

PROTECTING MEDICAID SUPPORT FOR WISCONSIN'S DISABILITY SERVICES

Dear Esteemed Legislators,

We write to you with deep concern regarding the proposed \$2.17 trillion in federal Medicaid reductions. These cuts pose significant risks to Wisconsin's healthcare infrastructure, particularly for individuals with disabilities, the elderly, and low-income families. As you deliberate on the future of Medicaid funding, we urge you to consider the severe and lasting consequences that such reductions would have on Wisconsin's most vulnerable populations and the providers who serve them.

The Importance of Medicaid in Wisconsin

Medicaid is an essential pillar of Wisconsin's healthcare system, ensuring access to critical services for over a million residents:

- Medicaid represents 26% of Wisconsin's \$50 billion state budget.
- The federal government funds 60% of Wisconsin's Medicaid costs, while the state covers the remaining 40% **[1]** .
- Over 1.2 million Wisconsinites, or 18% of the state's population, rely on Medicaid/CHIP for healthcare coverage **[1]** .

A reduction in federal Medicaid funding would create severe financial shortfalls that the state cannot fully compensate for, jeopardizing care for thousands of individuals.

Consequences of Federal Medicaid Cuts

- Severe Budget Shortfalls: Wisconsin depends on \$9.24 billion in federal Medicaid funding to sustain healthcare services **[1]** .
- Reduced Access to Care: Lower reimbursement rates would lead to longer wait times, facility closures, and diminished care quality, disproportionately affecting seniors and individuals with disabilities **[1]** .
- Increased Institutionalization Costs: Cuts to home and community-based services (HCBS) would force individuals into costlier institutional care settings **[1]** .
- Economic Disruptions: Medicaid funds thousands of healthcare jobs across Wisconsin. Reductions would lead to job losses and wage cuts, further straining the healthcare system **[1]** .

Impact on VARC

VARC, a vital disability service provider in Wisconsin, would face devastating consequences if these Medicaid cuts proceed:

- Service Reductions & Program Closures: VARC provides vocational training, employment support, and community-based services for individuals with disabilities. Funding reductions would force the organization to consider the sustainability of essential programs.
- Financial Strain & Operational Challenges: Medicaid reimbursements are a crucial funding source for VARC. Cuts would increase financial uncertainty and limit operational sustainability.
- Workforce Shortages & Compensation Constraints: DSPs at VARC already face low wages and retention challenges. Further cuts would worsen staffing shortages and reduce the quality of care and support.

Legislative Action Needed

We urge you to take immediate action to prevent these detrimental cuts and support Wisconsin's healthcare infrastructure:

1. **Reject Medicaid Cuts** to protect critical services and the workforce.
2. **Ensure Sustainable Medicaid Funding** to maintain provider stability and workforce retention.
3. **Preserve Home and Community-Based Services (HCBS)** to enable individuals with disabilities to live independently while reducing overall long-term care costs **[1]** .
4. **Increase DSP Wages Through Higher Medicaid Reimbursements** to ensure a stable, qualified workforce **[1]** .

Protect Healthcare Provider Reimbursements to maintain high-quality care, particularly in rural areas **[1]** .

Conclusion

Medicaid is more than a financial resource; it is a lifeline for thousands of Wisconsin residents and the service providers who support them. The proposed cuts threaten not only individual well-being but also the economic sustainability of the disability services sector. We urge you to stand with us in protecting Medicaid and the critical services it funds.

Thank you for your leadership and commitment to ensuring that all Wisconsin residents have access to the care they need.

Sincerely,

Liz Filter
President | CEO

Sources

【1】 Kaiser Family Foundation. "Medicaid State Fact Sheets."
<https://www.kff.org/interactive/medicaid-state-fact-sheets/>



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Richland Center • Portage • Baraboo • Racine • Burlington