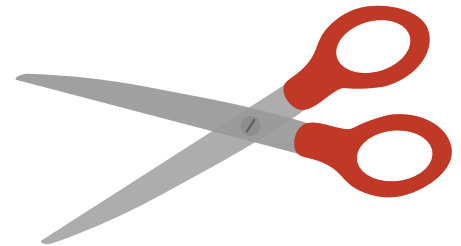


## Medicaid Funding Caps Would Harm Older Americans

### Block Grants and Per Capita Caps Would Result in Deep Cuts to Medicaid

Over six million older Americans rely on Medicaid every year for necessary health care services. Recent months have seen increased discussion around Congress of proposals to cut the Medicaid program by capping federal funding and removing longstanding federal protections. These proposed cuts would be done through block grants or per capita caps.

- Block grants would give each state a fixed amount for the state's entire Medicaid program.
- Per capita caps would give a state one payment for each Medicaid beneficiary in the state.
- Both proposals reduce federal expenditures by making dramatic cuts to the Medicaid program overall, which would be devastating for the older adults and people with disabilities whose care makes up nearly half of Medicaid spending.

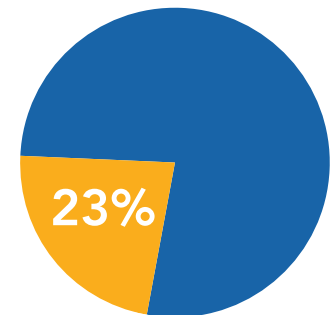


### How Cap Proposals Would Harm Low-Income Older Americans

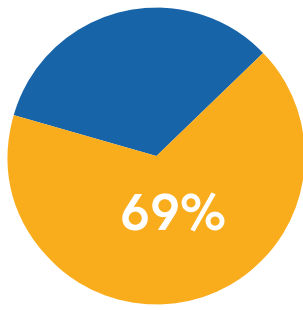
Block grants and per-capita cap proposals would cut federal funding for Medicaid and remove longstanding federal protections, resulting in real-world harm to low-income older Americans.

#### Older adults could lose vital health care services

- Current law requires certain low-income groups to receive Medicaid, but these mandatory **eligibility categories could disappear** under some cap proposals.
- Federal law now requires states to enroll anyone who is eligible for Medicaid, but that protection could be lost under a block grant. Without such federal requirements, a state could **limit coverage** to a certain number of persons each year.



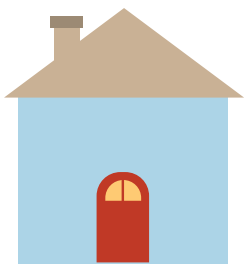
A proposed House Budget for Fiscal Year 2017 would cap federal spending and cut federal Medicaid spending by 23% over the ten-year period from 2017 to 2026.



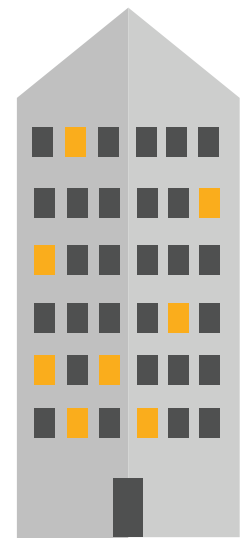
Over two-thirds of all Medicaid spending on older adults who receive full benefits from Medicaid is for long-term services and supports, and these programs could be threatened.

- Current law requires Medicaid to provide certain services such as hospital inpatient and outpatient services, and nursing home services. Under some cap proposals, however, states could **exclude or cut even mandatory services**.
- Current law requires states to pay adequate rates to providers, and provides federal oversight to ensure states follow through. Under cap proposals, however, funding and oversight would be cut, which likely would result in **lower provider rates, fewer participating providers, and reduced access for vulnerable low-income persons**.

## Fewer services could be available for older adults living at home



States have made remarkable progress in helping older adults to **remain living at home**: of the older Medicaid beneficiaries who cannot live independently, over half live in the community, rather than in a nursing home or other institution. Capped funding would put this progress at risk.



States use Medicaid waivers to provide a range of services that enable an older person to remain living at home, such as personal care services, meal delivery, assistance for family caregivers, and home modifications. However, proposed budget cuts would likely lead states to **reduce home-based services or shrink enrollment**.

## Older adults could be forced further into poverty due to health care costs

- Now, Medicaid does not count certain items when deciding eligibility. If states could make their own rules, however, beneficiaries could be required to **sell their home, car, wedding ring, or burial fund** in order to receive Medicaid.
- Current law provides special **financial protection for spouses** of those persons who no longer can live independently. Without this protection, one person's stay in a nursing home, or long-term need for personal assistance at home, could consign his or her spouse to ongoing poverty.
- Medicaid providers are now required to accept the Medicaid rate as payment in full. Without this protection, low-income Medicaid beneficiaries could face **unaffordable medical bills**.

**8.5  
million**

Medicaid helps 8.5 million older adults and people with disabilities pay for Medicare cost-sharing (premiums, deductibles, co-payments). The Medicare Savings Programs that help them could be shrunk or eliminated in block grant or per capita cap proposals.

## Older adults could experience increased risk of poor care



The Nursing Home Reform Law provides for specific services, requires around-the-clock nurse staffing and protects residents from abuse, neglect, or eviction, but these protections could be eliminated under cap proposals. Quality of care could suffer, exposing residents to an **increased risk of infections, bedsores, and other negative and dangerous outcomes.**

## Caps Would Deprive States of Flexibility by Slashing Funding

While proponents of cap proposals tout their “flexibility” for states, the Medicaid program already provides for flexibility through waivers and demonstrations. Capped Medicaid funding instead places increased pressure on state budgets.



Block grants and per capita cap proposals would not provide increased flexibility, amounting instead to cuts to federal Medicaid funding and the loss of important federal protections for poor older adults.

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