



September 25, 2007

**RE: Vote for the SCHIP/CHAMP Conference Report!**

Dear Senator:

The Council for Exceptional Children (CEC) is the largest professional organization of teachers, administrators, parents, and others concerned with the education of children with disabilities, giftedness, or both. CEC is writing to urge you to vote for the conference report for H.R. 976, the Children's Health Insurance Program Reauthorization Act of 2007.

The State Children's Health Improvement Program, or SCHIP, is vitally important for children with disabilities and their families. The conference report for H.R. 976 is well crafted, bipartisan compromise legislation that is fiscally-responsible and that will extend health coverage to several million uninsured low- and moderate-income children. The conference report also expands the scope of SCHIP benefits to balance physical and mental health benefits.

Of particular importance to children with disabilities is language in the conference report for H.R. 976 that prohibits the Department of Health and Human Services from making any rules that would restrict coverage or payment under title XIX of the Social Security Act for rehabilitation services, or school-based administration, transportation, or medical services if those restrictions are more restrictive than restrictions in place as of July 1, 2007.

Under current regulations, states, school districts, and early childhood providers that provide health care services for Medicaid-enrolled children with disabilities can be reimbursed by Medicaid for rehabilitation services, school-based administration, transportation, and medical services. For some time, the Centers for Medicare and Medicaid Services (CMS) has threatened to eliminate reimbursements for the transportation and administrative claims. The elimination of these reimbursements would inevitably shift the financial responsibility for rehabilitation, transportation and administrative claims to individual school districts and early childhood providers across the nation. The Administration estimates that the elimination of transportation and administrative claiming reimbursements to schools will create \$635 million in savings during the first year and \$3.6 billion in savings over the first 5 years. In addition, the Administration estimates that the elimination of the reimbursement for the Medicaid rehabilitation services option (called the rehab option) will provide a savings of \$2.29 billion over the next five years. However, there is no corresponding increase in funding

for the federal special education law, the Individuals with Disabilities Education Act (IDEA), that would enable schools and early childhood providers to make up for the reduction in Medicaid reimbursements for rehabilitative, transportation, and administrative claims provided to children with disabilities.

In August, CMS issued proposed regulations to place new restrictions on the types of services allowable under the Medicaid rehabilitation services option, and in early September, CMS issued proposed regulations that would eliminate critical Medicaid reimbursements for school transportation and administrative activities.

CEC is strongly opposed to the CMS proposals that would eliminate rehabilitative, transportation, administrative and transportation claiming. If these proposed rules are allowed to stand, states, local school districts, and early childhood providers will have to pay for these much needed services out of their own pockets. For this reason, CEC urges you to vote for the conference report for H.R. 976 when the Senate considers it. The conference report contains language that prohibits CMS from issuing new rules that would restrict coverage or payment for rehabilitation services, school-based administration, transportation, or medical services before May 28, 2007.

Thank you for your consideration of CEC's request that you vote for the conference report on H.R. 976. CEC looks forward to your response.

Sincerely,



Deborah A. Ziegler  
Associate Executive Director  
Policy and Advocacy Services