



February 17, 2005

**House Bill 545 by Naishtat:**  
**Restore Podiatry services for Adults on Medicaid**

**Who is on Texas Medicaid**

As of January 2005, 2.7 million Texans were enrolled in Medicaid:

- 1.8 million were children
  - about 78,000 of these children, or 4%, were receiving disability-related Medicaid (97% of these on SSI),
  - about 13,700 were pregnant teens;
  - 165,300 in TANF families (6.2% of total caseload)
- 862,500 were adults:
  - 667,600 (77% of the adults) were elderly or disabled. Adults on SSI account for 60% of the aged and disabled recipients (76% of blind/disabled are on SSI).
  - Other adults: 87,700 maternity coverage; **45,100 TANF parents (1.7% of total caseload)**; 61,000 either TMA (Transitional Medicaid Assistance) or parents who are at or below TANF income, but not receiving TANF cash assistance

**The majority of Texans in the following adult populations are Medicaid recipients, either as SSI beneficiaries or long term/community care clients:**

- Most adult Texans with significant mental retardation;
- Most Texans with serious mental illness that began before or in early adulthood;
- Most Texans in nursing homes (about 70% of all Texans in nursing homes); and
- Many Texans with major disabilities acquired before or in early adulthood.

**Eliminating mental health therapies, podiatry, eyeglasses and hearing aids for all adults on Texas Medicaid means taking benefits away from the majority of adult Texans in these groups.**

**SSI.** Medicaid covers great numbers of medically uninsurable adult Americans. One major group Medicaid covers is those individuals on Supplemental Security Income, or SSI. SSI is the Social Security system's safety net for persons who are either elderly and poor, or disabled and poor. Put simply, SSI ensures that a senior (age 65 or older) who lacks adequate retirement benefits will receive a monthly income of at least \$579 a month in 2005 (about 73% of the federal poverty income, which is \$776 per month).

Similarly, adults under 65 who are found to be fully disabled by Social Security but who lack adequate (or any) work-related disability benefits are also assured the same monthly income under SSI (as are children with serious disabilities, though the disability standard for children is stricter than for adults). Persons who acquire a disability (including mental retardation or severe mental illness) before adulthood or early in adulthood typically will become SSI recipients and receive Medicaid for the remainder of their lives.

Adults on SSI account for 60% of the roughly 642,000 aged and disabled Texas Medicaid recipients. Thus, the majority of the aged and disabled clients who have lost the benefits listed above live on less than \$579 per month and are unlikely to be able to replace mental health or podiatry services or buy eyeglasses or hearing aids, now that the Legislature has cut off these benefits.

**Special Income Limit.** The remainder are aged or disabled adults who meet the medical necessity standards for institutional care, and are either in an institution, or a program designed to help them avoid institutionalization. Persons with this level of need can access institutional or community care services. Income eligibility for these services is up to 3 times the SSI limit. Even among the aged and disabled enrollees who qualify with incomes above the SSI income limit due to their Long Term Care needs, many actually have little or no disposable income available to purchase the benefits that have now been cut—despite their technically higher incomes. This is because their higher incomes are already being applied to the cost of their care. All but \$45 per month of nursing home residents' income goes directly to the nursing home, and many community care waiver clients must similarly spend most or all of their income to purchase their room and board, which Medicaid does not cover.

The suggestion that benefits should only be restored for clients in institutions (nursing home, ICF-MR) simply cannot be justified. There are about 39,000 Medicaid recipients in waiver programs today and another 110,000 on waiting lists for community care waiver programs, virtually all of whom require the same level of care as an institutionalized person. Add to that the population of chronically mentally ill adults, too many of whom are simply trying to survive in the community, but cycle in and out of psychiatric hospitals and jails.

**Podiatry** is critical for persons with diabetes, as well as those with other circulatory and mobility impairments. Without timely podiatry care, foot ailments can worsen, leading to loss of mobility and avoidable amputations.

- It is estimated that over 116,000 diabetics have lost podiatry coverage due to this cut. The best data HHSC has provided suggest that about 1 in 10 elderly or disabled Medicaid clients used a podiatry service in 2002.
- Diabetes advocates warn that the elimination of podiatry services care will undoubtedly increase the number of Texans living with lower extremity amputations, with the resulting disabilities driving more poor Texans living with diabetic complications out of the workforce, and into the disability assistance system.
- Diabetes disproportionately affects Hispanic and African-American Texans, who are 1.9 and 1.7 times more likely to have diabetes, and at far greater risk of subsequent amputations, than other Americans.

CPPP supports HB 545 by Naishtat, To restore funding for critical health care benefits that were cut for adults on Medicaid who are overwhelmingly aged and disabled Texans

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