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Medicaid Spending Reductions: Implications for Older Adults



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Medicaid's Role for Older Adults

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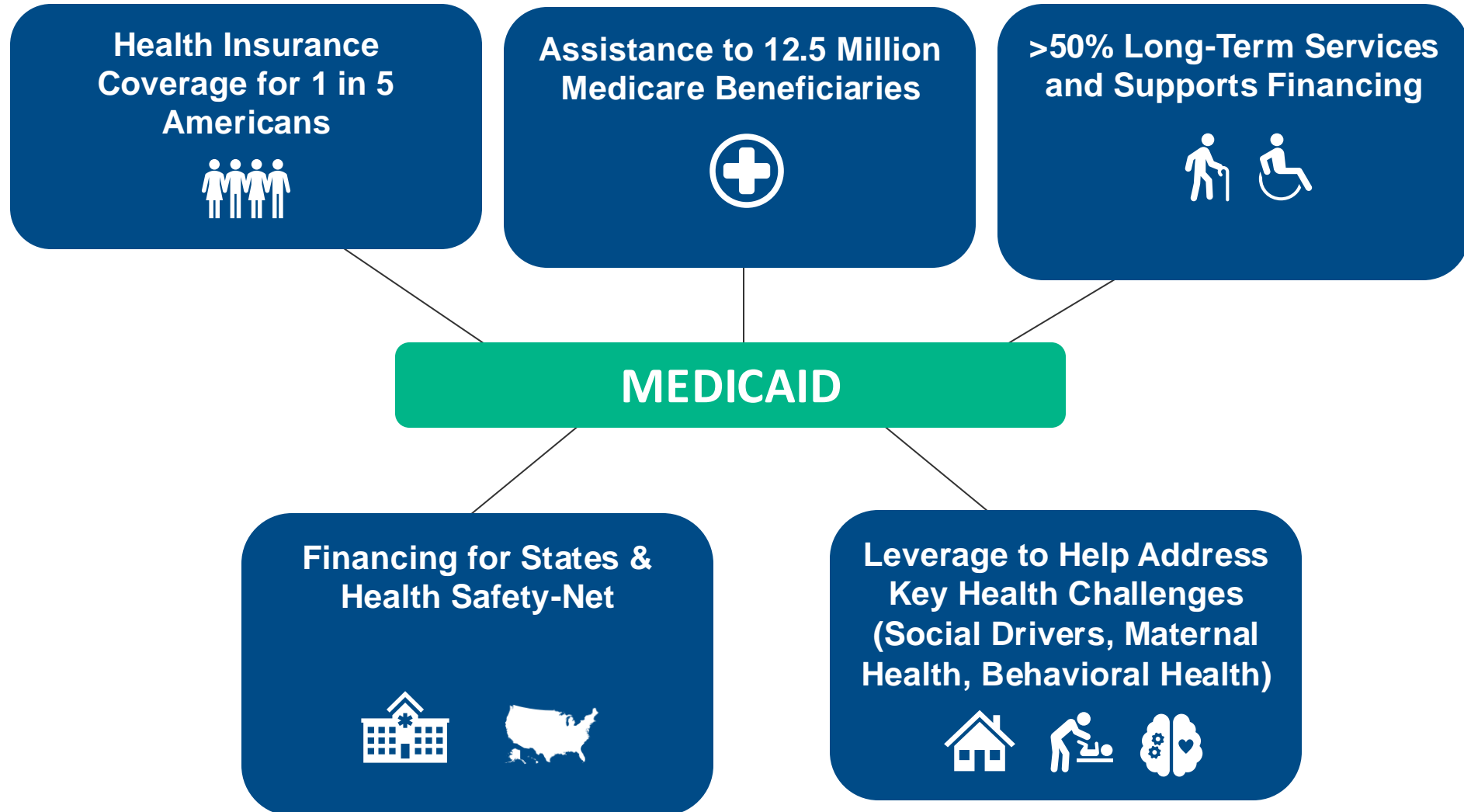
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March 20, 2025

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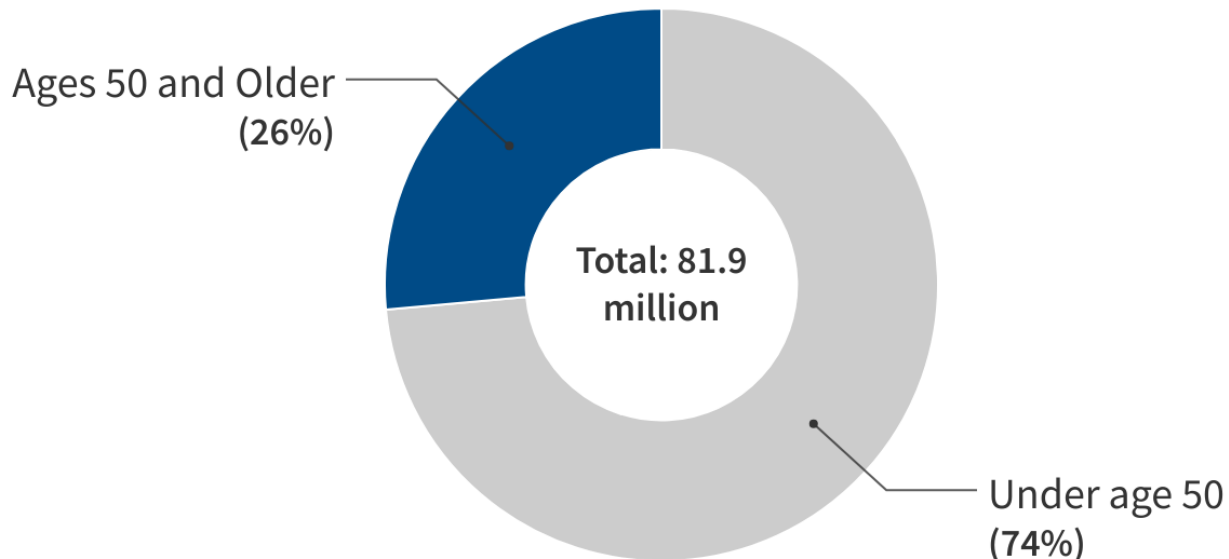
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Medicaid plays a central role in our health care system

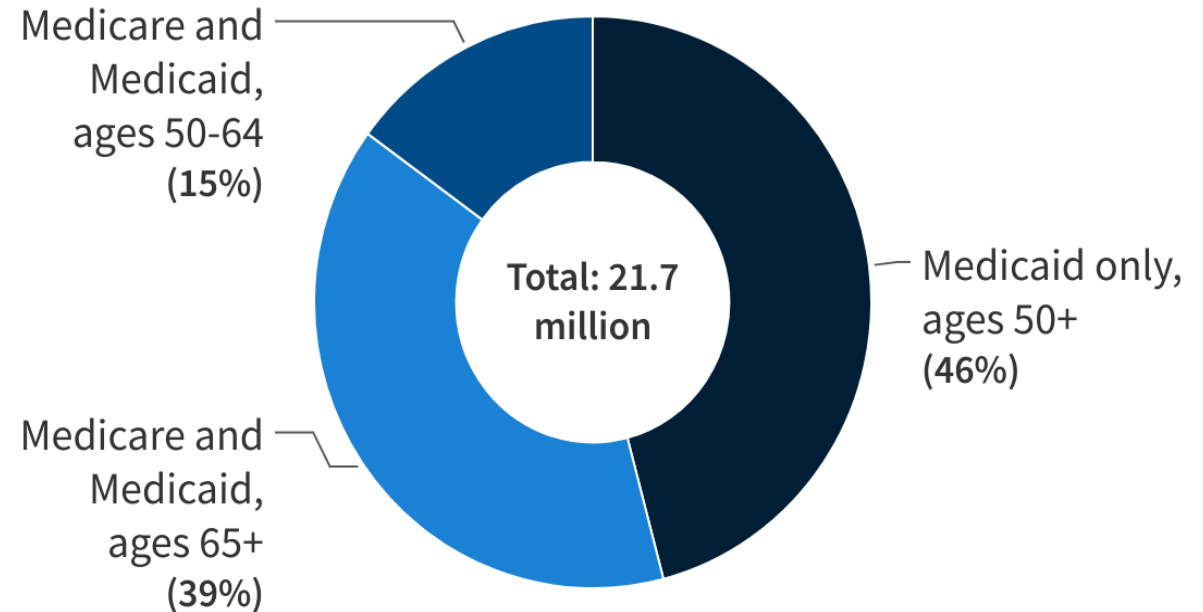


21 million people ages 50 and older are covered by Medicaid, just over half of these older adults are also covered by Medicare

Medicaid population by age group

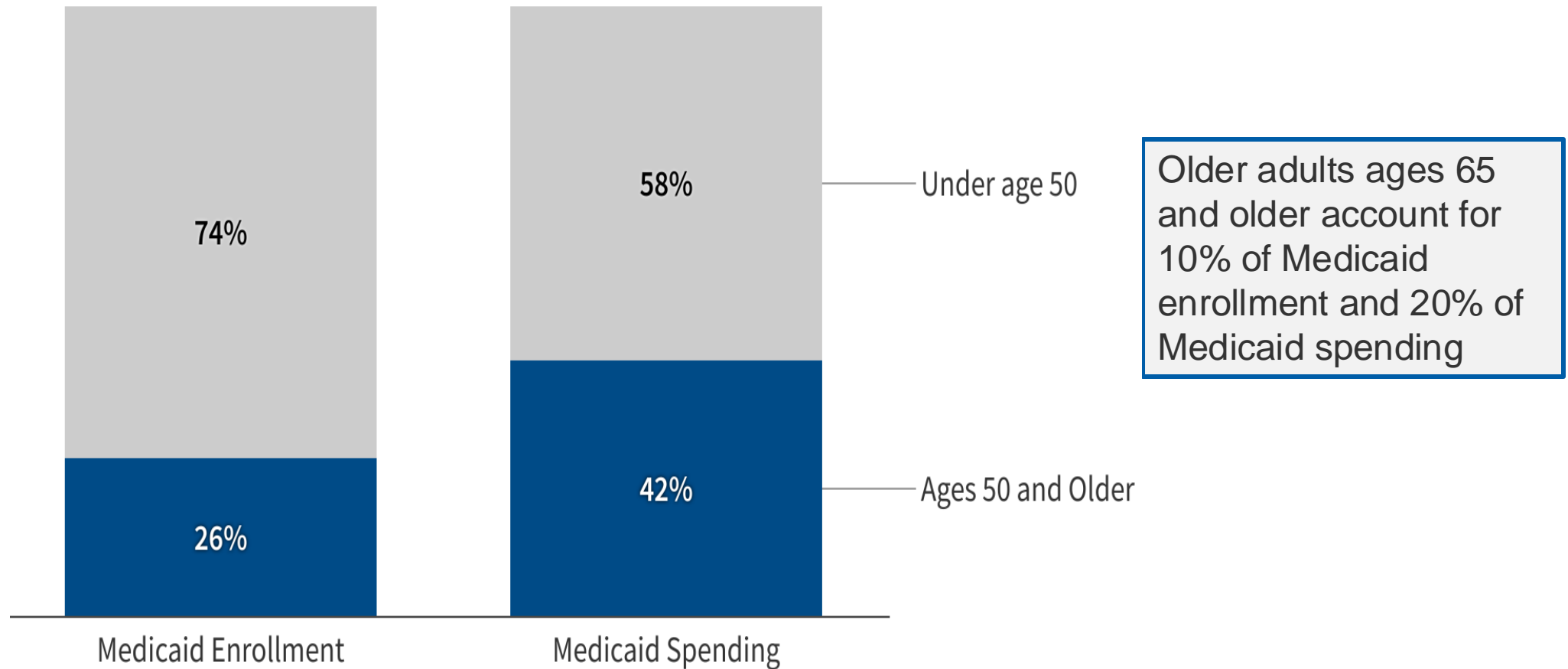


Medicaid population by age group and dual eligibility



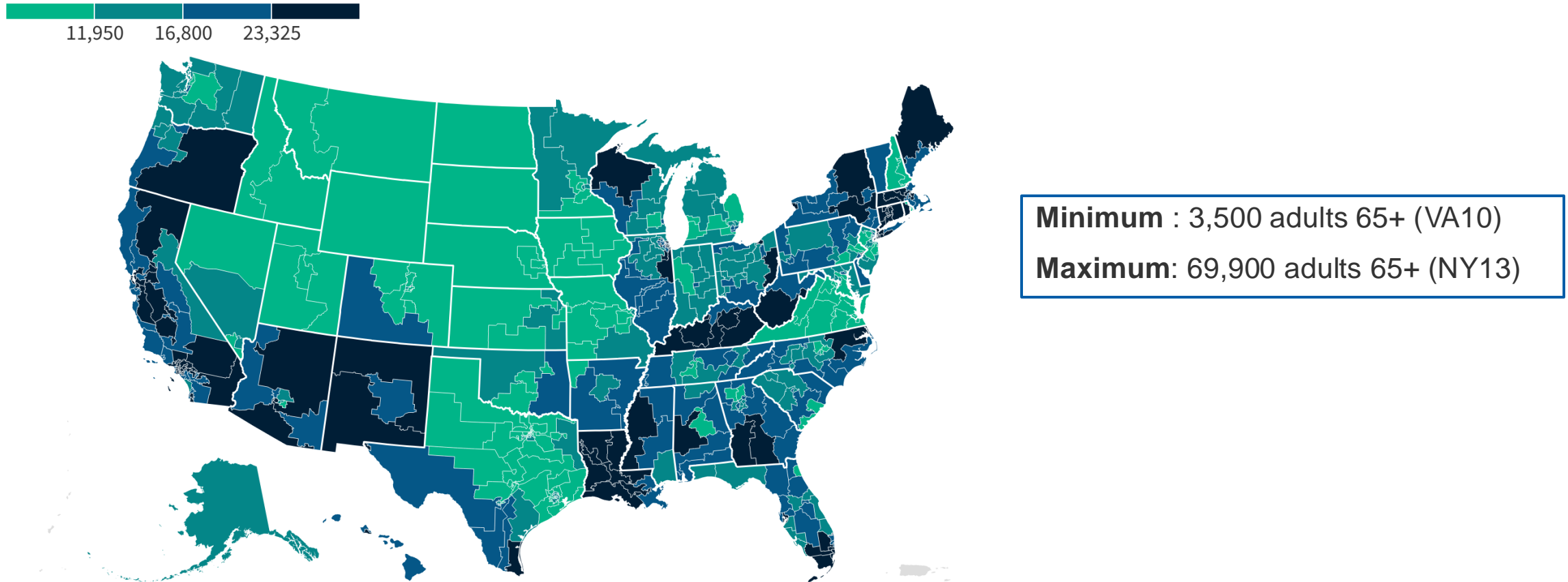
Older adults ages 50 and older account for 26% of the Medicaid population and 42% of Medicaid spending

Share of Medicaid spending and enrollment by age group, 2021



Older adults ages 65+ with Medicaid coverage are in every Congressional district

Medicaid Enrollment for Those Ages 65+ by Congressional District, 2024

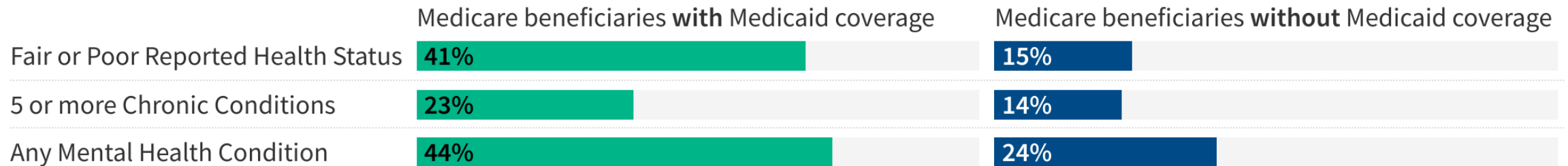


Source: KFF analysis of the T-MSIS Research Identifiable Files, CY 2021; Missouri Census Data Center GeoCorr tool; MBES Medicaid Enrollment - New Adult Group, June 2024.

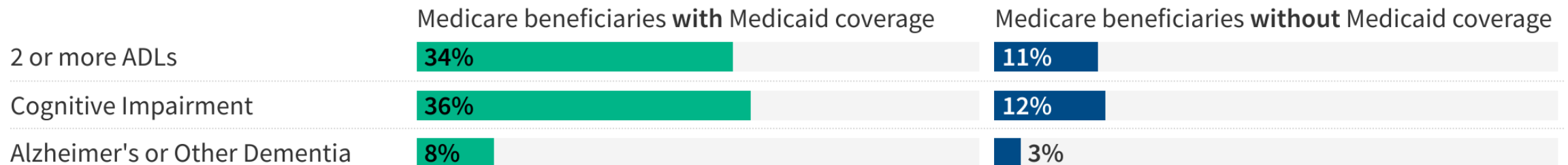
Medicare beneficiaries with Medicaid have more health conditions, physical limitations and cognitive impairments than other Medicare beneficiaries

Share of Medicare beneficiaries with Medicaid coverage and Medicare beneficiaries without Medicaid coverage by health characteristics, 2022

Health Status



Functional or Cognitive Impairments



What Benefits Are Covered by Medicaid Cover for Older Adults?

Medicaid provides a wide range of mandatory and optional services. For Medicare beneficiaries, Medicaid provides wrap-around benefits (mandatory and optional) and provides financial assistance under the Medicare Savings Programs

Mandatory Medicaid Benefits

- Hospital
- Physician
- X-rays and diagnostic tests
- Home health care
- Nursing home care
- Transportation to medical care

Optional Medicaid Benefits

- Prescription drugs
- Dental, vision, hearing
- Home care
- Caregiver support
- Hospice

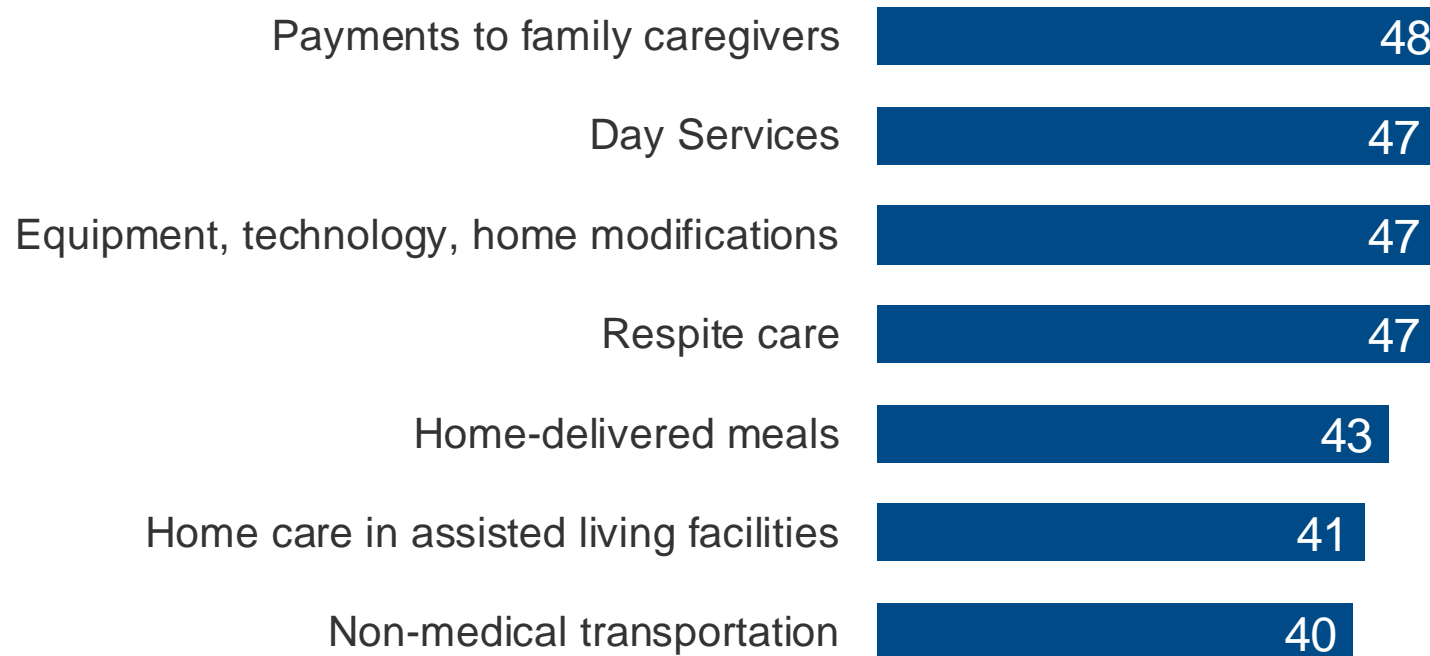
Medicare Savings Programs

- Medicaid covers Medicare premiums and often covers cost-sharing for beneficiaries who meet income and asset test
- 18 states use state funds to expand eligibility criteria

Note: The list of mandatory and optional benefits is not comprehensive.

Medicaid provides a wide array of home care services

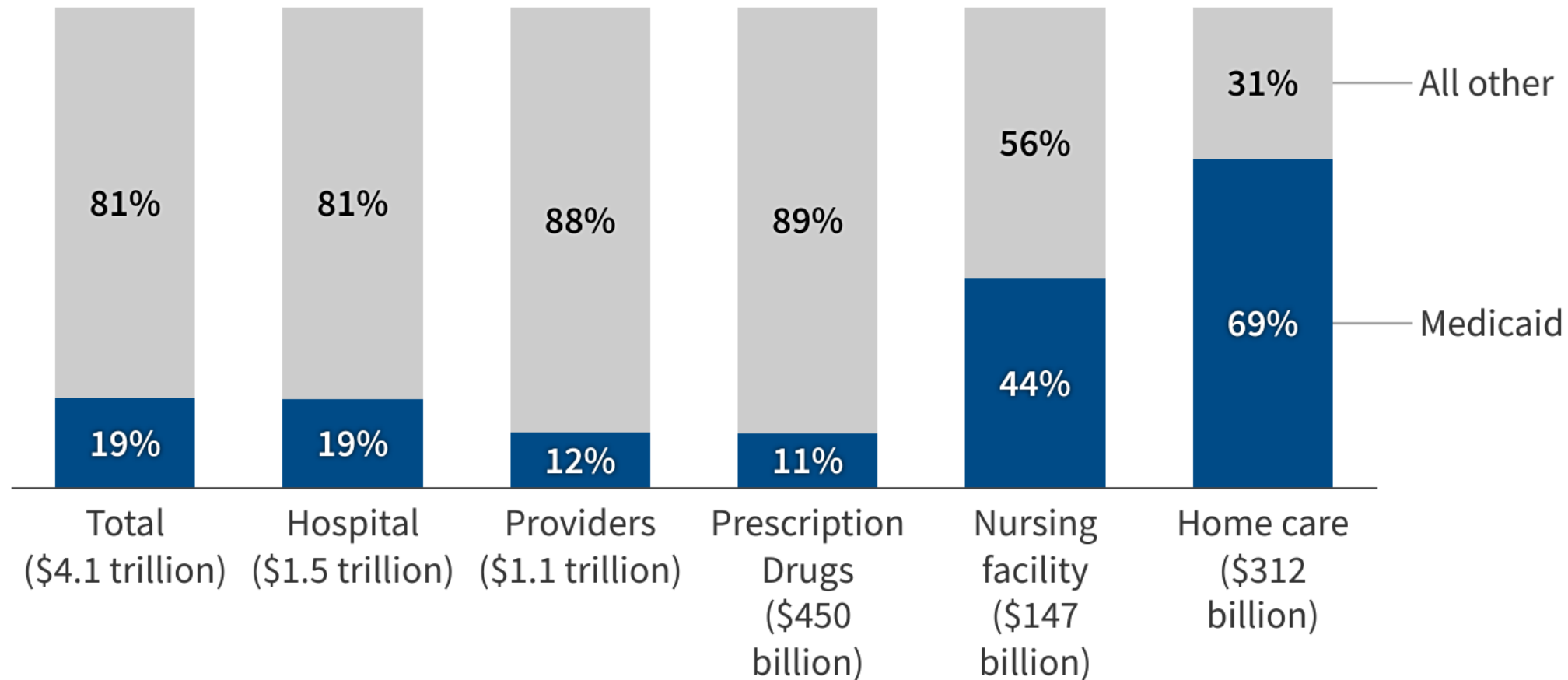
Number of states offering optional home care services



- All states provide optional long-term care services such as personal care.
- Many of these services are covered through “waivers,” which allow states to provide customized benefits that are targeted to specific populations, such as adults ages 65 and older.

Reductions in Medicaid spending would have implications for hospitals, home care and other health care providers

Distribution of Medicaid spending and all other spending in 2023



Source: KFF estimates based on 2023 National Health Expenditure Accounts data from CMS, Office of the Actuary.

JUSTICE IN AGING

FIGHTING SENIOR POVERTY THROUGH LAW

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The John A. Hartford Foundation Virtual Briefing

Kevin Prindiville, Executive Director

March 20, 2025



**Medicaid is a lifeline for
millions of older adults**

Proposed Medicaid Cuts

Cutting federal funding:

- Block Grants or Per Capita Caps
- Cutting Federal Medical Assistance Percentage (FMAP)
- Restricting Provider Taxes

Cutting enrollment or services:

- Work Requirements
- Repealing regulations or minimum requirements

Proposed Medicaid Cuts

- All of these proposals are cuts to Medicaid
 - The explicit goal is to generate federal government savings to pay for tax cuts or other priorities
 - States will lose money and be forced to fill the gap by cutting benefits and/or eligibility
- There is no way to “carve out” or “shield” older adults and people with disabilities from harm

How Cuts Impact Older Adults

States facing budget shortfalls will be forced to:

- Cut optional benefits or eligibility categories such as:
 - Home- and Community-Based Services (HCBS)
 - Special income rule (300% Supplemental Security Income)—how most older adults qualify for long-term care
 - Dental, vision, hearing

Cut enrollment

- Reduce Aged & Disabled and Medicare Savings Program eligibility limits

Cut provider payment rates

- Worsen direct care workforce shortage

Additional Impacts on Older Adults

- A cut to Medicaid is a cut to Medicare
 - Medicaid makes Medicare affordable
 - Medicaid fills critical gaps in Medicare coverage
 - Medicaid strengthens Medicare for all enrollees
- Work requirements impact older adults too
 - Disproportionate impact on 50-64 year olds
 - Impact on older adults' family caregivers



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