

JUSTICE IN AGING

FIGHTING SENIOR POVERTY THROUGH LAW

Medicaid Funding Caps Would Harm Older Americans

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March 7, 2017

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Justice in Aging is a national organization that uses the power of law to fight senior poverty by securing access to affordable health care, economic security, and the courts for older adults with limited resources.

Since 1972 we've focused our efforts primarily on populations that have traditionally lacked legal protection such as women, people of color, LGBT individuals, and people with limited English proficiency.

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- All on mute. Use Questions function for substantive questions and for technical concerns.
- Problems with getting on to the webinar? Send an e-mail to trainings@justiceinaging.org.
- Slides and a recording are available at Justice in Aging - Resources for Advocates - Webinars: <http://www.justiceinaging.org/resources-for-advocates/webinars>. See also the chat box for this web address.

Much Progress in 50 Years

- When Medicaid and Medicare were enacted, 1 in 3 seniors lived in poverty
 - Only about half of seniors had health insurance coverage.
- Now, the number of seniors in poverty is less than 1 in 10

How Medicaid Works

- Federal-state partnership
- Federal government pays 50-74% of costs (FMAP)
 - Depends on state and type of service
- Mandatory entitlement
 - If state spends the money, they get the federal match

Federal standards and state options

- Federal gov't sets standards for Medicaid
 - Mandatory services and categories
 - Due process protections
 - Consumer protections
- States can tailor program for their needs
 - Optional services and categories
 - Waivers and demonstration programs

Proposals to Cap Medicaid Funding

Block grants

- Fixed amount for each state

Per capita caps

- Fixed amount per beneficiary

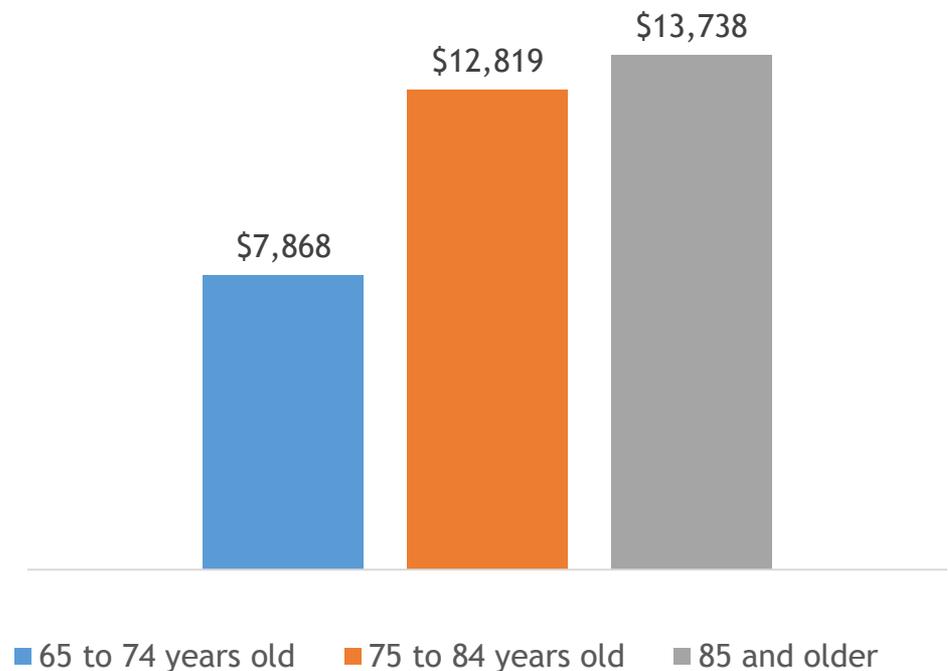
- Both set fixed cap on Medicaid funding to cut federal spending
- States responsible for costs above caps
- Shifts costs to states as population ages
- Forces states to make deeper cuts in future

Medicaid caps do not account for aging population

- Caps lock in historical funding patterns
- Particularly harmful as baby boomers age
- Those in “old old age” are much more likely to have serious health problems and require long-term care than those in “young old age”
 - Adults age 85 and over incur 2.5 times more Medicaid costs as adults age 65-74

Health care per capita expenditures rise with age

2012 Per Capita Medicare Expenditures



House Energy and Commerce bill imposes per capita caps

Fixed amount per beneficiary for five groups:

Elderly

Blind and disabled

Children

Expansion adults

Non-expansion adults

Dramatic cuts to Medicaid

- Starts in FY 2020
- Caps set based on FY 2016 costs, and rise according to formula based on medical CPI
- No CBO score
- Past proposals - cuts increase dramatically over time, amounting to hundreds of billions of dollars

Medicaid expansion

- Freezes Medicaid expansion as of 2020
 - Ends enhanced match as of 2020 for all new enrollees
 - If current enrollees have break in coverage, states lose the enhanced match
- No essential health benefit requirements as of 2020
- Huge impact for 55-64 population



Harms from Medicaid Caps

What Is the Impact on Older Americans?

Dramatically reduced federal funding will likely lead to significant cutbacks in services and eligibility.

Medicaid Provides In-Home Help and Nursing Home Care

- Most older Americans have Medicare coverage.
- Medicare focuses on physician services and acute care, with relatively little coverage for long-term services and supports.
- Medicaid is important:
 - Medicaid covers in-home assistance and nursing home care on an ongoing basis.
 - These types of services can be extremely expensive.

Mrs. Elliott

- 82 years old, with multiple chronic conditions.
 - Only income is small Social Security benefit.
- Lives alone.
 - In-home caregiver assistance with bathing and transferring in and out of wheelchair.
 - Hospitalized twice in last year.

Impact of Specified Cutbacks on Mrs. Elliott

1. Retroactive coverage limited to month of application.
2. Home equity limited to \$560,000, without state option to increase to up to \$840,000.
3. Elimination of 6% enhanced federal match for Community First Choice attendant services (eff. in 2020).

Funding Cutbacks Likely to Result in Reduced Services to Mrs. Elliott

- Home and Community-Based Services
 - Generally optional
 - E.g., HCBS Waivers
 - Community First Choice Option
 - HCBS State Plan Option

Mrs. Elliott May Lose Other Optional Services

- Dental
- Optometry
- Case management
- Hospice care
- Physical therapy
- Respiratory services for ventilator-dependent persons

Potential Loss of Coverage for “Medically Needy” and Others

- Even if Mrs. Elliott had somewhat higher income, she under current law could be eligible to enable her to pay for higher health care costs.
- This “medically needy” eligibility is optional.
- Financial pressure could lead states to cut back on “medically needy” and other optional eligibility.

Potential Loss of Services Due to Restricted Eligibility Standards

- Many states have numerical scores to determine when person is eligible for nursing home care or HCBS.
 - E.g., need for assistance with certain # of ADLs
 - States likely will cut enrollment by requiring higher scores.

Mrs. Elliott Loses Access As Providers Leave Program

- States often respond to financial pressures by cutting provider rates.
- Rate cuts can limit access, as providers quit Medicaid program.

Rationing Healthcare

- Medicaid historically has been based on providing medically necessary care.
- Congressional proposals would base care on amount of federal allocation, rather than on health care needs.

Legislative Specifics

- Medicaid legislation scheduled to be heard tomorrow in House Energy and Commerce Committee.

Action Steps

- **Messages:**
 - Legislation includes proposals to decrease and cap federal Medicaid funding.
 - Medicaid is vital for older Americans.
 - Medicaid is important to you and your family. (Explain why)

Assistance in Making Your Voice Heard

- Call your Senators and Representatives
 - (202) 224-3121
- Contact your Governor
 - www.usa.gov/state-governor
- Sample letter language from Justice in Aging:
 - Sent to all webinar registrants.
 - Available at www.justiceinaging.org

Questions?

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