

Toplines

1. Medicaid is a lifeline for people with disabilities, children, older adults, healthcare providers, and people living in rural communities.
2. Medicaid is an efficient, cost-effective, and flexible program.
3. Medicaid is an innovative and future-oriented program that works to prevent more costly healthcare and other services and supports.

Key Definitions

Home and Community-Based Services (HCBS) and Long-Term Services and Supports (LTSS) are part of the Medicaid program.

Long-Term Services and Supports (LTSS) provide people with disabilities and older adults with assistance with self-care, such as bathing, dressing, etc. LTSS can also include assistance with managing medications, housekeeping, employment supports, managing money, participating in community events, and more. LTSS can be provided in a facility, such as a nursing home, or these same services can be provided to people in their home and community. LTSS is not covered by commercial health insurance or Medicare. The federal/state Medicaid program is the primary—often only—source of funding for LTSS that many people with disabilities and older adults rely on to remain in their homes and communities.

Home and Community-Based Services (HCBS) helps people who need LTSS to live as independently as possible in their community rather than in an institution or other isolated settings. [Most people prefer to remain in their home and community than in an institutional setting.](#) HCBS are typically much less expensive than facility-based care.

Why is Medicaid a lifeline for people with disabilities, children, older adults, healthcare providers, and people living in rural communities?

- Medicaid provides healthcare and other services and supports for more than [1 in 5 Americans](#), including many with complex and costly needs for care, and is a primary funder of LTSS. Medicaid is the foundation for health and economic security for many people and a key funder for the hospitals, clinics, and health system on which we all rely. **Access to Medicaid is a matter of life, death, and independence for millions of people with disabilities, older adults, and their families and friends.**
- It is the single most important source of financial support that **keeps rural hospitals open** to serve the needs of their communities. Studies have found a [correlation](#) between [Medicaid expansion](#) and [improved rural hospital financial performance](#).
- Medicaid is the primary payer for most [births in rural areas](#).

- Cuts to HCBS harm families who have to reduce hours or leave their jobs to care for loved ones. **Many paid and unpaid caregivers** for older adults, children, youth, and adults with disabilities also **rely on Medicaid for their own health coverage**.
- Medicaid helps millions of older adults pay their Medicare cost-sharing and also covers vital benefits that Medicare does not, such as **dental, vision, hearing, and non-emergency medical transportation**.

How is Medicaid efficient, cost-effective, and flexible?

- States currently have **significant flexibility through a multitude of waivers and demonstrations to tailor their programs for different populations**. States can choose from optional benefits like private duty nursing services, dental services, prosthetics, inpatient psychiatric services, and more. States can test different service delivery methods designed to make their programs more efficient and effective; they can be flexible in how they design Medicaid payment methods for hospitals and can apply different payment methods for different types of hospitals, such as rural hospitals.
- Medicaid costs per enrollee are significantly less than those with private health insurance and those with Medicare.
- **Medicaid without block grants or per capita caps provides substantially more flexibility for states than providing states with a capped amount of federal financing**—traditional Medicaid allows states to draw down matching federal funds to address unexpected needs (e.g. the public crisis with the Zika virus, COVID-19, or lead in community water). These public health crises have both short- and long-term consequences for the people with disabilities, older adults, and families affected and for the need for services and supports.
- For waiver services for people with intellectual or developmental disabilities cataloged in 2022 for 1915(c), there were 2,459 services across 121 waivers, demonstrating the breadth of services being used.

Why are proposals to exclude people with disabilities from federal caps not a solution?

- Placing an already lean program like Medicaid “on a budget” or limiting federal Medicaid spending by invoking per capita caps will shift costs to states, beneficiaries, and beneficiaries’ families. It would likely force states to reduce or eliminate coverage and services for people with the highest cost needs: older adults and people with disabilities who need LTSS. **It would result in a loss in productivity and the economy would suffer as a result**, as many family members would need to leave their jobs in order to care for loved ones and healthcare workers would leave the field for better-paying jobs.

- **Per capita caps on the federal Medicaid program would exacerbate already long waiting lists and wait times that people with disabilities experience when they attempt to access HCBS.** In [2024, there were 710,739 people on waitlists for HCBS](#). States are likely to cut HCBS first when facing reduced budgets because Medicaid law does not require most HCBS to be covered. These cuts put over 7 million people with disabilities and older adults at risk of not getting the support they need to live and work in the community and will harm their health; it could force people with disabilities currently living at home and working in the community into harmful, costly, and unnecessary institutionalization.
- **Misconceptions persist that because a person appears “able-bodied,” they should not be eligible for HCBS.** People with disabilities are extremely diverse, including people with typically “visible” disabilities—such as people who use wheelchairs or mobility devices—as well as people with often “invisible” disabilities such as autism, mental health conditions, epilepsy, cancer, or diabetes.
- People with disabilities, older adults, and their caregivers cannot be effectively “carved out” of work requirements and will be inevitably harmed. Exemption processes are complicated, expensive, and fundamentally flawed. Identifying exactly what qualifies as a disability, ensuring that people know how to request an exemption, and creating an accessible pathway to receive such an exemption has proven both misguided and unworkable. Experience shows work requirements will take away coverage from older adults and people with disabilities who are already working or are retired or have difficulty finding work, and family caregivers.
 - **As [Georgia’s experience](#) demonstrates, work requirements add costly bureaucratic burdens for all Medicaid enrollees.** Not only does this red tape prevent thousands of people with disabilities and caregivers from using Medicaid, but it also slows down application processing across the program, as well as enrollment in other key anti-poverty programs, like SNAP, on which many older adults and people with disabilities rely.
- **Most working age adults enrolled in Medicaid [already work](#).** Many of those not doing paid work are either [caregivers or people with chronic conditions](#) or disabilities (who might either be temporarily unable to work or require supportive services to find and keep a job). **Medicaid [helps people with disabilities work](#)** by providing them with healthcare and other important employment supports, such as rehabilitative and habilitative services.

How is Medicaid innovative and future-oriented?

- **[Important innovation](#) is occurring in the Medicaid program**, including creating health homes, intensive community-based mental health services, supportive services

for employment, incorporating cutting edge person-centered planning processes, and technology enhancements.

- **Medicaid is the preeminent provider of early intervention services that put all children, including those with disabilities, on a trajectory for lifelong success.** Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) services [improve health and function in children with disabilities](#) and help them succeed in school and beyond.
- Medicaid provides insurance for 38 million children and covers [more than 40 percent of all births in the country](#), **[allowing mothers to deliver safely and children to have a healthy start to life.](#)**

[Learn more](#) about funding for HCBS for people with intellectual and developmental disabilities for your state and nationally. This longitudinal study has been conducted for over 40 years by the [Kansas University Center on Disabilities](#), an AUCD member.

[Learn more](#) about Medicaid funded LTSS for people with intellectual and developmental disabilities for your state and nationally. This longitudinal study has been conducted for over 40 years by the Minnesota Institute on Community Integration, an AUCD member.