such insurance available) and may not be eligible for the new home and community-based long-term care program. Also, the long-term care program does not have limits on the amount of copayments.

4. It appears that under the Administration's proposal, children currently receiving Medicaid and poverty-level children with special needs (under the new program established in the bill) will have access to outpatient rehabilitation services to treat congenital conditions and birth disorders. How much would it cost to expand the new program to include all children, not just poverty-level children or expand the comprehensive benefits package to provide these therapies for all children?

Again, thanks for your attention to these issues. If you have any questions, please contact Bob Silverstein of my staff (224-6265).

Sincerely,

Tom Harkin
Chair, Subcommittee on
Disability Policy

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of the Secretary

Washington, D.C. 20201

NOV 17 1993

The Honorable Tom Harkin
Chair, Subcommittee on Disability Policy
United States Senate
Washington, DC 20510-6300

Dear Senator Harkin:

This letter is in response to your November 2 inquiry to Mrs. Clinton, regarding rehabilitation coverage under health care reform. We agree that health and long term support services for children with disabilities are vital components of any health care reform strategy. Thus, as you note, there are several ways in which the Health Security Act covers physical, occupational, and speech/language therapy services for people who experience birth disorders or congenital conditions.

The rehabilitation service described in the guaranteed benefit package is intended to reflect typical health insurance policies: it is an acute health care service available following illness or injury. Acute care benefit packages typically do not cover the long term special services often needed by people with chronic conditions. If eligibility for this benefit appears too restrictive, we would be happy to work with you and the disability community to improve it.

You are correct in your reading of the guaranteed benefit package: rehabilitation services under the standard benefit are available only following an illness or injury. Disabilities or chronic conditions that are present at birth are not classified as illnesses or injuries. In addition, you are correct that additional rehabilitation services, beyond the first 60 days, are authorized only if functioning is improving. However, it is important to qualify this limitation. First, the initial 60 day benefit is designed to "restore capacity and minimize limitations;" this will include training individuals and families to continue working at home to improve and maintain functioning. Second, the provider, not the plan, makes the determination about authorizing additional periods of rehabilitation. This should ensure the most informed decision possible.

The actuaries did not estimate the cost of each service under the standard benefit package. Instead, they determined an average premium for coverage under a typical health insurance policy. Typical health insurance policies do not cover ongoing outpatient rehabilitation services for children with disabilities; those policies that do offer such coverage include limitations in availability, duration and scope. Consumers also pay more for this type of coverage, in both premiums and copayments. Similarly, the out of pocket costs for premiums and cost sharing for health care services for all Americans under the Health Security Act would have to be increased to add these services to the standard benefit package.

As you note, the plan covers rehabilitation services for children with disabilities in two major ways, through the new long term care program and through the new Medicaid children's program.

The long term care program will likely cover ongoing supports that are not there today for many children with severe disabilities. In addition, the extensive new federal funding for long term care is expected to free up resources so that states and localities can expand and improve long term supports for people who do not qualify for the new program, but nonetheless experience significant disabilities. This benefit is not means tested. Individuals are expected to share in the cost of the services they use under this program; while there are no out-of-pocket caps, copayments are determined on a sliding scale based on income. We recognize this is only a first step in establishing a comprehensive publicly funded long term care program, but it is a strong beginning. The over $38 billion per year in new federal funding for long term care at full phase-in is a significant improvement over the limited, means tested long term supports currently available to Americans with disabilities.

Second, the new children's program will supplement Alliance coverage for low income children. This program will likely cover therapies, hearing aids, dental services, transportation, and similar services not included in the guaranteed benefit package. We do not have estimates of the cost of extending the children's program to all children, regardless of income.

Probably the most profound change for children who have disabilities and their families, and one it is important not to lose sight of, is that the Health Security Act offers universal access to health care with no pre-existing conditions exclusions. Families with children with disabilities will no longer be denied health coverage, or charged exorbitant insurance premiums, or locked into jobs for fear of losing their health coverage, or denied renewal just when they need health care the most. The families of children with disabilities will no longer face the threat of losing everything they have in their attempts to purchase and retain access to affordable, quality health care.

Families whose incomes are too high to qualify for Medicaid, and those whose children do not experience disabilities severe enough to qualify for the long term care program will have the option of purchasing supplemental policies to cover additional therapies and services beyond the guaranteed benefit package. In your letter you express a concern that many families will be unable to afford supplemental policies. While that may be so, it is important to keep in mind that as health care reform brings health insurance costs under control, families will spend less.

Finally, of course, children with disabilities continue to have the guarantee of a free appropriate public education, including related services, under the Individuals with Disabilities Education Act. As is currently the case, it is expected that various educationally related rehabilitation services will be covered under this program.

Sincerely,

Judith Feder

Judith Feder, Ph.D.
Principal Deputy
Assistant Secretary for
Planning and Evaluation

Too old to answer.

TOM HARKIN
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COMMITTEES
AGRICULTURE
APPROPRIATIONS
SMALL BUSINESS
LABOR AND HUMAN RESOURCES

United States Senate

WASHINGTON, DC 20510-1502

October 14, 1993

Ms. Hillary Rodham Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

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Dear Hillary:

Let me begin by again commending you and the President for having the courage to address the issue of health reform in as comprehensive a manner as you have. You have made a real effort to hear the interests and concerns of members of Congress and of the American people. This letter concerns a group of Americans that I know you hold in high regard--infants and toddlers born with disabilities. Since the September 7 draft proposal was circulated, many have questioned whether some infants and toddlers with disabilities currently receiving Medicaid will lose benefits under the President's proposal. Questions have also been raised regarding whether the guaranteed national benefit package will provide as much coverage for these children as they receive under existing private insurance policies.

Under the draft proposal, children who now receive Medicaid coverage but do not receive cash assistance will no longer receive insurance though Medicaid and will participate instead in the guaranteed national benefit package. It is my understanding that approximately 7 million children will be affected by this provision. As you know, under Medicaid, children are now entitled to Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services. EPSDT requires that children's needs be identified and addressed as early as possible, and guarantees access to a wide range of services that may go beyond the acute care package proposed by the President. It is my understanding that there are private health insurance policies that provide coverage for rehabilitative therapies for infants and toddlers with disabilities beyond the guaranteed national benefit package as well.

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As Chair of the Senate Subcommittee on Disability Policy, I am particularly concerned that children with disabilities and chronic conditions who require and currently receive services like rehabilitation therapies be able to maintain these services under any new health delivery system. These services must be readily available for children with disabilities and chronic conditions if they are to develop to their full potential. In addition, Medicaid and private insurance currently play a key role in financing early intervention services under Part H of the Individuals with Disabilities Education Act. The Part H program is an important federal recognition of the value of early intervention, both in terms of prevention and in terms of enhancing child development in a cost-effective manner. I question the wisdom of eliminating or limiting existing coverage for early intervention services just as states are beginning to fully implement Part H for infants and toddlers with disabilities.

I know that you are a strong advocate for children, and I know that you share my commitment to providing comprehensive services for all children, including children with disabilities. I am willing to work with you to ensure that the President's plan, at a minimum, maintains access to existing early intervention services for all children now covered by Medicaid or private insurance with appropriate funding. We as a nation cannot afford anything less.

I look forward to continuing to work with you and your staff on this and other important issues. Please have your staff follow up with Bobby Silverstein or Andy Imparato of my staff at 224-6265 if they have any questions or information.

Sincerely yours,

Tom Harkin

Tom Harkin

TH/ai

cc: Secretary Donna Shalala
Secretary Richard Riley