Talking Points for Advocates about Medicaid Caps and Cuts

Background on Proposed Medicaid Caps and Cuts

The Senate is currently considering their version of a health care reform bill. After weeks of secret negotiations, the Senate’s bill—the Better Care Reconciliation Act (BCRA) retained, and even deepened, the House’s devastating cuts to Medicaid. This is not just the ACA’s Medicaid “expansion population” to be clear—this is ALL of Medicaid, including the in-home and nursing home care provided to millions of vulnerable older adults.

Both the Senate and House bills proposed shifting the current federal-state funding formula for Medicaid to a “per-capita cap”: no matter how costs rise, the federal government only pays a set amount per person, vs. a guaranteed percentage of the total cost. This leaves states holding the bag if the need for Medicaid services rises—such as greater demand for long-term care as our nation ages rapidly—and makes it too easy for the feds to let their share of the funding erode in the future. The nonpartisan Congressional Budget Office has estimated that BCRA would cut $772 billion (nearly 25 percent) from Medicaid over 10 years, which would eliminate Medicaid coverage for nearly 15 million people (~17 percent of current beneficiaries). The Senate bill also proposes even deeper cuts to Medicaid beyond the 10-year window that the CBO assessed.

Medicaid is Critical to the Health and Well-Being of Millions of Older Adults

- It makes no sense to undermine the only long-term care option available to most Americans just as our country undergoes a transformational demographic shift to an aging nation.
- Medicaid pays 60 percent of long-term care—more than any other source.
- BCRA cuts Medicaid, both acute care and long-term care. It does this by capping the amount of money the federal government contributes to Medicaid, which means states will be on the hook to cover federal cuts. States cannot absorb these costs!
- Total Medicaid cuts are nearly $800 billion over 10 years, and even deeper after 2026.
- The cuts in BCRA could result in higher Medicaid costs and reduced care, including co-pays and premiums for consumers, and waiting lists for services.
- We must preserve Medicaid’s safety net guarantee in order to keep older adults healthy and living safely in their homes and communities!
- What would Medicaid cuts mean in your local community?