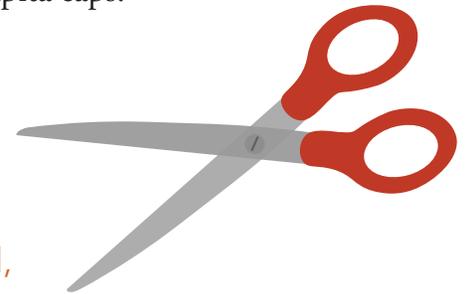


Medicaid Funding Caps Would Harm Older Adults in California

Block Grants and Per Capita Caps Would Result in Deep Cuts to Medi-Cal

Today, California receives [62.5% in federal funding](#) to help pay for Medi-Cal. The percentage of federal funding currently remains the same if costs of the program increase or if enrollment in the program increases. Recent months have seen increased discussion around proposals to cap federal Medicaid funding to states. These proposed cuts would be done through block grants or per capita caps.

- Block grants would give California a fixed amount for the state's entire Medi-Cal program.
- Per capita caps would give California one payment for each Medi-Cal beneficiary in the state.
- Both proposals will dramatically cut federal funding of Medi-Cal, which would be devastating for older adults and people with disabilities.

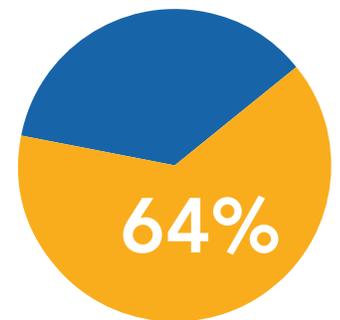


How Cap Proposals Would Harm Low-Income Older Californians

Over [20% of Californians age 65 and over](#), approximately 2.6 million individuals, rely on Medi-Cal every year for necessary health care services. Block grants and per-capita cap proposals would cut federal funding for Medi-Cal and remove longstanding federal protections, resulting in real-world harm to low-income older adults in California.

Older adults could lose vital health care services

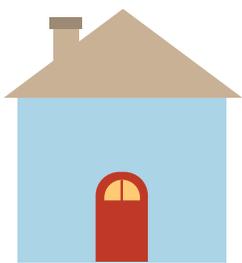
- Current law requires certain low-income groups to receive Medi-Cal, but these mandatory **eligibility categories could disappear** under some cap proposals.



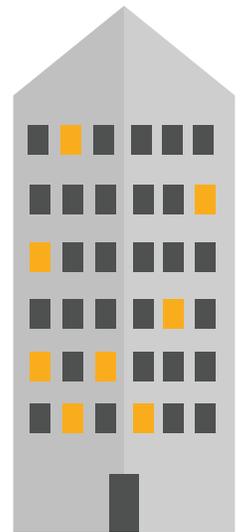
[Almost two-thirds](#) of all Medi-Cal spending is for older adults and persons with disabilities.

- Federal law now requires states to enroll anyone who is eligible for Medi-Cal, but that protection could be lost under a block grant. Without such federal requirements, California could **limit coverage** to a certain number of persons each year.
- Current law requires Medi-Cal to provide certain services such as hospital inpatient and outpatient services, and nursing home services. Under the cap proposals, however, California could **exclude or cut even mandatory services**.
- Current law requires California to pay adequate rates to providers, and provides federal oversight to ensure states follow through. California's reimbursement to Medi-Cal providers is the [third lowest in the country](#). Under cap proposals, however, funding and oversight would be cut, which likely would result in even **lower provider rates, fewer participating providers**, and reduced access for vulnerable low-income persons.

Fewer services could be available for older adults living at home



California has made much progress in helping older adults to **remain living at home** with programs like In-Home Supportive Services and Community Based Adult Services. Capped funding would put this progress at risk.



California also uses Medicaid waivers to provide a range of services that enable older adults to remain living at home. Programs like the Multi-Purpose Senior Services Program and Nursing Home/Acute Hospital waiver provide personal care services, meal delivery, assistance for family caregivers, and home modifications. However, faced with reduced federal funding, California would likely **reduce home-based services or shrink enrollment**.

Older adults could be forced further into poverty due to health care costs

- Currently, Medi-Cal does not count certain items when deciding eligibility. If California could make its own rules, however, beneficiaries could be required to **sell their home, car, wedding ring, or burial fund** in order to receive Medi-Cal.
- Current law provides **special financial protection** for spouses of those persons who no longer can live independently. Without this protection, one person's stay in a nursing home, or long-term need for personal assistance at home, could consign his or her spouse to ongoing poverty.
- Medi-Cal providers are now required to accept the Medi-Cal rate as payment in full. Without this protection, Medi-Cal beneficiaries could face **unaffordable medical bills**.

**1.3
million**

Medi-Cal helps 1.3 million individuals in California pay for Medicare cost-sharing (premiums, deductibles, co-payments). The Medicare Savings Programs that help them could be shrunk or eliminated in block grant or per capita cap proposals.

Older adults could experience increased risk of poor care



The Nursing Home Reform Law provides for specific services, requires around-the-clock nurse staffing and protects residents from abuse, neglect, or eviction, but these protections could be eliminated under cap proposals. Quality of care could suffer, exposing residents to an **increased risk of infections, bedsores, and other negative and dangerous outcomes.**

Caps Would Deprive California of Flexibility by Slashing Funding

While proponents of cap proposals tout their “flexibility” for states, the Medicaid program already provides for flexibility through waivers and demonstrations.



Block grants and per capita cap proposals would not provide increased flexibility. Instead, California will be faced with **cuts to Medi-Cal and the loss of important federal protections.**

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