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Fact Sheet: Medicaid's Crucial Role in New Jersey & What Impact Republican Medicaid Cuts Could Have

ENERGY & COMMERCE COMMITTEE DEMOCRATS

MEDICAID PROVIDES HEALTH COVERAGE TO [1.7 MILLION](#) NEW JERSEY RESIDENTS – OR [18.7%](#) OF ALL NEW JERSEYANS

To view the number of Medicaid beneficiaries in your district, click [HERE](#).

Who relies on Medicaid for health coverage in New Jersey?

- 33.4% of [all children](#)
- 31% of [moms giving birth and their newborn babies](#)
- 39.5% of [working-age adults with disabilities](#)
- 60% of [people living in nursing homes](#)
- 14% of [Medicare beneficiaries](#)
- 14.7% of [adults aged 19-64](#)

What is Medicaid called in New Jersey?

Medicaid goes by many names. For example, in New Jersey, Medicaid is also known by:

- New Jersey FamilyCare
- The [insurance companies that cover Medicaid beneficiaries](#)—Aetna Better Health NJ, Amerigroup New Jersey, Horizon NJ Health, United Healthcare Community Plan, and WellCare Health Plans
- New Jersey's Medicaid [home and community-based services programs](#)—Personal Preference Program (PPP)/Personal Care Assistant Services and Medicaid Managed Long Term Services and Supports Program

MEDICAID IS A SIGNIFICANT SOURCE OF FEDERAL FUNDING TO NEW JERSEY

What role does Medicaid play in New Jersey's budget?

- Federal Medicaid funding to New Jersey was nearly **\$9.8 billion in 2023—37% of all federal funding to New Jersey.**¹
- Most of New Jersey's Medicaid expenditures are matched by the federal government at a rate known as the [Federal Medical Assistance Percentage or FMAP](#)—New Jersey's FMAP is 50%.
- The federal matching rate for services provided to the Affordable Care Act (ACA) Medicaid expansion population (adults 19-64 not eligible on another basis such as pregnancy) and family planning services is 90%.

SLASHING FEDERAL MEDICAID FUNDING WOULD LEAVE NEW JERSEY WITH THE HARD CHOICE OF WHOSE COVERAGE AND BENEFITS TO CUT

Medicaid is a [lean](#) program. It has grown to cover more people, but per-person spending growth has been [much lower](#) than other payers. With few options for how to fill the budget hole left by cuts to Medicaid funding, states will consider cuts to coverage and benefits, leaving more people uninsured and underinsured.

Who could lose coverage in New Jersey?

¹ The author's calculations based on the [National Association of State Budget Officers State Expenditure Report data](#).

Federal law requires states to cover certain groups of people, while [others are optional](#). With less federal Medicaid funding, New Jersey policymakers may consider cutting coverage for optional groups like:

- **Certain children with disabilities** such as children under age 19 who are disabled and living at home.
- **Elderly and disabled adults** such as those who are institutionalized or eligible for home and community-based services.
- **Individuals who need breast or cervical cancer treatment** and do not have other treatment coverage.
- **Postpartum moms** whose pregnancies ended in the prior 12 months.
- **Adults with disabilities, chronic health conditions, and behavioral health care needs.**
- New Jersey also may consider reducing [income eligibility levels for mandatory eligibility groups](#), such as **children, pregnant women, and parents/caretakers.**

For New Jerseyans who remain on Medicaid, what benefits could they lose?

Federal law requires states to cover certain benefits for adults, while [others are optional](#). New Jersey policymakers may consider cutting optional benefits such as:

- **Home- and community-based services (HCBS)** that allow the elderly and people with disabilities to receive services in their own homes or communities rather than institutional settings. In New Jersey, nearly 2,700 people are [on a waiting list](#) for Medicaid HCBS—that number would only grow.
- **Dental services.**
- **Optometry services.**
- **Hospice services.**
- **Physical therapy; occupational therapy; and/or speech, hearing, and language disorder services.**

CUTTING FEDERAL MEDICAID FUNDING WOULD CLOSE HEALTH CARE PROVIDERS' DOORS IN NEW JERSEY AND REDUCE QUALITY OF SERVICES

With more people uninsured and underinsured, providers will experience an increase in uncompensated care. Making matters even worse, states are very likely to further cut Medicaid provider payment rates as another way to make up for the loss in federal funding.

How does Medicaid support New Jersey's hospitals?

- In addition to payments for services provided to Medicaid managed care plan enrollees, **New Jersey hospitals [received](#) nearly \$1.5 billion in Medicaid payments in 2023**, including \$1 billion in Medicaid Disproportionate Share Hospital (DSH) and other supplemental payments that help to offset uncompensated care for Medicaid patients and the uninsured.

How does Medicaid support New Jersey's nursing homes and other facilities?

- **60% of New Jersey's nursing home residents [rely on](#) Medicaid** as their primary source of coverage.
- New Jersey mental health facilities, nursing facilities, and intermediate care facilities for people with disabilities **[received](#) nearly \$1.1 billion in Medicaid payments in 2023.**

How does Medicaid support home and community-based services providers in New Jersey?

- In 2021, **96,000 people in New Jersey [relied on](#) Medicaid for HCBS.**
- Nationally, Medicaid accounted for nearly [70% of home and community-based services spending in 2022](#).

How does Medicaid support [community health centers](#) in New Jersey?

- **45% of New Jersey [community health centers' revenue](#) came from Medicaid in 2023.**
- **55% of [community health center patients](#) in New Jersey have Medicaid.**