

MEDICAID FEDERAL FUNDING UPDATE

Jennifer Bertrand
Deputy Director, MDDC

The Massachusetts Developmental Disabilities Council (MDDC) is an independent agency, funded by the federal government, dedicated to empowering people with developmental disabilities and their families to enjoy full productive lives by promoting self-sufficiency, community inclusion & opportunity.

Federal Funding Update

- July 4, 2025 –Federal government passed a budget reconciliation bill (H.R.1)
- Reconciliation bills:
 - change laws about taxes
 - how the federal government spends money
- This reconciliation bill made **deep funding cuts** to:
 - Medicaid
 - SNAP

How could changes to **Medicaid** affect people with intellectual/developmental disabilities (IDD)?



CHANGE

Cuts to federal Medicaid spending by \$1 trillion over the next 10 years.



CONSEQUENCES

11.8 million people could become uninsured. Medicaid funded services will be reduced and/or eliminated.

IMPACT

People with IDD will be among those who lose coverage. Loss of health insurance could lead to more people getting sick. They will lose access to services that allow them to live in the community.



CHANGE

States are required to add “work requirements” to Medicaid plans.



CONSEQUENCE

People in the Medicaid expansion group will be required to show they are working, looking for a job, or doing community service to remain covered.

IMPACT

Some people with IDD may not qualify for exemptions to these work requirements. They will be at risk for losing Medicaid. Without Medicaid supported employment services, they may not be able to work and re-enroll.

This information is taken from the MDDC's fact sheet on federal Medicaid funding. All citations and sources are available in the full document.

Visit the [MDDC Federal Funding Fact Sheet](#) resource for more information.

CHANGE

Medicaid recipients will be required to prove they are still eligible for Medicaid every **6 months** (instead of every year.)



CONSEQUENCE

Many people are at risk of losing coverage due to paperwork and administrative barriers, even if they are still eligible.

IMPACT

People with IDD who wrongfully lose Medicaid will lose access to services they need. This includes medications and supports they need every day.

CHANGE

States will face new limits on how they can use “**provider taxes**” to raise money for state spending on Medicaid.



CONSEQUENCES

States will have to find other state funding sources to meet their Medicaid match. This means that states will likely have less state funds to support Medicaid HCBS.

IMPACT

Provider taxes have been a key source of state Medicaid funding. Not enough funding will likely result in the shrinking and removal of non-mandatory Medicaid services like Home and Community Based Services (HCBS).



CHANGE

Significant cuts to the Supplemental Nutrition Assistance Program (SNAP).



CONSEQUENCES

40 million people who are on low or fixed incomes, including people with disabilities, will lose their basic food assistance.

IMPACT



People with IDD who rely on SNAP benefits for meals will lose access to a proper diet. Lack of access to enough food and healthier options will result in worse health outcomes.

Medicaid Expansion – MA IMPACT

[Six-Month Redetermination and Work Requirements: Impacts on Health Coverage in Massachusetts | Welcome to Blue Cross Blue Shield of Massachusetts](#)

- MA Analysis of 6-month Implementation of 2 key Provisions:
 - Work requirements (by Jan 1, 2027) (at least 80 hrs./month)
 - 6-month redeterminations (by Dec 31, 2026) (re-up eligibility 2X/yr.)
- An estimated 141,000 to 203,000 MassHealth members could lose coverage, and the vast majority would become uninsured;
 - In an average month, 85,000 to 147,000 more people under age 65 would be uninsured
 - The # of uninsured people in MA to grow from 227,000 to between 312,000 and 374,000, (a 37%-65% increase); and
 - The loss of coverage would result largely due to procedural, documentation or administrative issues rather than actual ineligibility.

SNAP – MA IMPACT

SNAP changes = stricter work requirements, new immigrant eligibility limits & higher state cost-sharing requirements

- 7% of Boston-area
- Lawrence & Brockton has the highest participation rate
- 18,000 white adults affected
- 5,000 Latino households

“Able-bodied” people most at risk of losing eligibility are those:

- who face barriers to stable employment (inconsistent work hours).
- with caregiving obligations.
- with limited access to training programs.

SNAP MA IMPACT

[Report: SNAP changes will affect 40,000 in Greater Boston | Labor & Economy | statehousenews.com](#)
[Meeting the Moment: SNAP Cuts and the Local Fallout | Boston Indicators](#)

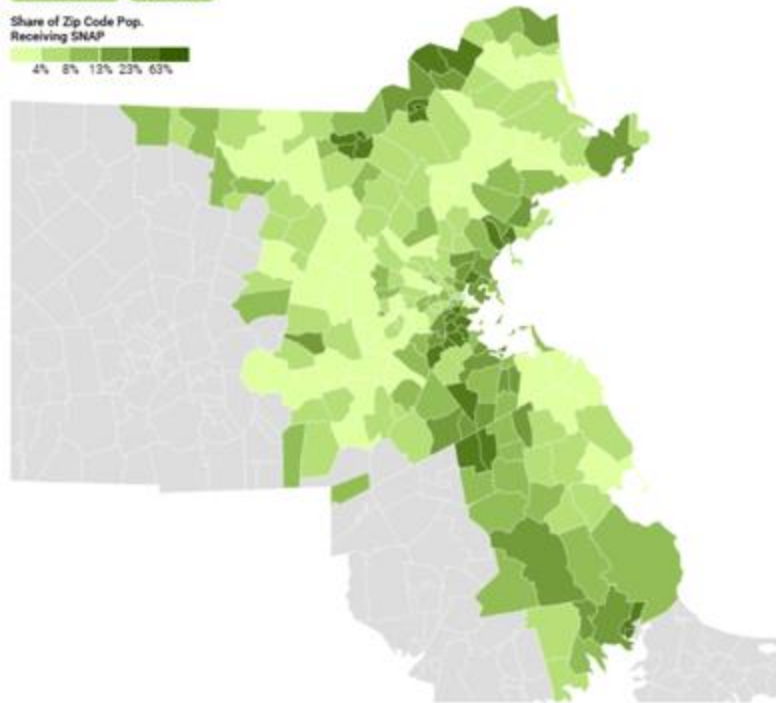
SNAP Client Share by Municipality and Zip Code, July 2025

Select Geographic Level:

Municipalities Zip Codes

Share of Zip Code Pop.
Receiving SNAP

4% 8% 12% 23% 63%



Note: A Client refers to a Massachusetts resident who received SNAP benefits.

Map: Boston Indicators • Source: Massachusetts Department of Transitional Assistance, 2019-2023 5-Yr American Community Survey • Map data: © Esri, TomTom North America, Inc., United States Postal Service • Get the data • Created with Datawrapper

Categories of Medicaid Services

Mandatory Services

- These are Medicaid services that states are **required** to cover for eligible recipients.¹
- Mandatory services include things like doctor visits, medical care in hospitals, and LTSS provided in nursing homes and institutions.

Non-Mandatory Services

- Non-mandatory services include things like adult dental care, certain medicines, and therapies.
- Many HCBS are **optional** for states to provide. They mostly do so through Medicaid waiver programs.

During the Great Recession (2010-12) **every state** in the US **reduced Medicaid funding and/or limited eligibility to reduce costs** to deal with budget shortfalls. **Optional HCBS Medicaid services were impacted more** than mandatory Medicaid services and **the number of people on waitlists grew.**

History has shown that optional Medicaid **Home and Community Based Services (HCBS)** were impacted more by cuts than mandatory services, such as **Institutional Long-Term Services and Supports (LTSS)**. These changes caused waiting lists for services to grow.³

HCBS are essential for people with developmental and other disabilities to maintain choice and control and engage in society.

[History Repeats? Faced With Medicaid Cuts, States Reduced Support For Older Adults And Disabled People | Health Affairs](#)

Resource Allocation Considerations

- Non-mandatory HCBS Medicaid programs are far less expensive than institutional care (i.e., nursing homes, intermediate care facilities, institutions, etc.)
- Reduced state funding for HCBS Medicaid waived programs will likely result in:
 - Large increases in waitlists,
 - People with disabilities needing more expensive institutional care because they have no support to live in the community.

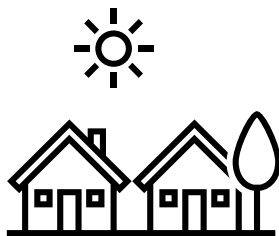
Community Vs. Institutional Settings

Community

\$91,294

The average cost to support someone living in the community through Medicaid waiver services.

Adults with disabilities who live in the community, versus institutional settings, report higher quality of life, community participation, and self-determination.



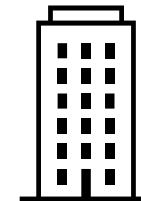
Institutional

\$289,681

The average cost per person in MA for an Intermediate Care Facility for people with IDD.
This is 3X more expensive!8

People in this type of setting and those in group homes “may have less control over where and with whom they live, the services they receive, or the routines of daily life.”

[Housing Position Statement The Arc](#)



Resource Allocation Considerations

- Reduced state funding for HCBS Medicaid waived programs will likely result in:
 - Family members leaving their jobs to care for family members with disabilities which may cause financial insecurity and/or greater need for government services.
- HCBS Medicaid waived programs are most critical to protect because they:
 - Allow people with intellectual, developmental and other disabilities to live and/or remain in the community instead of being forced into segregated settings,
 - Make more financial sense to fund. The state can stretch limited resources further.

QUESTIONS?

Contact information:

Jennifer Bertrand

Jennifer.Bertrand@mass.gov