

CUTS TO MEDICAID

POLICY CHANGES THAT COULD LIMIT HEALTH ACCESS FOR OLDER HOOSIERS



Questions about this fact sheet? Email us at stateoa@iu.edu.



WHAT'S CHANGING?

While Medicare pays for most medical care for people 65 and older,¹ it usually doesn't cover care at home, in the community, or in nursing homes. That's why Medicaid is so important for low-income older adults who need this kind of help.²

Passed on July 4, 2025, the federal budget reconciliation act (H.R. 1) makes big changes to Medicaid including cuts to funding and new rules for people who get Medicaid.³

WORK REQUIREMENTS CHANGES

STARTING DEC 2026

- To keep Medicaid benefits, most older adults aged 50 – 64 will have to complete 80 hours of community engagement each month.⁴
- Although national law will count work, volunteering, or education toward this requirement, Indiana law is more restrictive—excluding education unless a person qualifies for an exemption.⁵
- These requirements may lead to lower enrollment and so fewer low-income older adults receiving needed care.⁶

ELIGIBILITY FOR IMMIGRANTS

- It will be harder for some people who are legally in the U.S. to get Medicaid, including those with Temporary Protected Status (TPS).¹⁰
- Less emergency Medicaid will be given to people who would qualify for regular Medicaid if not for their immigration status.
- These changes impact low income, older adult immigrants.

NEW COST SHARE FOR MEDICAID EXPANSION ENROLLEES

STARTING OCT 2028

- Medicaid expansion enrollees⁷ with incomes just above the poverty line will have to pay part of the cost for their care.⁸
- Many working age Hoosiers aged 55–64 are Medicaid expansion enrollees and could face these new costs, up to \$35 per service and 5% of their income each year.
- The 55-64 age group often has chronic health problems and needs frequent care, so even small fees can become a barrier.⁹

PROVIDER TAXES

STARTING 2028

- The amount of tax that Indiana can collect from doctors and hospitals to help fund Medicaid will be lowered.
- This may lead to budget cuts, lower Medicaid payments to care providers, and fewer services for older adults who rely on Medicaid for long-term care, like nursing homes and home health.

This fact sheet was produced as part of the State of Aging in Central Indiana Report. For more information and research, visit <https://centralindiana.stateofaging.org/report-data/>

WHO'S AFFECTED?

MEDICAID POPULATION

Most older adults use Medicare, but one-in-eight also use Medicaid for healthcare and long-term care. In Indiana, older adults and individuals with disabilities constitute 16% of the total enrollees to Medicaid but comprise 34% of Medicaid expenditures.

In Central Indiana,

66,400

older adults (55+) rely on Medicaid.

Statewide, the total is

264,251

39,800

Hoosiers use Medicaid to pay for HCBS.¹²

Indiana's oldest residents are most likely to count on Medicaid, but working-age Hoosiers rely on the program as well.

Percent of Central Indiana population enrolled in Medicaid, by age¹¹

55-64

13%

65-84

12%

85+

18%

NOTES

- 1 "Medicare is federal health insurance for people 65 or older, and some people under 65 with certain disabilities or conditions." See: www.hhs.gov/
- 2 "Medicaid is a joint federal and state program that helps cover medical costs for some people with limited income and resources." See: www.hhs.gov/.
- 3 One Big Beautiful Bill Act, H.R. 1, 119th Cong. § 71119 (2025)
- 4 Disabled veterans and those with serious health conditions are exempt.
- 5 Indiana General Assembly. (2025, May 1). Senate Bill 2: 2025 session.
- 6 Kaiser Family Foundation (KFF): Garfield, R., Rudowitz, R., & Damico, A. (2021). Understanding the Intersection of Medicaid and Work. KFF.
- 7 Indiana expanded Medicaid in February 2015 as the Healthy Indiana Plan 2.0 after receiving federal approval in January 2015. CMS. (2015, January 27). HHS approves Indiana's Medicaid waiver to expand coverage using Healthy Indiana Plan 2.0 [Press release]. U.S. Department of Health & Human Services.
- 8 This excludes check-ups, mental health care, emergency visits, and nursing home care.
- 9 Kaiser Family Foundation. (2024, June 12). Cost-sharing requirements could have implications for Medicaid expansion enrollees with higher health care needs. KFF.
- 10 "Qualified immigrant" for Medicaid purposes now includes only green card holders, Cuban and Haitian entrants, and Compacts of Free Association migrants—excluding many others, like those with Temporary Protected Status.
- 11 U.S. Census Bureau. Public-Use Microdata Sample. 2023.
- 12 HCBS is Home- and Community-Based Care. Data from Family and Service Administration Div. of Disability and Rehabilitative Services. HCBS Waiver Waiting List Information. 2025.