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North Dakota Medicaid Talking Points

Ask Congress: Vote against the "Better Care Reconciliation Act" because it contains cuts to Medicaid financing of long term care services for older adults and persons with disabilities.

The recently introduced "Better Care Reconciliation Act" contains devastating cuts to Medicaid. This bill takes two additional steps that make it even more severe than the House version of the bill and represents a historic threat to the long term care profession:

1. **The Medicaid growth rate for aged and disabled populations is cut starting in 2025.**
   A decrease in the inflation factor in 2025 and later would occur at the crest of the aging boom as well as when a significant wave adults with disabilities will turn 65. This will further increase demand for complex medical services and Medicaid-financed long-term services and supports (LTSS). The current drop to CPI-U in 2025 would be a massive cut, $100s of billions, just as more and more individuals will need LTSS. This, over time, results in a 20% Medicaid cut to providers.
   Number of Nursing Buildings in ND*: 81

2. **Provider Tax Reduction from 6% to 5%**
   The Senate draft version begins to reduce provider taxes starting in 2021, costing states over $10 billion. States currently rely on these mechanisms to meet its match requirements in a desperately underfunded program. To reduce these taxes as you also limit their use going forward via the per-capita caps further ties the hands of states who need to reach balanced budgets every year.

Medicaid is a critical payer for vulnerable populations. In particular, the majority of older adults and virtually all persons with disabilities are reliant upon Medicaid for pay for long-term services and supports. As the number of these individuals grows and state budget capacity to cover costs remains tight, Medicaid financing will become even more vital than in the past.

*ND data was not available at the time this document was finalized.

Long term care populations are uniquely vulnerable.

- Over 1 million individuals are long stay patients and nursing centers are now their homes.
- 63% of people in nursing centers rely on Medicaid to finance some or all of their care.
- These individuals have a 66% chance of having some form of dementia and typically need assistance with 4 out of 5 activities of daily living.

Medicaid already underfunds nursing care.

- Medicaid only reimburses 89 cents for every dollar of allowable nursing center cost.
- There is a $7 billion annual shortfall in national Medicaid funding of nursing center care.
- Despite this underfunding, nursing centers have demonstrable quality improvements.

This bill is bad for assisted living providers and residents too.

- 1 in 6 assisted living residents relies on Medicaid for their daily long term care.
- Many states may further restrict eligibility and enrollment, creating longer waiting lists for a population that cannot wait for long term care.

Program spending growth for long term care primarily is associated with demographics and efforts to expand choice of setting: home and community-based or nursing center.

- Despite overall long term spending growth, Medicaid spending on individuals in nursing centers has been relatively low.
- Between fiscal years 2009 and 2014, the average per-year growth of Medicaid spending on nursing center care has been consistently lower than overall program growth during this same time.

There are few alternatives to long term care financing

- Medicaid is the only viable financing option due to challenges with private financing options.
- Many Medicaid beneficiaries have exhausted their personal funds and have no other choice when it comes to how to pay for care.
- Many private long term care insurance plans (PLTCI) have been canceled in recent years.
- Rising claims, low mortality, and lower than expected lapses have led to higher PLTCI premiums, which are often unaffordable to a large segment of the population.
- Some PLTCI premiums have increased as much as 110% in recent months.