

BACKGROUND

Access to quality, affordable, accessible health care and long-term supports and services is critical to the health, well-being, and independence of all people with disabilities. Most people with disabilities are insured through Medicaid and/or Medicare or the Affordable Care Act (ACA).

Medicaid matters at every stage of life, providing health insurance and long-term care to more than **1 in 5 people**. Medicaid is a critical source of coverage for millions of people with disabilities, including:

- **44% of non-institutionalized adults with disabilities under age 65**, including many people with disabilities covered through Medicaid expansion.
- **50% of children with disabilities** or medically complex conditions.
- **7.8 million people with disabilities and older adults** who receive long-term care.

The Affordable Care Act created health insurance marketplaces for people to purchase health insurance directly. Nearly 23 million people enrolled in ACA marketplace insurance for 2026 coverage.

ISSUES

Long-Term Care at a Breaking Point: Medicaid is the backbone of the U.S. care infrastructure across the lifetime. Medicaid is the only insurance that meaningfully covers home and community-based services (HCBS) which includes supports and services for people with intellectual and/or developmental disabilities (IDD), access to health care, early intervention and school-based services, and the direct support professional workforce. Today, more than 600,000 people with disabilities and older adults are enrolled in Medicaid but on HCBS waiting lists, often waiting years or more than a decade to receive services.

Cuts to Medicaid: In 2025, Congress passed H.R.1, now P.L.119-21, cutting nearly \$1 trillion from Medicaid and creating new barriers to coverage. The Congressional Budget Office (CBO) estimates the cuts will lead to nearly 10 million people, including children, older adults, and people with disabilities, losing their health insurance. P.L. 119-21 also reduces state financing for Medicaid programs. These cuts and provisions threaten Medicaid coverage for health insurance and long-term care needs. Medicaid HCBS is optional for states to provide, allowing states to set limits to the number of people who can enroll as well as waitlists, even when people with disabilities are

eligible for services. Often states cut or roll back optional services like HCBS when budgets are cut, increasing the likelihood of service reductions and longer waits. If HCBS were mandatory for states to provide, it would limit states' ability to cut HCBS during budget shortfalls.

As states respond, people with IDD face heightened risks of:

- Coverage loss and eligibility disruptions
- Cuts to HCBS and other essential supports
- Provider rate reductions and DSP workforce instability
- Longer waitlists, service gaps, and increased institutionalization

Affordable Care Act (ACA) Enhanced Tax Credit Expiration: In 2021, Congress increased tax credits that make ACA plans more affordable for nearly all marketplace enrollees. The enhanced tax credits made 532,000 uninsured people with disabilities eligible for zero-cost premium plans. For millions of people with disabilities who are self-employed, the ACA marketplace is the only option for comprehensive health care. However, Congress did not fund the enhanced tax credits in 2025, causing the tax credits to expire on January 1, 2026. Average annual premium payments increased for more than 20 million people, increasing more than \$1000/year on average. CBO projects that, without an extension, 2.2 million people will lose their health insurance in 2026 and 3.8 million people will lose insurance each year through 2034.

WHAT SHOULD CONGRESS DO?

- Repeal the Medicaid provisions in H.R. 1 and restore Medicaid funding by passing the Protecting Health Care and Lowering Costs Act of 2025.
- Pass legislation to make home and community-based services a mandatory service under Medicaid, protecting HCBS from cuts when funding is reduced.
- Extend the enhanced ACA tax credits on a multi-year or permanent basis to prevent coverage losses and affordability shocks.

FOR MORE INFORMATION PLEASE CONTACT

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Caring Across Generations at info@caringacross.org • Disability Belongs at Action@DisabilityBelongs.org
National Alliance for Direct Support Professionals at 518-605-7160
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