

Medicaid: What is it and why does it matter to people with disabilities?

What is Medicaid?

Medicaid is a source of government funding for many different programs that help millions of people with disabilities and their families.

Medicaid provides government-funded **health insurance** for low-income children and families, older adults, and people with disabilities. This insurance helps people who don't have a lot of money to cover expenses like doctor visits, hospital stays, lab work, mental health supports, x-rays, prescriptions, and transportation to receive medical care.

Medicaid also funds **long-term services and supports** (LTSS). These are the services that people with developmental disabilities (DD) often rely on to live, learn, and work in their communities. Some of these **home and community-based services** include:

- personal care and community support provided by Direct Support Professionals
- related services in schools
- assistive technology
- behavior supports
- supported employment services

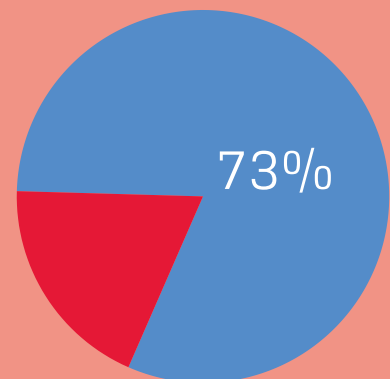
Home and community-based services (HCBS) to help people with disabilities live in and access their communities are often provided through Medicaid **waivers**. These waivers allow states to find creative ways to meet the needs of certain populations by "waiving," or putting aside, some of the rules that apply to Medicaid. For people with developmental disabilities (DD), there are Medicaid waivers to provide HCBS for those who require a level of care that was once only covered by Medicaid in institutional settings.

In New Jersey, these supports are available through the Division of Developmental Disabilities' Supports Program and Community Care Program under the state's Comprehensive Medicaid Waiver.

FACT Medicaid provides health insurance that helps to cover the cost of health care.

MYTH Medicaid provides health care.

In 2015...



73% of long-term services and supports for people with DD in New Jersey were paid for through Medicaid funding.*

*State of the States in Developmental Disabilities Project, 2017 (www.stateofthestates.org)

Who receives Medicaid?

Medicaid is an **entitlement** program. This means that anyone who is eligible has a right to receive Medicaid services. In New Jersey, low-income families with dependent children, pregnant women, children, childless adults, seniors, and people with disabilities must make less than a certain amount of money to qualify for Medicaid.

People with disabilities and seniors who receive Supplemental Security Income (SSI) are automatically eligible for Medicaid. To stay eligible, they must make less than a certain amount of money each month and have less than \$2000 (\$3000 for married couples) in **assets** like bank accounts, stocks, real estate, or other property that can be converted to money. In New Jersey, programs like NJ WorkAbility and ABLE accounts allow people with disabilities to maintain Medicaid coverage if they earn and save money above these limits.

People with disabilities must meet additional conditions based on support needs to qualify for LTSS available through waivers.

In New Jersey, Medicaid covers:



1 in 7 adults
under 65



1 in 2 low-income
individuals



1 in 3
children

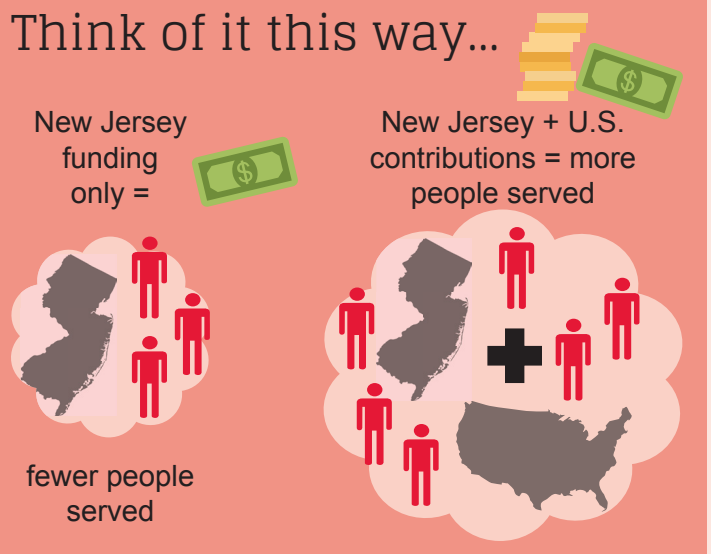


2 in 5 people with
disabilities

*Kaiser Family Foundation, 2017

How does Medicaid work?

Medicaid is a partnership between the U.S. federal government and states. In this partnership, the federal government splits the cost of providing Medicaid with states through **matching funds**. In New Jersey, the federal government reimburses the state 50¢ for every dollar it spends on its Medicaid program. By matching the state's expenses in this way, the Medicaid program can reach more people in need. Even if more people become enrolled in the Medicaid program or the cost of providing services goes up, the federal government continues to match what the state spends.



What are commonly proposed threats to Medicaid?

Some policymakers believe that the federal government should pay less for healthcare programs and have proposed legislation to cut Medicaid funding to achieve savings in the federal budget. Dramatic changes, including **block grants and per capita caps**, have been proposed to greatly reduce government spending on healthcare programs like Medicaid.

Block grants mean that the federal government gives the state money for Medicaid in one lump sum, and the state decides how to spend that money. Once the federal/state partnership is changed in this way, the federal government would no longer be required to match what a state spends if its Medicaid expenses go up. Additional expenses would either have to be paid for by the state alone, or the state would have to cut back on who is included in its Medicaid program and/or what benefits it provides. Because home and community based services for people with disabilities are considered optional for states to provide, they are likely to be reduced or eliminated under block grant funding.

Per capita caps are limits that the federal government could set on the amount it spends per person (or groups like children, seniors, or people with disabilities) enrolled in the Medicaid program. Unlike a block grant, funding provided in this way will increase if more people need coverage, but if the cost for covering that person or group of people is more than this limit, the state would be responsible to pay the difference.

FACT

The overall goal of block grants and per capita caps is to reduce what the federal government spends on Medicaid. With both of these types of funding, there would be less money given to states to pay for their Medicaid programs. Rather than increase flexibility, this would limit a state's ability to meet the needs of all of its citizens requiring Medicaid.

MYTH

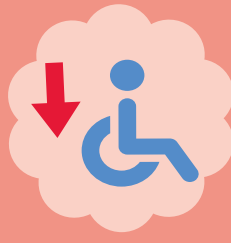
Block grants and per capita caps increase flexibility and cost savings, and give states more control.

How could cuts and caps impact Medicaid in New Jersey?

The state could respond to federal funding cuts through block grants or per capita caps by...



Raising taxes or cutting other areas



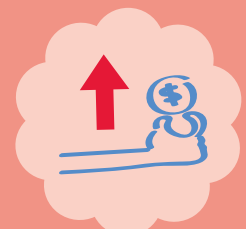
Reducing benefits for people with disabilities



Limiting coverage or eligibility



Reducing what providers are paid



Increasing costs paid by recipients

Where can I learn more about Medicaid?

Stay informed about proposed changes to the Medicaid program by following the news and getting involved with policy and advocacy organizations. You can subscribe electronically to receive policy updates and action alerts from organizations that monitor legislative issues important to people with disabilities closely. Some of these organizations and the resources they offer include:



Association for University Centers on Disabilities (AUCD)

- *Disability News in Brief* Newsletter:
<https://www.aucd.org/template/page.cfm?id=746>
- Action Alert mailing list:
<https://advocacy.aucd.org/app/register?5&m=10783>

The Arc of the United States

- Disability Action Network (by signing up, you receive Action Alert emails and *Capitol Insider* e-Newsletter):
<https://disabilityadvocacynetwork.org/app/register?0&m=10999>

Center for Public Representation

- Action Alerts and General Communication:
<https://medicaid.publicrep.org/email-list/>

Henry J. Kaiser Family Foundation

- Updates and Newsletters:
<https://www.kff.org/email>

National Disability Rights Network

- News and Alerts: http://salsa4.salsalabs.com/o/51104/p/salsa/web/common/public/signup?signup_page_KEY=9292

National Health Law Program

- NHeLP Updates:
<http://www.healthlaw.org/>

References

Centers for Medicaid and Medicaid Services: <https://www.medicaid.gov/medicaid/index.html>

Center on Budget and Policy Priorities- Medicaid Works for People with Disabilities:
<https://www.cbpp.org/research/health/medicaid-works-for-people-with-disabilities>

Families USA- *Medicaid: Connecting Low-Income Seniors and People with Disabilities to Health and Long-Term Care*:
http://familiesusa.org/sites/default/files/product_documents/MCD_Fed%20defense_factsheet-seniors_final_web.pdf

The Henry J. Kaiser Family Foundation- *5 Key Questions: Medicaid Block Grants & Per Capita Caps*:
<https://www.kff.org/medicaid/issue-brief/5-key-questions-medicaid-block-grants-per-capita-caps/>

The Henry J. Kaiser Family Foundation- *Medicaid in New Jersey*:
<http://files.kff.org/attachment/fact-sheet-medicaid-state-NJ>

The Henry J. Kaiser Family Foundation- *No Easy Choices: 5 Options to Respond to Per Capita Caps*
<http://files.kff.org/attachment/Issue-Brief-No-Easy-Choices-5-Options-to-Respond-to-Per-Capita-Caps>

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