

July 28, 1998

TO: SENATOR DOLE

FROM: ALEC VACHON (224-8220)

RE: TESTIMONY BEFORE FINANCE SUBCOMMITTEE

Senator, I reviewed a copy of your written testimony this afternoon for Wednesday's hearing before the Senate Finance regarding the Jeffords/Kennedy bill, S. 1858. There is one important factual problem with the statement. Also, I offer several suggestions about the statement -- and have taken the liberty of preparing oral testimony for you (attached).

- On the bottom of p. 1, there is the example with a person receiving dialysis (presumably for kidney failure). The example is factually incorrect. The example implies that the individual will lose his major source of health care -- Medicaid -- if he goes to work. In fact, as you know, Congress established a special entitlement to Medicare in 1972 for people with kidney failure. Because of this entitlement, people with kidney failure get Medicare without being either over 65 or disabled -- and can work without any loss of Medicare. Now, if such an individual also received Medicaid also, that might be jeopardized by working -- but in any case the example is confusing.
- I think we all understand how important health care is for people with disabilities. That is why Congress included a provision in last year's Balanced Budget Act (BBA) to give States a broad new option to allow working people with disabilities to buy into Medicaid. The oral testimony describes this provision -- as well as legislation you successfully championed in 1986 to create a Medicaid buy-in.
- However well intended, the Jeffords/Kennedy bill is a confusing and poorly written -- billed as a "work incentive" bill, in fact is focused specifically on personal attendant services (in the home) and prescription drugs. It also has a \$6 billion price tag -- and doesn't help that many people. "A" for effort, "D" for content. The oral testimony separates these two issues. Also, Kansas has a great personal attendant care system -- which the oral testimony references.

If I can be helpful, please let me know.

Senator Bob Dole
Statement Before the Senate Finance Subcommittee on
Social Security and Family Policy
July 29, 1998

Mr. Chairman, it is a pleasure to be here this today to testify on two critically important issues to people with disabilities – work and health insurance coverage. I commend you and your colleagues for holding this hearing. I know of no more important subject, not only because of my personal interest, but because in our great country millions of Americans have a physical or mental disability.

No doubt about it, people with disabilities want to work. Over the years Congress has passed many laws to benefit people with disabilities. Indeed, I initiated or supported many of them. I am most proud of the Americans with Disabilities Act, although I do have concerns that the commonsense accommodations in ADA are being upended by judicial activism.

But despite our best legislative efforts, finding and keeping a job is still a big, big issue for many people with disabilities. Last week, the National Organization on Disability released a report that found that only 29 percent of people with disabilities are

employed, worlds away from the 79 percent of the non-disabled. Yet, almost three-quarters of people with disabilities say they wanted to work.

- I suppose I would be less concerned if people were well off. But they are not. According to a 1992 GAO study, 45 percent of families headed by a person with a disability, and 65 percent of single parents or single persons with a disability, live in poverty. That is despite over \$50 billion the Federal government provides annually for cash assistance to people with disabilities. The lesson here is simple: for people with disabilities, as for most Americans, working is essential to a decent income. We must help people move off the disability check and on to a paycheck.

- Although there are many reasons why people with disabilities are not working, at least one reason is that Federal health programs can discourage working. Except for kidney patients, generally every disabled person who qualifies for Medicaid or Medicare cannot both work and continue their public health insurance.

- In 1986, I sponsored a Medicaid buy-in program for the working disabled that has had modest success over the years. And I was

very encouraged by a provision in the Balanced Budget Act last year. Section 4733 created a new State option to permit workers with disabilities to buy into Medicaid. Individuals who have incomes up to about \$20,000 – and even more if States disregard some of their income – are able to buy into a complete Medicaid package. I strongly recommend that the Finance Committee consider ways to educate States about this provision.

- I want to commend Senator Jeffords and others for their hard work on S. 1858. We need the best creative thinking on how to improve health insurance coverage for people with disabilities. It is not hard for most people to understand why people with disabilities have trouble getting health insurance -- or why it is so important. I would caution, however, that S. 1858 seems to try to do two things: first, delink work and Medicaid, and second, improve specific services like personal attendant care and prescription drugs. I think you may have more success if you focus on each separately. And also let me recommend the personal attendant care program in Kansas – which I think is generally acknowledged as a model for the nation.
- Mr. Chairman, the poet Archibald MacLeish once wrote, "America

was always promises." But America's biggest promise -- a job -- is too often an empty promise to the disabled. What's it going to be? You know where I stand and I encourage you to take appropriate action now.

- Thank you, Mr. Chairman.