

## **AARP Analysis of NC Senate Budget Proposal**

North Carolina is disheartened to see the Senate budget proposal doesn't value our state's older adults and those who are blind and disabled.

There are numerous provisions in the budget that cut critical programs and services. Key areas of note are as follows:

1. Cuts \$969,549 from the Home and Community Care Block Grant which funds key services to help older adults stay in their home and supports their family caregivers many of whom are providing care 24/7. This is a 3% reduction in funding for the program which already has 16,000 people on the waiting list statewide. Of this waiting list over 10,500 older adults are waiting for home delivered meals and in-home aid services. 62% of people who receive services are age 75 or older. This reduction could cut services for an estimated 1,500 persons. This loss in funding puts many older adults at increased risk of having to go to a more expensive care setting such as a nursing home.
2. Eliminated Medicaid eligibility for 11,886 older and disabled adults who receive State/County Special Assistance effective January 1, 2015. This is a cost savings to the state of \$28,750,000. These are some of the most vulnerable citizens in our state who need assistance with care and the loss of Medicaid will greatly impact their ability to receive the health services they need.
3. Effective January 1, 2015, eliminates Medicaid coverage for those who qualify for Medicaid as Medically Needy except those categories that the State is prohibited from eliminating by the maintenance of effort requirement of the Affordable Care Act. Effective October 1, 2019 coverage for all Medically Needy categories is eliminated. There are currently 3,342 individuals in family and children and aged, blind and disabled categories who receive Medicaid as Medically Needy. By eliminating this program January 1, the state saves \$3,563,134.

*Here is information on the Medically Needy program from the Kaiser Foundation:*

*The medically needy program provides states the option to extend Medicaid eligibility to individuals with high medical expenses whose*

*income exceeds the maximum threshold, but who would otherwise be eligible for Medicaid. The program accounts for a small share of Medicaid enrollment, it is difficult for individuals to navigate, and it is cumbersome for states to administer. However, the medically needy program remains an important and consequential pathway to Medicaid eligibility, acting as a last-resort to Medicaid eligibility for those whose medical expenses overwhelm their income.*

4. Specifies in the budget that it is the intent of the General Assembly to reduce optional services for certain aged, blind, and disabled persons effective July 1, 2015 while meeting the State's obligations under the Americans with Disabilities Act and the US Supreme Court decision in *Olmstead vs. L.C. ex rel. Zimring*. No later than March 1, 2015, the Dept. of Health and Human Services, Div. of Medical Assistance, shall submit to the House and Senate Appropriation Subcommittees on Health and Human Services a draft waiver or other proposal that limits Medicaid coverage for the aged, blind, and disabled to the minimum required to meet mandatory requirements of the Medicaid program and the Americans with Disabilities Act.

Optional Medicaid services for aged, blind, and disabled adults in NC include among others, dental care; prescription drugs; occupational, physical, and speech therapies; hospice; prosthetics and orthotics; podiatry services; community alternative programs; in-home care services; mental health services; and rehabilitation services. This proposed elimination of optional services for the approximately 375,000 aged blind, and disabled adults on Medicaid will have major consequences for the health of these individuals. Paying for these services on the front end prevents more expensive expenditures on the back end such as emergency room and nursing home care.

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