

## Protecting Seniors and People with Disabilities: Why It Is Important to Preserve the Maintenance Of Effort Requirement in the Affordable Care Act

For 5.9 million seniors and 8.8 million people with disabilities, Medicaid is a vital safety net that helps them get the critical health care services they need. Medicaid covers services that other programs, including Medicare, do not cover, such as the home health aide and personal attendant services, as well as nursing home care. The Affordable Care Act includes an important protection that prohibits states from reducing their Medicaid eligibility levels or changing the rules to make it harder for people to enroll in Medicaid. This protection is referred to as the “maintenance of effort,” or MOE, requirement. This Affordable Care Act provision acts as a bridge to 2014, ensuring that important health coverage remains in place until the new law is fully implemented.

Right now, many states are considering making cuts to Medicaid. On January 7, 2011, governors from 28 states sent a letter to President Obama and congressional leadership asking Congress to remove the maintenance of effort requirement. Stripping this important protection from the law would allow states to cut Medicaid eligibility, which could place many of the 14.7 million seniors and people with disabilities who rely on Medicaid at risk of losing the health coverage they depend on. And the consequences extend beyond beneficiaries—their families, their communities, their states, and their states’ economies would also be harmed.

### **More than one-third of these beneficiaries could lose Medicaid coverage**

Federal law requires state Medicaid programs to cover very low-income seniors and people with disabilities. States have the option of getting substantial federal funding to extend Medicaid eligibility beyond the minimum required, and many states do. As a result, an additional 2.8 million seniors and 2.3 million adults with disabilities have Medicaid coverage. Without the maintenance of effort requirement, states could cut back Medicaid eligibility to the minimum required, putting coverage for millions of seniors and people with disabilities at risk.

## More seniors and people with disabilities could be forced into nursing homes

More than 2 million seniors and people with disabilities, including both adults and children, are able to remain at home, live with their families, and stay in their communities because of Medicaid's home- and community-based programs. These programs provide personal aides, transportation, and other services and supports that help these individuals avoid more costly nursing home care. Without the maintenance of effort requirement, states could reduce eligibility for many of these programs. As a result, these people could be at risk of losing the help they need to keep living at home.

## More families could face financial hardship due to nursing home costs

Currently, 38 states set Medicaid income eligibility for people who need nursing home care at the maximum allowed by federal law. Nursing homes cost an average of \$70,000 a year, which is more than most people can afford. Many of the seniors and people with disabilities who need long-term nursing home care exhaust their savings paying for care. For them, and for their families, Medicaid is a vital safety net. Without the maintenance of effort requirement, states could cut eligibility for nursing home residents who rely on Medicaid, shifting a larger financial burden to them and to their families.

## “Medically needy” seniors and people with disabilities could lose coverage

State Medicaid programs are allowed to cover individuals who have higher incomes but who also have high medical expenses, individuals known as the “medically needy.” Thirty-three states and the District of Columbia have medically needy programs. These programs provide services to more than 2.6 million people with Medicaid. More than one-third of medically needy program enrollees are seniors or people with disabilities, and many of these individuals qualify for medically needy programs because of high home care or nursing home expenses. They rely on Medicaid to help them afford the long-term care they need. Removing the maintenance of effort requirement would allow states to reduce or eliminate these programs.

## States could make it harder for seniors and people with disabilities to enroll or stay in Medicaid

The maintenance of effort requirement also prohibits states from making enrollment in Medicaid more difficult. In the past, states have made enrollment harder by, for example, requiring more documentation to prove income or assets, changing the way income or assets are calculated to make it harder for people to qualify, or requiring more frequent recertification. These changes make it particularly hard for seniors and people with disabilities to enroll in and retain Medicaid coverage.

## The burden on family caregivers could increase

Medicaid helps many of the estimated 52 million people who act as informal caregivers for family members, loved ones, and friends, by providing them with support that allows them to maintain jobs or simply rest when they need to. The typical caregiver loses \$110 in wages and benefits a day, postpones personal medical care, and cuts back on household spending. Reduced wages and spending hurt state tax revenue and economic growth. And businesses are hurt by higher absenteeism and staff turnover among caregivers. Many caregivers have families of their own to support, and Medicaid's added help is particularly critical in these difficult economic times. Without the maintenance of effort requirement, states could cut Medicaid eligibility, forcing many seniors and people with disabilities out of the program, which would put a further strain on family caregivers at a cost to families, businesses, and states.

## Conclusion

Medicaid is a vital program that helps millions of seniors, people with disabilities, and their families. Taking away the protection of the Affordable Care Act's maintenance of effort requirement would place those who rely on Medicaid for care at risk of losing the help they depend on. It would further burden the family members who care for them, which would, in turn, have economic consequences for businesses and state economies. Removing the protection of the Affordable Care Act's maintenance of effort requirement is a bad idea.

*Sources provided upon request.*

*This fact sheet is part of a series of fact sheets, issue briefs, and special reports designed to help the public understand the new health reform law.*



1201 New York Avenue NW, Suite 1100 ■ Washington, DC 20005

Phone: 202-628-3030 ■ Email: [info@familiesusa.org](mailto:info@familiesusa.org)

[www.familiesusa.org](http://www.familiesusa.org)