

Meeting the Growing Demand for Care: Why Congress Must Protect Medicaid

California's population of older adults and people with disabilities is growing rapidly. By 2030, one in four Californians will be age 60 or older—a trend projected to continue through 2060. This demographic shift is significantly increasing demand for Long-Term Services and Supports (LTSS), including both institutional care and services that allow individuals to remain at home and connected to their families and communities.

Home and Community-Based Services (HCBS) are a vital and cost-effective component of California's LTSS system. These services—such as personal care, in-home assistance, transportation, and home modifications—support safety, independence, and quality of life. By reducing reliance on institutional care and preventing avoidable hospitalizations, **HCBS offer a fiscally responsible approach to meeting the state's growing care needs.**

Federal Proposals Put HCBS at Risk

Despite their value, HCBS remain optional under federal Medicaid law, making them especially vulnerable to budget cuts. Federal proposals to cap, cut, or restrict Medicaid—through per capita caps, federal match rate (FMAP) reductions, or work requirements—put access to these essential services at risk. Even when not directly aimed at reducing support for older adults or people with disabilities, these policy changes often force states to scale back or eliminate HCBS due to their discretionary status.

1 Block Grants, Per Capita Caps, & FMAP reductions Undermine HCBS

Proposals to impose per capita caps or reduce the federal match rate (FMAP) would limit Medicaid funding regardless of a state's actual needs. This rigid funding structure would force states to make painful trade-offs, often resulting in cuts to services that are not federally required.

Even when federal cuts are not directly targeted at older adults or people with disabilities, the financial strain on state budgets frequently results in reduced access to HCBS. Historical precedent confirms this pattern: [during past Medicaid shortfalls, every state—including California—reduced HCBS investments](#), despite strong evidence of their value in supporting independence, improving health outcomes, and avoiding more costly institutional care.

The consequences of these cuts extend far beyond individual well-being. When HCBS are weakened, demand increases for emergency rooms, hospitals, and long-term care facilities—intensifying pressure on an already strained health care system. Family caregivers are also impacted, with many—especially women—forced to leave the workforce or reduce hours to fill gaps in care. This not only jeopardizes their financial security but also contributes to broader declines in labor force participation.

2 Work Requirements Have Already Demonstrated Their Harm

Past experience with Medicaid work requirements has shown that these policies do more harm than good—both for individuals and state systems. In Arkansas, the first state to implement such requirements, more than 18,000 people lost coverage in less than a year. Critically, the vast majority were not dropped because they were ineligible, but because of administrative hurdles such as confusing reporting systems, limited internet access, and burdensome paperwork. These challenges disproportionately affected older adults, people with disabilities, and caregivers who may not be able to meet rigid reporting deadlines despite qualifying for Medicaid coverage.

Beyond their human impact, work requirements place a significant administrative and financial burden on states. Implementing, monitoring, and enforcing these policies requires new bureaucratic infrastructure, data systems, and staffing—diverting resources from actual service delivery. A recent analysis from the Commonwealth Fund found that [Medicaid work requirements could lead to substantial coverage losses, job cuts, and economic disruption](#), particularly in high-Medicaid states like California. Rather than improving outcomes or reducing costs, these policies add complexity, increase state expenditures, and risk destabilizing health care access for some of the most vulnerable populations.

3 Drastic Medicaid Cuts Have Broad Reaching Consequences

Significant cuts to Medicaid would have far-reaching consequences for California's broader health care system. [Medicaid currently covers one in three Californians and serves as the largest source of health coverage for older adults and people with disabilities](#). It also pays for more than half of all hospital patient days in the state. Any significant reduction in federal Medicaid funding would ripple through the health system, jeopardizing access, financial stability, and quality of care.

Hospitals, many of which already operate on thin margins, would be especially vulnerable. Reduced Medicaid reimbursements would threaten their ability to remain solvent, particularly in rural and underserved areas where a high percentage of patients rely on Medicaid. Emergency departments would become even more strained as more individuals turn to hospitals for services that could have been addressed earlier and more effectively through community-based care.

Cuts to programs like HCBS only intensify this dynamic. When individuals lose access to preventive care in their home and communities, avoidable hospitalizations, institutional placements, and crisis care become more frequent and costly. This not only worsens outcomes for patients and families—it drives up public health expenditures and undermines the efficiency of the entire care delivery system.

We Urge Congress to Reject Proposals that Jeopardize Care for Vulnerable Populations

The California Collaborative for Long-Term Services and Supports (CCLTSS) shares the goal of ensuring Medicaid's long-term stability and integrity. However, research shows that proposals such as block grants, per capita caps, FMAP reductions, and work requirements fail to improve efficiency or outcomes. Instead, they shift costs to more expensive care settings like emergency rooms and institutions, while increasing pressure on caregivers, health systems, and already strained state budgets.

Therefore, we urge Congress to reject these harmful policies and any efforts that would cap, cut, or restrict federal Medicaid funding or add unnecessary administrative barriers. We also call on Congress to protect and expand access to Home and Community-Based Services (HCBS)—a cost-effective, person-centered alternative to institutional care that supports independence and reduces long-term public spending.

About CCLTSS

CCLTSS is a coalition of statewide and local advocates, service providers, and community organizations working to advance an integrated, person-centered system of care for older adults, people with disabilities, and caregivers.

Our membership is comprised of over 50 organizations, including 18 Regional Coalitions* representing local aging and disability networks that span over 40 of California's 58 counties.

AARP California	Community Living Implementation Council of Nevada Co.*
Age Forward Coalition of San Mateo County*	Contra Costa Advisory Council on Aging*
Aging Services Collaborative of Santa Clara County*	County Welfare Directors Association of CA
Alzheimer's Association	Disability Rights CA
Association of Regional Center Agencies	Diversability Advocacy Network*
Bay Area Senior Health Policy Coalition*	Family Caregiver Alliance
CA Assisted Living Association	Homebridge
CA Association for Adult Day Services	Inland LTSS Coalition*
CA Association of Area Agencies on Aging	Justice in Aging
CA Association of Caregiver Resource Centers	LeadingAge CA
CA Association of Health Plans	Los Angeles Aging Advocacy Coalition*
CA Association of Public Authorities	Monterey Bay Aging & Disability Resource Coalition*
CA Commission on Aging	MSSP Site Association
CA Council of the Blind	Orange County Aging Services Collaborative*
CA Disability Services Association	Placer County ADRC Coalition*
CA Elder Justice Coalition	San Diego Senior Alliance
CA Foundation for Independent Living Centers	Santa Barbara County Adult & Aging Network*
CA Health Advocates	Senior Coalition of Stanislaus County*
CA Hospital Association	Senior Services Coalition of Alameda County*
CA IHSS Consumer Alliance	United Domestic Workers
CA Long-Term Care Ombudsman Association	Ventura County Hospital to Home Alliance*
CA Senior Legislature	Village Movement California
Californians for Disability Rights	Anthem Health Plan
CalPACE	Marin County Coalition*
Central Valley LTSS Coalition*	Yolo Healthy Aging Alliance*
Coalition for Compassionate Care of CA	