

## What can you do?

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### Get the facts

Find out whether your state is proposing to cut Medicaid.

### Become involved

- Join advocacy groups.
- Work with the Alzheimer's Association — find your local chapter through [www.alz.org](http://www.alz.org).
- Tell us your story about the effects of Medicaid cuts on your family and the importance of a right to health and long-term care coverage. Contact us at [advocate@alz.org](mailto:advocate@alz.org), and we will connect you with your local chapter so your story can be heard and collected.

### Take action

- Visit your state legislators to educate them about the importance of Medicaid. Write letters to policy-makers that express your opposition to Medicaid cuts.
- Testify at public hearings.

For more information contact:

**Alzheimer's Association**  
**Public Policy Office**  
**1.202.393.7737**  
**[www.alz.org/advocacy](http://www.alz.org/advocacy)**

## Ellen, a 57-year-old middle-class woman with diabetes, lost her job and health insurance after being diagnosed with Alzheimer's.

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She relied on Medicaid to cover her health costs until the state Medicaid program lowered the eligible income level. Now she no longer qualifies for Medicaid and cannot pay for medical costs associated with her diabetes. Her health is deteriorating rapidly.

*The Alzheimer's Association estimates that up to 140,000 people with cognitive impairment between the ages of 55 and 64 rely on Medicaid to help pay for their health care and long-term care bills.*

## Carmen, 80, lives in a nursing home where she receives constant supervision and assistance with eating, bathing and dressing.

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Recently, the state eliminated Medicaid coverage for people like Carmen who are considered medically needy. Carmen's employed daughter must now bring Carmen to her home and find a way to care for her and still work.

*The Alzheimer's Association estimates that nearly 411,000 people with dementia, age 65 and older, rely on Medicaid to help pay for their nursing home costs.*

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# the threat to medicaid

## Get the facts. Take action today.

alzheimer's  association™

the compassion to care, the leadership to conquer

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**Alzheimer's disease not only destroys brain cells, it robs people of their financial security. Savings quickly dissolve when people with Alzheimer's lose their jobs and their private health insurance benefits — then they may find that the health and long-term care services they need are not covered by Medicare.**

**Where do people with Alzheimer's and their families turn?**

**Medicaid may be the last resort for people with Alzheimer's disease who need ongoing health and long-term care services. But the program's future is threatened by serious cuts that may leave individuals and families faced with either losing options for care or incurring mounting expenses that they cannot pay.**

**Lend your voice to the fight to keep vital services available for those with Alzheimer's disease.**

**Get the facts.  
Take action today.**

Preserve Medicaid coverage for those who need it most.

## **What is Medicaid?**

**Medicaid is an entitlement program jointly operated by the federal government and the states. It pays for long-term care, prescription drugs and immediate medical care for a person who is impoverished because of his or her health and long-term care expenses, and is:**

- Under age 65 with severe disabilities and not eligible for Medicare
- Over age 65

Most people who develop Alzheimer's disease before age 65 will eventually lose their jobs and any group health insurance benefits. With no protection against the high cost of health care, they must pay out-of-pocket for medications and professional health care expenses.

As a result, many individuals with Alzheimer's younger than 65 become impoverished and turn to Medicaid, which may cover their health care costs until they qualify for Medicare. Medicaid also covers the prescription drug and long-term care costs for Medicare beneficiaries when they meet Medicaid's eligibility criteria. Nearly all people with Alzheimer's disease after age 65 will qualify for Medicare, which covers much of their health care costs. But, Medicare does not yet cover most prescription drug and long-term care services. In 2006, however, Medicare is expected to cover prescription drug costs for those who qualify for both Medicare and Medicaid.

Currently, to obtain Medicaid, applicants must meet financial and functional eligibility standards. These vary by state, but generally, by 2004 figures, an applicant cannot have

income exceeding \$651 per month if she or he lives alone, or \$1,953 per month if she or he is eligible for nursing home care. Many states have programs for those considered medically needy that allow people with higher incomes to receive Medicaid if their health and long-term care expenses consume most of their income.

Medicaid only covers long-term care for those with disabilities severe enough to meet their state's functional eligibility standards. Generally, those eligible must have limited ability to perform daily tasks such as eating, bathing or dressing. Some states require high levels of medical need before individuals can be eligible for long-term care in a nursing home. This can severely limit coverage for people with dementia, who may or may not have a need for skilled medical care, but who require assistance with most daily activities or constant supervision.

## **How is Medicaid under threat?**

**Medicaid is an expensive program that lacks the support of powerful advocates. It is the second largest federal health program, with expenses of \$249 billion in 2002<sup>(1)</sup>. Program costs are projected to increase about 9 percent per year during the next few years<sup>(2)</sup>. And, in most states, the program is one of the two largest items in the budget. For example, Florida's share of Medicaid expenditures will be 22 percent of that state's 2005 budget.**

Medicaid will only become more expensive as millions of baby boomers age. Because people are living longer, including those living with dementia, more people are qualifying for

Medicaid. In addition, health and long-term care costs increase much faster than the general inflation rate.

States facing their own financial crises have resorted to reducing Medicaid eligibility, services and payments to health care providers. The federal government is discussing proposals to allow states to place severe limits on Medicaid. Even people with dementia who meet Medicaid eligibility requirements could lose their coverage.

## **State cuts being considered include:**

- Eliminating "medically needy" programs that allow people with high medical expenses and income above Medicaid standards to "spend down" to qualify for Medicaid, thereby cutting off benefits to most middle-class people with high health care expenses.
- Altering the maximum income level that people can have and still qualify for Medicaid.
- Limiting the scope of medical and long-term care services that Medicaid covers.

## **Federal cuts being considered include:**

- Imposing limits on federal Medicaid payments, which would force states to increase their Medicaid budgets or cut program benefits and eligibility.
- Limiting Medicaid coverage by capping expenditures at an arbitrary level.

Federal and state cuts such as these could severely limit the assistance for people with Alzheimer's disease, leaving them to cope alone with growing health care bills.

<sup>1</sup> Costs for long-term care services drawn from the MetLife Market Survey on Nursing Home and Home Care Costs

<sup>2</sup> Figure drawn on June 23, 2004, from <http://www.cms.hhs.gov/statistics/nhe/historical/t10.asp>