

## **FACT SHEET: What is Medicaid/Medi-Cal?**

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### **What is Medicaid/Medi-Cal?**

The federal Medicaid program provides health care to low-income people, including seniors, people with disabilities, and children. Medicaid is funded through a combination of state and federal dollars. States run their own Medicaid programs and have to follow certain federal rules, but have some flexibility in the services they offer.

In California, Medicaid is called Medi-Cal. Medi-Cal offers a wide variety of health care services, including long term services and supports (LTSS) that help people with disabilities remain in their own homes or with their families. These include:

- Home and Community-Based (HCBS) Waiver services, such as those funded through regional centers and the Nursing Facility/Acute Hospital Waiver (now called the Home and Community Based Alternatives Waiver)
- In Home Supportive Services (IHSS);
- Adult Day Health Care/Community Based Adult Services;
- Program of All Inclusive Care for the Elderly (PACE) services

In addition to these services, Medi-Cal pays for doctor visits; diagnostic testing; emergency services; surgery; hospitalization; prescription drugs; dental services; occupational & physical therapy; outpatient drug abuse services; nursing facility stays; medical supplies; durable medical equipment like wheelchairs and walkers; and transportation to doctor visits.

Children with disabilities can also receive additional benefits, like in-home nursing and behavioral therapies.

### **How Many People Receive Medicaid/Medi-Cal?**

Medicaid is the nation's largest health insurance program, covering 74 million, or more than 1 in 5 Americans.

--Including 42% of the country's children

--California - 13.5 million, including HALF of California's children

### **How did the Affordable Care Act (Obamacare) Change Medicaid/Medi-Cal?**

The Affordable Care Act (ACA), or Obamacare, expanded eligibility for people who had just a little too much income, or too many resources to qualify for regular Medi-Cal.

In the United States, 20 million more people became eligible and now have health care because of the expansion of Medicaid. Four million of them are in California.

### **What would the recent proposals in Congress do to change Medicaid/Medi-Cal?**

Congress has recently considered "repealing and replacing" the Affordable Care Act and making big changes to Medicaid/Medi-Cal. These changes call for Block Grants and Per Capita Caps instead of the way Medicaid now works, which is that states and the federal government have to pay for the services that people need.

#### Block Grants

A block grant would be a set dollar amount, and states would be responsible for all costs above that dollar amount. Since the block grant doesn't increase annually to keep up with general inflation, or medical emergencies, states would have to fund more and more of the Medicaid program each year, and would likely impose more restrictions, and serve fewer people. Block grants would result in less money for health and

services because under current law, the federal government pays on average 57% of the cost.

### Per Capita Caps

A per capita cap is also bad, because it will allow states to make cuts they cannot make now. States could create waiting lists, cap enrollment, and cut critical services to children with disabilities.

### **What would these changes mean for California?**

For Medi-Cal, this would mean \$3.2 billion less in federal funding by 2020

--\$8.7 billion less in federal funding by 2027

--A total loss of \$35.2 billion dollars over the next 10 years

But for all of California's health care services—including the ACA's Medi-Cal expansion, the proposed Medi-Cal block grants/per capita caps, and the ACA's cost sharing reductions (which assist low income people who receive subsidies for non-Medi-Cal health care in the marketplace), the numbers are even higher: in recent proposals, the impact to California between 2020 and 2026 would be \$85.7 billion. From 2020 through 2027, the impact would total \$138.8 billion in federal funding cuts.

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