

# Millions of Women Rely on Medicaid



Over 67 million low-income people in the U.S. rely on Medicaid for their health coverage.<sup>i</sup> Medicaid provides health care services to multiple populations, including low-income seniors, people with disabilities, children and some adults. It also provides assistance to low-income Medicare beneficiaries, long-term services and supports (LTSS) to seniors and people with disabilities, and support to safety-net hospitals and health centers. Medicaid is the primary payer for LTSS (not Medicare), and covers 61 percent of LTSS spending.<sup>ii</sup>

## THE IMPORTANCE OF MEDICAID TO OLDER WOMEN

Nearly 70 percent of low-income seniors who receive Medicaid benefits are women.<sup>iii</sup> Older women depend on Medicaid more than older men because they have a longer life expectancy, less income, higher poverty rates and multiple chronic conditions that require long-term services.

### Longer Lifespans

Older women tend to live longer than older men, therefore are more likely to outlive their resources. A woman who reaches age 65 can expect to live, on average, another 21.4 years, while men the same age can expect to live an additional 19.1 years.<sup>iv</sup>

### Less Retirement Income

Many older women have less income in retirement than men because they had lower-paying jobs or took time off from the workforce for caregiving. According to the Family Caregiver Alliance, women spend as much as 50 percent more time on caregiving duties compared to male caregivers.<sup>v</sup> Taking extended breaks from the workforce can result in lower Social Security retirement benefits for women. In 2012, the annual Social Security income for women age 65 and older was \$12,520, while it was \$16,398 for men.<sup>vi</sup>

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### Higher Poverty Rates

A history of low wages and extended caregiving can make it difficult for many women to save for retirement. Therefore, it is not surprising that the poverty rate for older women is much higher than it is for older men. In 2012, 11 percent of older women lived in poverty compared to 6.6 percent of older men. The poverty rate for women of color is higher than it is for White, Non-Hispanic women. In 2012, the poverty rate for White Non-Hispanic women age 65 and over was 8.6 percent, but climbed to 21.2 percent for Black women; 21.8 percent for Hispanic women; 12.2 percent for Asian women and 27.1 for Native American women.<sup>vii</sup>

### More Chronic Conditions

More older women than older men suffer from chronic conditions. These include arthritis, hypertension, osteoporosis, physical limitations and cognitive impairments, making them more likely to need LTSS as they age.<sup>viii</sup> Women account for 73 percent of nursing home residents and 67 percent of the people receiving care at home.<sup>ix</sup>

### Chronic Conditions continued...

The cost of LTSS is high, and out of reach for many older women. On average, nursing home care costs over \$87,000 a year, assisted living costs over \$42,000 a year and home health aide services cost about \$20/hour.<sup>x</sup> As a result, many older women, including those who are middle-class, are forced to impoverish themselves to become eligible for Medicaid benefits to help pay for the LTSS they require. To be eligible for Medicaid, many states require individuals to have income below 75 percent of the federal poverty level (poverty level was \$11,670 in 2014) and assets no greater than \$2,000 for an individual and \$3,000 for a couple.

### MEDICAID AND THE AFFORDABLE CARE ACT

Older women benefit from improvements made to Medicaid under the Affordable Care Act. These include expanding Medicaid, which enables more low-income women to have access to health care coverage, and state demonstrations that may improve care coordination and delivery to beneficiaries.

#### Medicaid Expansion

Beginning in 2014, states can voluntarily expand Medicaid coverage to adults under age 65 with incomes up to 138 percent of the federal poverty level (about \$16,105 for an individual in 2014). The federal government is covering 100 percent of the costs for these “newly-eligible” Medicaid beneficiaries from 2014-2016, and then will phase down to 90 percent in 2020 and afterward. Expanding Medicaid gives more low-income women, age 50-64, greater access to health coverage. This can lead to lower incidence of chronic health conditions as they age and transition to Medicare coverage, reducing costs for the individual as well as the Medicaid and Medicare programs.

Currently, over half of the states are moving forward with expanding their Medicaid programs, and others are expected to participate in the future. Some states oppose expanding Medicaid because they fear that the federal government will discontinue paying for the majority of the expenses for the newly-eligible beneficiaries, leaving the states to pick up the cost. However, according to a study by the Urban Institute, states that do not expand Medicaid are turning down \$423 billion in federal money over 10 years, new jobs (over 172,000 in 2015), and hospital savings of about \$168 million which could help pay for uncompensated care.<sup>xi</sup> Another report projects that hospitals' uncompensated care costs will decline by \$5.7 billion because of the Affordable Care Act.<sup>xii</sup>

#### State Demonstrations

Under the ACA, states can develop demonstration programs aimed at saving money and improving the health care provided to the most expensive Medicaid beneficiaries, those who are eligible for Medicaid and Medicare benefits. There are over nine million “dual eligible” individuals, who are generally older, sicker and poorer than other beneficiaries. Dually eligible individuals represent about 40 percent of all Medicaid costs.<sup>xiii</sup>

These demonstrations are important to older women because more than two-thirds (68 percent) of dual-eligible individuals were women in 2009.<sup>xiv</sup> However, because many states plan to deliver care through private managed care organizations, which have little experience serving the LTSS population, the demonstrations must be monitored to ensure that participants' health is not at risk. Other ACA improvements include requiring states to establish a coordinated enrollment system for Medicaid, the Children's Health Insurance Program (CHIP) and health insurance through the new Marketplaces; providing new funding opportunities for delivery system and provider payment reform initiatives; and offering incentives to states for rebalancing their LTSS funds from institutional care to more community-based services and supports.

### THREATS TO MEDICAID

Despite the importance of Medicaid benefits to millions of poor Americans, including many older women, some members of Congress would like to make major cuts to the program. The Fiscal Year 2015 Budget Resolution, approved by the U.S. House of Representatives, would destroy the current Medicaid program and cut benefits for low-income individuals. Led by Budget Committee Chairman, Paul Ryan (R-WI), H. Con. Res. 96 would slash Medicaid funding and repeal the Medicaid expansion in the ACA, eliminating or reducing health care coverage for millions of women.

The Ryan budget would replace the current joint federal/state financing partnership with fixed dollar block grants, which would give states less money than they would receive under current law. The proposed block grants would cut federal Medicaid spending by \$732 billion over the next 10 years (2015-2024). Repealing the Medicaid expansion cuts the program by an additional \$792 billion over 10 years. Altogether, the Ryan budget cuts Medicaid by more than \$1.5 trillion over 10 years, compared to current law.<sup>xv</sup>

Another proposal being discussed by some members of Congress would change Medicaid into a system based on per capita caps, which would allot a specific dollar amount for each beneficiary. This would likely limit the number of individuals who could enroll in Medicaid, deferring seniors to waiting lists and leaving many poor people with no health benefits. Both block grants and per capita caps would hurt older women who rely on Medicaid, jeopardizing their access to nursing homes and other LTSS programs, and affecting the assistance low-income seniors receive to pay for Medicare benefits.<sup>xvi</sup>

### RECOMMENDATIONS

The National Committee to Preserve Social Security and Medicare opposes cuts to Medicaid and believes that the program must be preserved for low-income individuals, including millions of older women, who depend on it for health care services and LTSS. We support protecting and strengthening Medicaid for beneficiaries by:

- Encouraging states to expand their Medicaid programs under the ACA to serve additional low-income adults.
- Urging Congress to oppose the Ryan budget that would destroy the Medicaid program and severely cut benefits.
- Monitoring the state dual eligible demonstrations to ensure that participants are receiving quality services from private managed care entities.
- Developing a new national long-term care social insurance program to ease some of the financial burden on Medicaid.
- Enacting legislation to provide Social Security credits for the time family members are away from employment to care for young children, seniors or disabled family members.

### Endnotes

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- <sup>iii</sup> Kaiser Family Foundation. (December 2012). *Medicaid's Role for Women Across the Lifespan: Current Issues and the Impact of the Affordable Care Act*. Washington, DC.
- <sup>iv</sup> Social Security Administration. *Fact Sheet: Social Security. Social Security is Important to Women*. Baltimore, MD. Available at: <http://www.ssa.gov/pressoffice/factsheets/women-alt.pdf>.
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- <sup>x</sup> Genworth. *2014 Cost of Care Survey*. New York, New York. Available at: [https://www.genworth.com/dam/Americas/US/PDFs/Consumer/corporate/130568\\_032514\\_CostofCare\\_FINAL\\_nonsecure.pdf](https://www.genworth.com/dam/Americas/US/PDFs/Consumer/corporate/130568_032514_CostofCare_FINAL_nonsecure.pdf).
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- <sup>xii</sup> U.S. Department of Health & Human Services. (September 2014). *New Report Projects a \$5.7 billion Drop in Hospitals' Uncompensated Care Costs Because of the Affordable Care Act*. Washington, DC. Available at: [http://aspe.hhs.gov/health/reports/2014/UncompensatedCare/ib\\_UncompensatedCare.pdf](http://aspe.hhs.gov/health/reports/2014/UncompensatedCare/ib_UncompensatedCare.pdf).
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- <sup>xiv</sup> Kaiser Family Foundation. (December 2012). *Medicaid's Role for Women Across the Lifespan: Current Issues and the Impact of the Affordable Care Act*. Washington, DC.
- <sup>xv</sup> Park, E. and Broaddus, M. (April 2014). *Ryan Block Grant Proposal Would Cut Medicaid by More Than One-Quarter by 2024 and More After That*. Center on Budget and Policy Priorities, Washington, DC.
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