

## What Medicaid Cuts Will Mean For Seniors And Others With Disabilities (Guest Opinion)

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Much of the heated debate over the fate of Medicaid is focused on health care for poor mothers and kids. But as you listen to pols argue about how deeply to cut the program think about Natalie -- an 85-year-old widow with heart disease and memory problems. Or Lisa -- a 50-year old mother of two who has been battling multiple sclerosis since she was 20.

As the federal and state governments struggle to address their severe budget shortfalls, the assistance these women and millions like them need for long-term care services will certainly be cut. But by how much? And how will our society deliver care to those who desperately need it but cannot afford it?

Families, already the backbone of the care system, will take on greater burdens. But many frail elderly people have no children and their spouses are unable to care for them. As government's role shrinks, community groups and nonprofits will have to take on more responsibility as well. But some care requires skills beyond the ability of relatives and neighbors. How will it be funded in an era of budget constraints?

While Medicaid was created mostly to provide medical care to low-income moms and their kids, two out of every three Medicaid dollars is spent on the elderly and disabled. Last year, the program spent one-third of its budget -- more than \$100 billion federal dollars -- on long-term care, either in nursing facilities or in the community. States, which share the program's cost, spent tens of billions more.

Overall, Medicaid pays more than 40 percent of all long-term care costs. The advocacy group FamiliesUSA estimates that more than 6 million seniors and nearly 10 million younger people with disabilities rely on the program for assistance.

I knew Natalie and Lisa. I told their stories in my book on long-term care, *Caring for Our Parents*. Like many Medicaid long-term care beneficiaries, both were once solidly middle class. But the cost of the medical and personal care they required ruined them financially. Over a decade, Natalie spent nearly all of her assets -- more than \$500,000 -- on meeting these needs. A year before she died, she ended up on Medicaid. While critics often claim wealthy people exploit the system by giving away assets so they can enroll in Medicaid, there is no evidence that this is a widespread problem.

Now both Medicaid and many non-Medicaid programs for the frail elderly are in the fiscal cross-hairs. The House-passed 2012 budget would cut the projected federal share of Medicaid by nearly \$800 billion over the next decade -- mostly by turning the program into a block grant. In April, President Barack Obama suggested cutting planned Medicaid spending by \$100 billion. And lawmakers of both parties are considering a blanket cap on all federal spending -- a scheme that also would lead to deep reductions in elder and disability care under Medicaid.

More immediately, cash-strapped states are urging Congress to give them new flexibility in how they manage the program. Currently, federal "maintenance of effort" rules curb a state's ability to limit enrollment. House Republicans would eliminate those restrictions, a move supported by at least 28 governors.

Individual states would respond to this new flexibility in different ways, but many frail seniors will have less access to Medicaid. In addition, states are likely to cut benefits themselves, especially for home and community programs -- the services most popular among the elderly and disabled. For instance, states may cut the number of hours a home health aide may assist a Medicaid beneficiary. Already, even blue state governors such as Andrew Cuomo of New York and Jerry Brown of California have proposed deep reductions in programs such as adult day care, which are optional under current Medicaid rules.

At the same time, a wide range of non-Medicaid government programs for seniors such as transportation, home delivered meals programs (such as Meals on Wheels), information services and subsidized housing also face an uncertain future. Last month, Congress froze or cut spending for all those programs for the remainder of 2011. With House Speaker John Boehner, R-Ohio, demanding \$2 trillion in additional spending reductions, even deeper cuts are on the horizon. And they will create an enormous gap in long-term care.

In the face of a shrinking government role, community efforts such as senior villages and elder care programs based in churches, synagogues, and mosques need to step up. But who will pay for those services that require care workers, or for nursing facilities?

And that leaves me with one more question. Many lawmakers who would cut Medicaid would also repeal the CLASS Act that would create a national, voluntary long-term care insurance system. If they oppose direct government spending for personal care, and oppose a transition to an insurance-based system, I wonder how they propose to assist those elderly and disabled who do not have the means to care for themselves.

Howard Gleckman is a resident fellow at The Urban Institute and author of *Caring for Our Parents*.

*The opinions in the columns solely reflect those of the authors. They aren't endorsed by KHN, which seeks a broad range of opinion to stimulate discussion.*