

## FACT SHEET

# Federal Cuts to Medicaid Will Harm Older Californians on Medi-Cal

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## MEDI-CAL IS A LIFELINE FOR OLDER ADULTS

Nationally, nearly 80 million people depend on Medicaid for health and long-term care, including 13 million seniors and people with disabilities. **In California alone, over 2.3 million older adults and people with disabilities rely on Medi-Cal** (Medicaid in California). [The state receives \\$112 billion](#) in federal funding to administer the program. Without Medi-Cal, most older adults who need help with daily activities would not be able to afford home-based or nursing facility care. Medi-Cal also helps older adults pay their Medicare cost-sharing and covers vital benefits that Medicare does not, such as dental, vision, hearing, and non-emergency medical transportation.

- Medi-Cal is a critical program, [covering nearly 40% of Californians statewide](#), and over 50% of residents in several California counties.
- 2.3 million Medi-Cal recipients are older adults and people with disabilities, including [403,000 older adults \(50+\)](#) enrolled in Medi-Cal through the state-only expansion regardless of immigration status.
- Medi-Cal makes Medicare more affordable for over 1.75 million older adults and people with disabilities by paying for premiums and out-of-pocket costs.
- [Over 900,000 older adults and people with disabilities receive coverage for essential long-term services and supports through Medi-Cal](#), including at-home care and care in institutional settings.
- At [\\$83,000 per year for out of pocket at-home care and \\$147,000 annually for nursing home stays](#), long term care is unaffordable without Medi-Cal.

Medicaid “reform” proposals that aim to take federal funding away from states or restrict eligibility would all lead to the same result: cutting health and long-term care for California’s seniors.

Here’s what is at risk for older adults if policymakers implement these proposals.



**2.3 MILLION  
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# CAP OR CUT FEDERAL MEDICAID FUNDING TO CALIFORNIA

Medicaid is a state-federal partnership that guarantees federal financial support to California to provide essential health and long-term care to older adults and other people with limited income and savings. As the number of older adults who need long-term care grows and Medi-Cal costs increase, **the federal government helps meet those rising costs by matching a percentage of each dollar the state spends.** Here are three ways proposed “reforms” would cut Medi-Cal funding and hurt older adults:

1. **Under block grants or per capita caps**, California would receive a fixed amount of federal Medicaid funding, regardless of actual costs. This means federal funding would no longer keep up with increased costs, shifting those costs to the state. Medi-Cal would shrink over time for all populations, including older adults, and would not be able to adequately respond during emergencies such as pandemics or natural disasters when Medi-Cal has historically been a key resource.
2. **Reducing the federal match (Federal Medical Assistance Percentage or FMAP)**, including removing the minimum 50% FMAP, would shift costs to California, which could force cuts to overall Medi-Cal spending. Ending the enhanced 90% FMAP for Medicaid Expansion, which covers older adults under age 65 as well as paid and unpaid caregivers, would force California to scale back Medi-Cal and the services older adults rely on.
3. **Restricting allowable provider and insurer taxes**, which California uses to help fund all of the Medi-Cal program, would reduce the state budget and force Medi-Cal cuts.

**All of these proposals would starve Medi-Cal, forcing California to reduce spending by cutting programs and services that federal law does not require to be covered. The first target will be the home and community-based services (HCBS), including In-Home Supportive Services, adult day services through the Community-Based Adult Services program, and HCBS waiver programs**, because these programs account for a large share of Medi-Cal spending. Other benefits like dental, vision, and hearing, would also be on the chopping block. California could also scale back eligibility expansions including the increase to 138% of the federal poverty limit for the aged and disabled program and expansion of coverage to older immigrants regardless of status.

**With a reduced Medi-Cal budget, California would also likely cut provider payment rates, reducing provider access and worsening direct care workforce shortages.** As a result, older adults would have a harder time finding HCBS providers and people living in nursing facilities would be at increased risk of poor care.

Cutting Medicaid also amounts to cutting Medicare. Over 1.75 million people with Medicare in California depend on Medi-Cal to afford and access health and long-term care. In some counties, over 30% of residents are dually eligible for Medicare and Medi-Cal, including 44% in Tulare County and 30% in Los Angeles County.

## LIMIT THE NUMBER OF ELIGIBLE INDIVIDUALS WHO ENROLL IN MEDI-CAL

Because Medi-Cal eligibility and enrollment is complicated, many older adults who are already eligible for HCBS, Medicare Savings Programs, and other benefits are not enrolled. Some proposed federal Medicaid “reforms” aim to capitalize on this complexity to prevent enrollment and take away coverage from eligible people.

Here are two ways imposing additional red tape would cut Medi-Cal:

1. **Repealing the recently finalized Streamlining Medicaid Eligibility and Enrollment rules** and other regulations would [threaten federal actions currently underway to help eligible individuals access and maintain Medi-Cal](#).
2. **Adding red tape such as work requirements** would [make it harder for older adults and their caregivers to keep Medi-Cal](#). Experience shows work requirements will take away coverage from older adults and people with disabilities who are already working, are retired or have difficulty finding work, and family caregivers.

The primary aim of these repeals and red tape would be to take away Medi-Cal to cut spending, despite increasing costs to administer needlessly complex eligibility and renewal processes.

## ANY SIZE MEDICAID CUT WILL TAKE CARE AWAY FROM OLDER ADULTS

Regardless of what shape or size these “reforms” take, they are all cuts with the same explicit goal: to reduce Medicaid spending to pay for other priorities such as tax cuts for the wealthy and corporations. The result of every cut is also the same: taking away health care and HCBS from older adults, people with disabilities, and their caregivers.

## JUSTICE IN AGING RESOURCES

- [Work Requirements Would Cut Medicaid for Older Adults](#) (2025)
- [How Medicaid Funding Caps Would Harm Older Adults](#) (2025)
- [Final Rule to Streamline Access to Medicaid](#) (2024)