

NJ FamilyCare is a Lifeline for Older Adults and People with Disabilities

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Nationally, nearly 80 million people depend on Medicaid for health and long-term care, including 13 million seniors and people with disabilities. **In New Jersey alone, over 1.8 million residents rely on Medicaid**—known as NJ FamilyCare—including more than **300,000 older adults and people with disabilities**. Federal funding for the state's Medicaid program is the largest single source of funds received by the state, providing \$14 billion annually to administer NJ FamilyCare.

For many older adults and people with disabilities, NJ FamilyCare is the only way to access essential home-based and nursing facility care.

NJ FamilyCare also helps older adults and people with disabilities to pay their Medicare cost-sharing and covers vital benefits that Medicare does not, such as dental, vision, hearing, and non-emergency medical transportation.

- ✓ NJ FamilyCare is essential, **covering approximately 20% of New Jersey residents** statewide.
- ✓ NJ FamilyCare **makes Medicare more affordable** for nearly **250,000** older adults and people with disabilities by paying for premiums and/or out-of-pocket costs.
- ✓ NJ FamilyCare provides critical **long-term care benefits that Medicare does not cover** to approximately **130,000 enrollees**.
 - » **60,000 individuals** receive **state-plan personal care services** and over **70,000 people receive more extensive at-home care and care in institutional settings**.
 - » NJ FamilyCare funds **4 in 7** nursing home residents.
- ✓ With annual costs reaching **\$85,000 for out-of-pocket at-home care and \$149,000 for nursing home stays**, long-term care is unaffordable without NJ FamilyCare.
- ✓ NJ WorkAbility enables **8,000** people with disabilities to work while maintaining Medicaid coverage.

Medicaid "reform" proposals that aim to take federal funding away from states or restrict eligibility would all lead to the same result: cutting health and long-term care for New Jersey's older adults and people with disabilities.



Medicaid Helps Mr. Sheehan Stay Engaged in His Community

Medicaid benefits are essential to Mr. Sheehan's quality of life. After experiencing a stroke, he uses Medicaid to support his recovery and independence- accessing physical therapy to build strength, an adult day health program for connection and support, home health aide services to assist with daily activities, and medical transportation to reach his appointments. Reflecting on the program's impact, Mr. Sheehan shared, **"Medicaid is helping me to be a productive and independent person in the community."** Without these services, he fears increased isolation, depression, and a loss of self-esteem, as he would no longer have the support needed to engage with his community and maintain his health.

The Impact of Changes to Medicaid Financing on New Jersey

Medicaid is a state and federal partnership that guarantees federal financial support to New Jersey to provide essential health and long-term care to older adults, people with disabilities, and other people with limited income and savings. As the number of older adults and people with disabilities who need long-term care grows and New Jersey's costs increase, the federal government helps meet those rising costs by matching a percentage of each dollar the state spends.

Here are three ways proposed financing "reforms" would cut NJ FamilyCare funding and hurt older adults and people with disabilities:

1. **Under block grants or per capita caps**, New Jersey would receive a fixed amount of federal Medicaid funding, regardless of actual costs. **This means federal funding would no longer keep up with increased costs, shifting those costs to the state.** NJ FamilyCare would shrink over time for all populations, including older adults and people with disabilities, and would not be able to adequately respond during emergencies such as pandemics or natural disasters.
2. **Reducing the federal match (Federal Medical Assistance Percentage or FMAP)**, including removing the minimum 50% FMAP, **would shift costs to New Jersey, which could force cuts to overall NJ FamilyCare spending.** Ending the enhanced 90% FMAP for Medicaid Expansion, which covers older adults under age 65, would force New Jersey to scale back NJ FamilyCare and the services older adults and people with disabilities rely on. **Depending on the structure of the proposal, New Jersey estimates it would lose between [\\$2.2 and \\$5.2 billion](#) annually in federal funding.**
3. **Restricting allowable provider and insurer taxes**, which New Jersey uses to help fund NJ FamilyCare, would reduce the state budget and force NJ FamilyCare cuts. **New Jersey estimates a funding loss of [\\$4.2 billion](#) annually due to restrictions on existing healthcare funding streams.**

All of these proposals would starve NJ FamilyCare, **forcing New Jersey to reduce spending by cutting programs and services** that federal law does not require to be covered. The first **target will be the home and community-based services (HCBS), including self-directed services** because the federal government does not require states to cover them and they account for a large share of NJ FamilyCare spending. **Other optional benefits like dental, vision, and hearing, would also be on the chopping block.** New Jersey could also scale back eligibility expansions, including income and asset eliminations for the NJ Workability Program that enable individuals with disabilities to work and maintain their coverage.



Medicaid Provides a 7-year-old Boy Named Emmanuel with Medical Support to Live at Home with his Family

Medicaid makes it possible for a little boy to grow up alongside his brother. Born at just 23 weeks' gestation, Emmanuel Oluwadare has fought to survive—and thrive—every day of his life, and through Medicaid receives the extensive nursing care essential for him to remain at home, rather than be institutionalized. Diagnosed with extreme cerebral palsy, a seizure disorder, global developmental delays, and chronic lung disease, Emmanuel's

family relies on Medicaid for his ventilator, feeding tube, and the shunt in his brain that regulates fluid—all of which are far beyond what private insurance will cover. Medicaid also allows his parents to work and contribute to their community. His mother Issata stated, **"Medicaid is not just about health care; it is about dignity, independence, and the right to live in a supportive home environment. It allows families like mine to provide the care our loved ones need, without being financially ruined by insurmountable medical costs."**

With a reduced NJ FamilyCare budget, New Jersey would also likely cut provider payment rates, **reducing provider access and worsening direct care workforce shortages**. As a result, older adults would have a harder time finding HCBS providers and people living in nursing facilities would be at increased risk of poor care. **Loss of Medicaid funding could also cause hospitals and nursing facilities to close.**

A cut to Medicaid is also a cut to Medicare. Nearly [250,000 people](#) with Medicare in New Jersey depend on NJ FamilyCare to assist with Medicare premiums and/or out-of-pocket costs. Medicaid also saves Medicare dollars. By filling in the gaps in coverage and affordability, Medicaid prevents hospitalizations and poor health outcomes for poor Medicare enrollees.



Medicaid's WorkAbility Keeps Jason Fully Covered with Healthcare While Earning a Living

New Jersey's Medicaid WorkAbility program provides Jason with the flexibility to maintain employment, live independently, and access the healthcare services he needs to stay healthy. When the Public Health Emergency ended and his Medicaid eligibility was redetermined last year, Jason lost his benefits because his monthly income exceeded the standard Medicaid limit. NJ WorkAbility, however, allows individuals with disabilities who work to maintain

Medicaid coverage, even if they exceed standard income and asset limits. **Thanks to NJ WorkAbility, Jason receives essential health coverage for his mental health condition and home and community-based services to live in the community.** Through self-directed Medicaid services, Jason now works as his mother's paid caregiver, enabling him to earn a living and care for her, all while keeping the Medicaid coverage he relies on. As Jason explains, **"I help take care of my mom and I make a little income, so I was able to qualify for WorkAbility and restore my services."**

The Impact of Additional Red Tape on Enrollment in NJ FamilyCare

Because NJ FamilyCare eligibility and enrollment is complicated, many older adults and people with disabilities who are eligible for HCBS, Medicare Savings Programs, and other benefits are not enrolled. Some proposed federal Medicaid "reforms" aim to capitalize on this complexity to prevent enrollment and take away coverage from eligible people.

Here are three ways imposing additional red tape would cut NJ FamilyCare:

1. **Adding red tape such as work requirements** would [make it harder for older adults, people with disabilities, and their caregivers to keep NJ FamilyCare](#). Experience shows work requirements will take away coverage from older adults and people with disabilities who are already working, are retired or have difficulty finding work, and family caregivers.

New Jersey estimates approximately [700,000 low-income working-age adults' coverage is at risk](#) due to this proposal, with particular risk for members with substance use disorder, people with disabilities, and family caregivers. **The state estimates a potential loss of [\\$250 million annually in federal funding due to work requirements](#). Notably, research from states like [Georgia](#) and [Arkansas](#) shows that implementing work requirements is highly costly and burdensome for states to administer.**

2. **Doubling the frequency of eligibility checks** from once to twice a year would increase strain and administrative burden on the state, and cause eligible members to lose coverage due to difficulty completing complicated paperwork. An estimated [75% of individuals who lost NJ Family Care](#) during the redetermination process following the public health emergency were disenrolled due to procedural reasons, such as not returning paperwork or providing sufficient information. **New Jersey estimates that this additional verification check would cost the state [\\$50 million annually](#).**
3. **Repealing the recently finalized Streamlining Medicaid Eligibility and Enrollment rules** and other regulations would [threaten federal actions currently underway to help eligible individuals access and maintain NJ FamilyCare](#).

The primary aim of these repeals and red tape would be to take away NJ FamilyCare and to cut spending, despite increasing costs to administer needlessly complex eligibility and renewal processes.

Any Size Medicaid Cut Will Take Care Away from Older Adults and People with Disabilities

No matter how these so-called 'reforms' are structured, they all serve the same purpose: slashing Medicaid funding to finance tax cuts for corporations and the wealthy, at the expense of older adults and people with disabilities.

The result of every cut is also the same: taking away health care and HCBS from older adults, people with disabilities, and their caregivers.

Medicaid Defense Resources

- [NJ DHS: Modeling Impact to NJ FamilyCare of Congressional Budget Proposals](#)
- [NJ Nursing Home Residents: Medicaid cuts will hit us where we live.](#)
- [Disability Rights New Jersey: Protect Medicaid](#)
- [KFF: Medicaid in New Jersey](#)
- [Center for American Progress: The Republican House Budget Resolution's Potential \\$880 Billion in Medicaid Cuts by Congressional District](#)
- [Justice in Aging: Cutting Medicaid Harms Older Adults No Matter How It's Sliced](#)
- [Justice in Aging: A Cut to Medicaid is a Cut to Medicare](#)
- [Justice in Aging: How Medicaid Funding Caps Would Harm Older Adults](#)
- [Justice in Aging: Work Requirements Would Cut Medicaid for Older Adults](#)
- [Justice in Aging: Medicaid on the Chopping Block: Advocacy Updates](#)
- [Justice in Aging: Protecting Medicaid for Older Adults: What's at Risk & What Advocates Can Do](#)
- [Justice in Aging: New Jersey D-SNPs At a Glance](#)
- [The Arc: Q&A Mixed Messages on Medicaid Cuts in the House Budget Resolution](#)
- [Community Catalyst: Template Letter Protecting Medicaid for Seniors and People with Disabilities](#)
- [Caring Across Generations: Story Telling Tool in \[Writing\]\(#\) and \[Video\]\(#\)](#)