

PRESERVE MEDICAID

FOR OUR NATION'S OLDER ADULTS, AND THOSE WHO CARE FOR THEM

ISSUE:

Medicaid has become the principal payer for long-term services and supports (LTSS) in the United States, including nursing home and home- and community-based long-term care services, covering 62 percent of such costs. Many times, Medicaid is the only option older adults have to pay for the staggering cost of the LTSS they need after they have exhausted their own savings. Medicaid is a vital support for these individuals, most of whom have multiple chronic conditions and are among the health care system's most vulnerable individuals. Over 15 percent of older adults, nearly 6.3 million, rely on Medicaid-funded services.

Providers of LTSS rely on Medicaid to help meet the costs of recruiting, training, and retaining a qualified eldercare workforce, including nurses, physicians, psychologists, and social workers, as well as millions of direct-care workers. Many consumers rely on Medicaid to help pay for LTSS (regardless of whether the care is provided at home or in a nursing facility). Medicaid cuts would exacerbate the already existing shortage of direct-care workers – further increasing the projected shortage of these workers (the United States will need over a million new direct-care workers by 2018). Compounding matters, nearly 20 percent of all direct-care workers rely on Medicaid or other public insurance at some point during the year for health coverage for themselves or for their families.

Facing extreme fiscal constraints due to our lagging economy, states have already begun to cut Medicaid benefits and payments. Currently, Congress and the Administration are negotiating ways to reduce the federal deficit as part of discussions on raising the debt ceiling. Proposals on the table for the federal portion of Medicaid include capping federal spending and moving to a "block grant" approach as a way to reduce spending. Reductions in Medicaid spending have the potential to be catastrophic for seniors, their families, and their communities. The block grant proposal, as an example, would provide states with a fixed amount of federal Medicaid funding. It would also give states more flexibility to make changes to their Medicaid programs that could lead to eligibility requirements that would make it more difficult for older

Americans to qualify. When faced with budget constraints, states could drastically reduce Medicaid eligibility and provider payments, reduce benefits, or increase cost-sharing, limiting access to desperately needed care.

Medicaid "block grants" could also eliminate federal consumer protections, such as the federal requirement to cover nursing home care, and federal requirements for nursing home quality. Given that half of all nursing home residents have dementia (and major mental disorders are also common) and many do not have resources to pay for care themselves, nor families who can provide that care, the proposed change could be devastating.

And while current federal law requires Medicaid coverage of nursing home care, the use of Medicaid funding to cover home and community-based care is at the state's option. With diminished federal support, many states could likely eliminate optional coverage. Due to fiscal constraints, states already are cutting their Medicaid budgets by eliminating or reducing the optional benefits, reversing decades of work to ensure that older Americans and those with disabilities have access to home and community-based services. Without optional coverage, including home and community-based care, seniors could no longer have access to the services that allow them to stay in their homes. The result would be to force them into nursing homes for care at a much greater cost to state and federal governments.

Cuts to Medicaid could also likely impact employers as families and other caregivers are called on to provide hands-on care to their older loved ones resulting in increased time away from work. For those workers who are paid hourly, this change could be devastating to their own economic security and potentially increase their reliance on federal and state programs.

SOLUTION:

Congress and the Administration must resist the temptation to balance the budget through harmful cuts to Medicaid. The Eldercare Workforce Alliance supports solutions to the current budget crisis that ensure we continue to provide for our frailest and most vulnerable citizens.

FOR MORE INFORMATION

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The Eldercare Workforce Alliance is a project of The Advocacy Fund

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