

Preserve Healthcare: Oppose Cuts to Medicaid

Medicaid Coverage of Long-Term Care

Medicaid is the primary source of payment for long-term care in this country. Medicaid covers long-term services and supports (LTSS) for roughly 9.3 million older adults and people with disabilities, with roughly 700,000 of those people living in nursing homes.¹ To provide this coverage, Medicaid spends about \$200 billion on all LTSS, with \$59 billion spent specifically on nursing home care.² In addition to funding care in institutional settings, Medicaid pays for Home and Community Based Services (HCBS) which allow people to receive services at home. Among people aged 65 and over, about 70 percent will need LTSS in their lifetime.

Medicaid's Importance to Long-Term Care Consumers:

- Medicaid is the largest single payer of long-term care in our nation.
 - Medicaid pays for more than half of all long-term care in the United States, and nearly 50% of all nursing home costs.³
- Medicaid is the only way most people can afford long-term care.
 - Long-term care, particularly nursing home care, is extremely expensive. In 2023, the median annual cost of a private room in a nursing home was \$116,800.⁴
- HCBS allows people to receive care in a setting they choose and helps contain LTSS costs by keeping people out of more expensive settings, such as institutions.
- Medicaid helps to ensure safety and quality in nursing homes.
 - The Nursing Home Reform Act, which is part of Medicaid law, and the regulations that implement it require nursing homes to meet health and safety standards, protect residents from abuse and neglect, promote residents' rights, conduct resident assessment and care planning, and undergo annual inspections.

¹ Medicaid Long-Term Services and Support Users and Expenditures by Service Category, 2022, at: <https://www.medicaid.gov/medicaid/long-term-services-supports/downloads/ltss-users-expenditures-category-brief-2022.pdf>

² Id.

³ Medicaid 101, KFF, at <https://www.kff.org/health-policy-101-medicaid/?entry=table-of-contents-introduction>

⁴ Id.

Proposed Cuts to Medicaid and How They Would Harm Long-Term Care Consumers

Congress is proposing to structurally change the Medicaid program by implementing crippling cuts. Because the proposed cuts are so severe, states will have to re-evaluate the level of services they provide. Additionally, Congress has proposed providing states with more flexibility to determine eligibility. This combination of less money and more flexibility would likely reduce who is eligible for coverage, limit benefits, freeze enrollment and force people onto waiting lists, and increase co-pays or co-insurance rates.

The type of services or amount of care for people in nursing homes or receiving services at home could be drastically cut. These cuts would place an enormous financial burden on older adults, people with disabilities, and their families, especially for those who have already spent down their assets and resources to qualify for Medicaid. Consumers could have to forego needed care entirely, or their family members would be forced to choose between covering their children's expenses, saving for their own retirement, or helping their loved one.

Quality of Nursing Home Care Would Likely Decline and Residents Would Lose Critical Protections

Less Medicaid money would likely mean less staff and fewer resources in nursing homes, putting residents at risk of decline and neglect. Additionally, proposed cuts to Medicaid are often combined with flexibility in standards. As a result:

- Quality of care could suffer, exposing residents to an increased risk of infections, bedsores, and other negative and dangerous outcomes.
- Safeguards against abuse, neglect and physical and chemical restraints could be weakened.
- Legal protections against being evicted from the facility could be lost.
- Training to ensure that staff have appropriate knowledge and skills to care for dependent people with multiple conditions could be eliminated.

Cutting Medicaid would likely result in millions of Americans being unable to afford nursing home care and other long-term services and supports and put at risk the federal standards requiring quality of care and protection from abuse and neglect for each nursing home resident.

