# MEDICAID'S ROLE IN NURSING HOME CARE

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Nursing homes are key providers of long-term care in the US, supplying medical, skilled nursing, and rehabilitative services on an inpatient basis to individuals who need help with self-care, such as bathing and dressing. As of 2015, there were 1.4 million people, primarily seniors, served in nearly 16,000 nursing homes.

Medicaid is the primary payer for nursing home care, providing needed long-term care services not offered by Medicare that would otherwise be unaffordable for seniors with low incomes and relieving the care burden from families.

Medicaid currently provides federal matching funds with no pre-set limit that help states cover nursing home care. Medicaid restructuring and cuts in federal funds as proposed in the American Health Care Act could limit states' ability to provide these services.

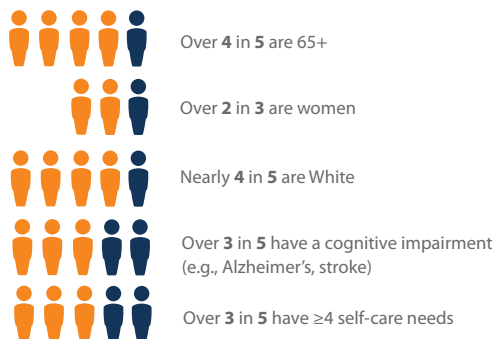## Long Term Care Need Continues to Grow Due to an Aging Population

15% of the total US population was 65+ in 2015, and the total number of seniors is expected to **double** by 2060.

48 Million
2015
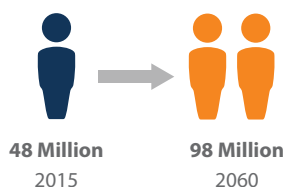
98 Million
2060

1 in **3** people turning 65 will require nursing home care at some point during his or her life

In 2015, **1.4 Million** people were in nursing homes:

Over **4** in **5** are 65+

Over **2** in **3** are women

Nearly **4** in **5** are White

Over **3** in **5** have a cognitive impairment (e.g., Alzheimer's, stroke)

Over **3** in **5** have ≥4 self-care needs

$82,000

Typical **annual cost of nursing home care in 2016, which is nearly 3x the annual income of most seniors**
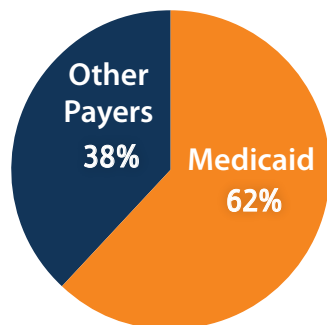
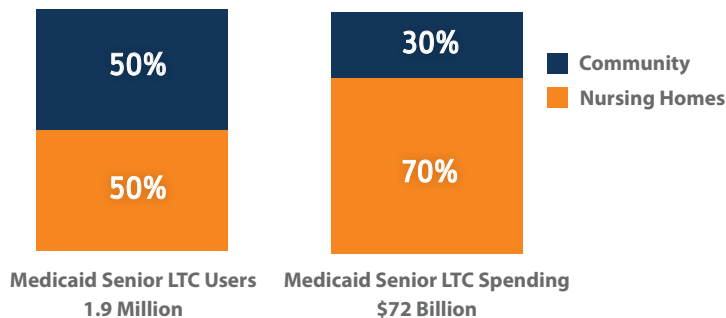## Medicaid is the Primary Payer for Nursing Home Care, Providing Needed Services not Offered by Other Coverage

Medicaid is the **primary payer** for long-term care, including **$55 billion** in 2015 for nursing homes. Medicare only covers limited post-acute care, and few people can afford private coverage.

Medicaid covers 6 in 10 nursing home residents.

Other Payers
38%

Medicaid
62%

50% of seniors using Medicaid long-term care services in 2013 were in nursing homes, accounting for **70%** of seniors' Medicaid spending on long-term care.

50%
50%

Medicaid Senior LTC Users
1.9 Million

30%
70%

Medicaid Senior LTC Spending
$72 Billion

■ **Community**
■ **Nursing Homes**

Changes to Medicaid Financing Could Limit Access to Nursing Home Care for Seniors

44 states that extend financial eligibility up to 300% SSI* for people who need long-term care beyond the federal minimum of SSI could be at risk if states scale back this optional coverage.

*SSI = 73% of the Federal Poverty Level (FPL) in 2017

Capping Medicaid financing could **lock in differences in the share of long-term care spending** devoted to nursing homes, which varies significantly across states as of FY 2015.

<30% (11 states)

30%–39% (19 states, including DC)

40%–49% (15 states)

≥ 50% (6 states)
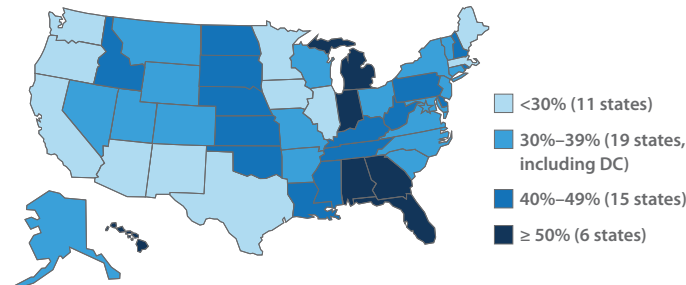
Medicaid is a **key payer** for nursing home care.
• Reductions in federal Medicaid financing as proposed by the American Health Care Act could **limit states' ability to respond to these needs**
• Lower reimbursement rates can lead to **reductions in staffing**, which can result in **lower nursing home care quality and poor care outcomes**.

	Table 1: Medicaid's Role in Nursing Home Care, by State								
State	**Residents Age 65+ (2015)**		**Medicaid Enrollees Age 65+ (FY 2014)**		**Certified Nursing Facility Residents with Medicaid (2015)**		**Nursing Home Care Spending (FY 2015)**		**State Covers LTC Needs Up to 300% SSI (2015)**
	Number of State Residents	**Share of State Population**	**Number**	**Percent of Total Medicaid Enrollees**	**Number of Residents**	**Share of Total Nursing Facilities Residents**	**Amount**	**Share of Total Medicaid LTC Spending**	
United States	47,546,500	15%	7,379,600	9%	832,460	62%	$54,832,318	35%	44
Alabama	713,400	15%	140,800	11%	15,252	67%	$944,141	53%	✓
Alaska	79,500	11%	10,300	7%	490	79%	$181,745	32%	✓
Arizona	1,035,000	15%	128,500	8%	6,812	59%	$448,951	27%	✓
Arkansas	456,000	15%	74,100	8%	11,605	66%	$661,360	33%	✓
California	5,075,800	13%	1,205,200	8%	62,299	62%	$3,250,424	24%	
Colorado	759,400	14%	102,400	8%	9,899	61%	$694,011	33%	✓
Connecticut	554,300	16%	129,100	14%	16,438	69%	$1,197,886	36%	✓
District of Columbia	87,300	13%	15,500	7%	2,550	80%	$272,899	49%	✓
Delaware	156,200	16%	24,600	9%	2,043	60%	$232,784	30%	✓
Florida	3,757,100	19%	610,500	13%	41,813	57%	$3,472,597	59%	✓
Georgia	1,298,000	13%	195,900	9%	23,822	72%	$1,289,089	50%	✓
Hawaii	231,200	17%	29,800	9%	2,228	63%	$287,794	58%	
Idaho	252,100	15%	22,700	7%	2,369	64%	$266,129	41%	✓
Illinois	1,881,700	15%	275,100	8%	39,514	57%	$1,428,479	29%	
Indiana	1,010,000	16%	103,600	8%	24,337	62%	$2,006,714	57%	✓
Iowa	486,700	16%	46,800	7%	11,552	48%	$623,815	29%	✓
Kansas	397,000	14%	41,100	9%	9,494	53%	$525,010	43%	✓
Kentucky	723,100	16%	99,100	8%	15,588	67%	$957,640	49%	✓
Louisiana	598,700	13%	123,100	9%	19,149	74%	$963,115	42%	✓
Maine	275,400	21%	64,500	18%	3,935	64%	$277,016	28%	✓
Maryland	776,700	13%	107,400	8%	15,036	61%	$1,174,675	38%	✓
Massachusetts	1,031,500	15%	200,500	10%	24,743	61%	$1,814,969	27%	✓
Michigan	1,656,100	17%	159,600	6%	23,428	60%	$1,782,637	55%	✓
Minnesota	890,600	16%	123,400	9%	13,404	52%	$780,647	17%	✓
Mississippi	424,700	14%	92,800	12%	12,017	75%	$761,814	48%	✓
Missouri	921,000	15%	88,500	8%	24,239	63%	$1,068,006	32%	✓
Montana	182,600	18%	17,800	10%	2,563	58%	$165,541	35%	✓
Nebraska	267,800	14%	28,300	10%	6,111	52%	$340,032	41%	
Nevada	413,100	14%	51,500	8%	2,789	58%	$214,753	35%	✓
New Hampshire	206,800	16%	14,800	8%	4,249	64%	$341,826	42%	✓
New Jersey	1,323,400	15%	161,800	10%	26,676	59%	$1,759,936	36%	✓
New Mexico	342,300	17%	67,200	8%	3,679	66%	$260,091	19%	✓
New York	3,146,000	16%	711,400	11%	69,694	67%	$6,882,589	30%	
North Carolina	1,386,200	14%	222,200	10%	23,370	64%	$1,179,921	39%	
North Dakota	111,600	15%	7,500	8%	2,855	51%	$266,606	45%	
Ohio	1,730,400	15%	204,600	7%	44,549	59%	$2,786,965	39%	✓
Oklahoma	554,100	14%	68,200	7%	12,143	65%	$577,093	41%	✓
Oregon	615,500	15%	74,800	7%	4,179	56%	$388,305	17%	✓
Pennsylvania	2,169,500	17%	267,700	10%	49,375	63%	$3,848,905	43%	✓
Rhode Island	162,700	16%	24,500	8%	4,964	63%	$361,594	41%	✓
South Carolina	793,500	17%	107,800	8%	10,084	60%	$583,852	38%	✓
South Dakota	131,700	16%	13,000	9%	3,252	52%	$138,775	42%	✓
Tennessee	1,053,600	16%	149,400	10%	16,653	60%	$1,096,127	42%	✓
Texas	3,345,400	12%	479,600	9%	57,157	61%	$2,640,412	28%	✓
Utah	326,700	11%	18,500	4%	2,735	51%	$190,765	34%	✓
Vermont	102,400	17%	22,800	11%	1,667	64%	$121,984	30%	✓
Virginia	1,186,900	14%	114,600	11%	16,433	59%	$948,887	31%	✓
Washington	1,158,500	16%	113,900	6%	10,006	59%	$644,037	22%	✓
West Virginia	343,500	19%	45,300	8%	7,122	76%	$606,591	41%	✓
Wisconsin	879,900	15%	171,000	12%	14,728	55%	$1,059,237	30%	✓
Wyoming	83,600	15%	6,400	7%	1,411	62%	$103,148	39%	✓

NOTES: Governor party affiliation and Medicaid expansion status as of 2017.
SOURCE: Kaiser Family Foundation estimates based on the Census Bureau's March 2016 Current Population Survey (CPS: Annual Social and Economic Supplement). KFF estimates based on analysis of data from the 2014 Medicaid Statistical Information System (MSIS). For states with fewer than for quarters of MSIS data, we also adjusted enrollment using secondary data (specifically, the Medicaid Budget and Expenditure System) to represent a full fiscal year of enrollment. We accounted for a state's expansion status, the number of quarters of missing data, and the state's historical patterns of enrollment in making state-by-state adjustments. Due to these adjustments, enrollment estimates here may not match other analysis based on the MSIS data or state's own reporting systems. Harrington, Carrillo, and Garfield, based on OSCAR/CASPER Data. Truven, Medicaid Expenditures for Long-Term Services and Supports (LTSS) in FY 2015, April 14, 2017. KCMU Medicaid Financial Eligibility Survey for Seniors and People with Disabilities (2015).

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U.S. Census Bureau, Population Division, Table 3: Projections of the Population by Sex and Selected Age Groups for the United States: 2015 to 2060 (NP2014-T3), December 2014.