



# Impact of Loss of Medicaid and Profile of Medicaid Beneficiaries Age 50-64 Affected by Work Requirements

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*Research bridging policy and practice*

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# **What Happens to people who involuntarily lose their Medicaid Coverage?**

# How do we Evaluate what may happen to people who lose their Medicaid Coverage?

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- Best way to determine impact of losing Medicaid, is to examine what happens when people involuntarily lose their Medicaid.
- Such a group of people include those that hit the “Medicare Cliff” – discontinuity in eligibility criteria for people on Medicaid before age 65 compared to after age 65 (where more stringent criteria apply), results in lost coverage.
- The analysis compares these three groups:
  - **Medicaid Lost (Cliff):** Participants who had Medicaid prior to Medicare Eligibility and lost Medicaid permanently (i.e. no Medicaid since Medicare Eligibility/hitting Cliff over 10 year follow-up).
  - **Medicaid Interrupted (Cliff):** Participants who had Medicaid prior to Medicare Eligibility and lost Medicaid temporarily (i.e. reacquired Medicaid after losing it during Medicare Eligibility/hitting Cliff over 10 year follow-up).
  - **Medicaid Steady (No Cliff):** Participants who had Medicaid prior to Medicare Eligibility and who had no changes at or post Medicare Eligibility (i.e. no changes to Medicaid utilization/no Cliff over 10 year follow-up).

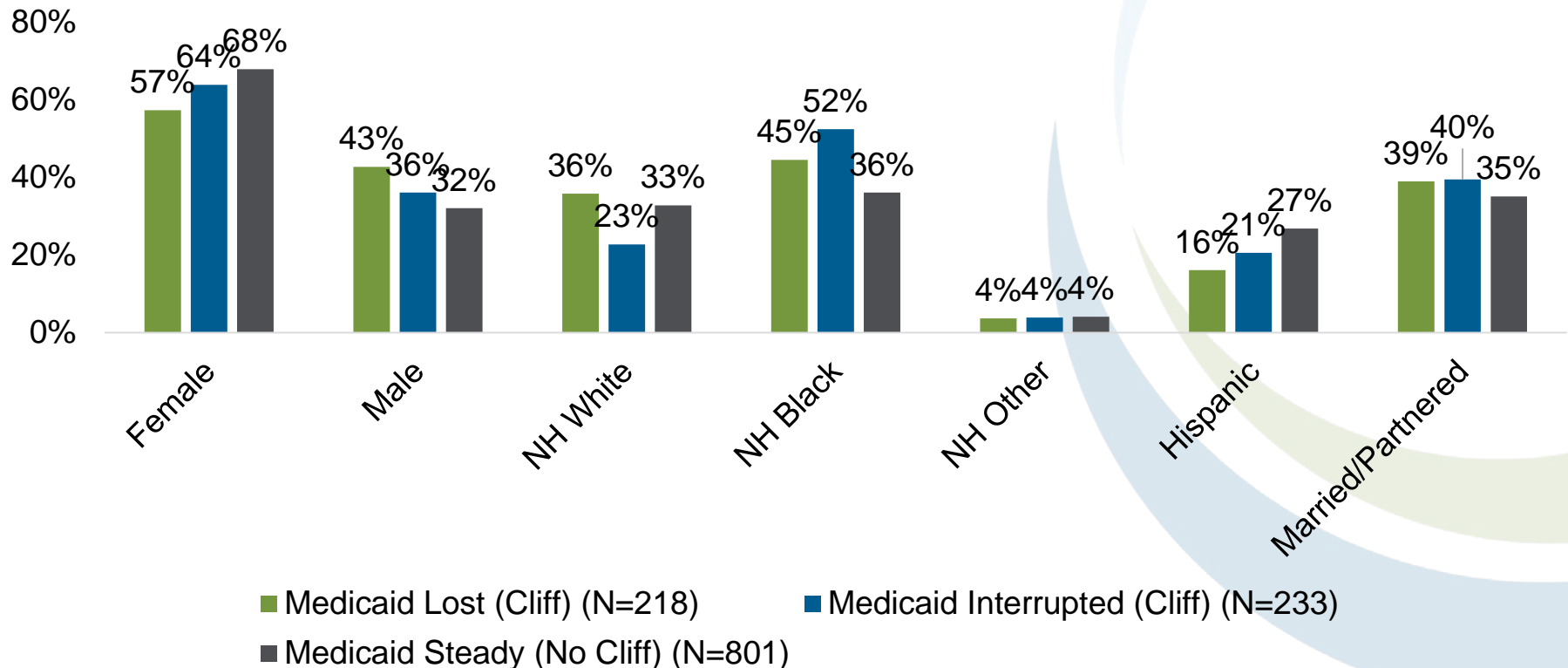
# Method

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- Data source: Health and Retirement Study for the years 1998 – 2020
- Track individuals from the time that they become Medicare eligible over a 10 year follow-up period.
- Compare three distinct sample groups on key variables of interest.

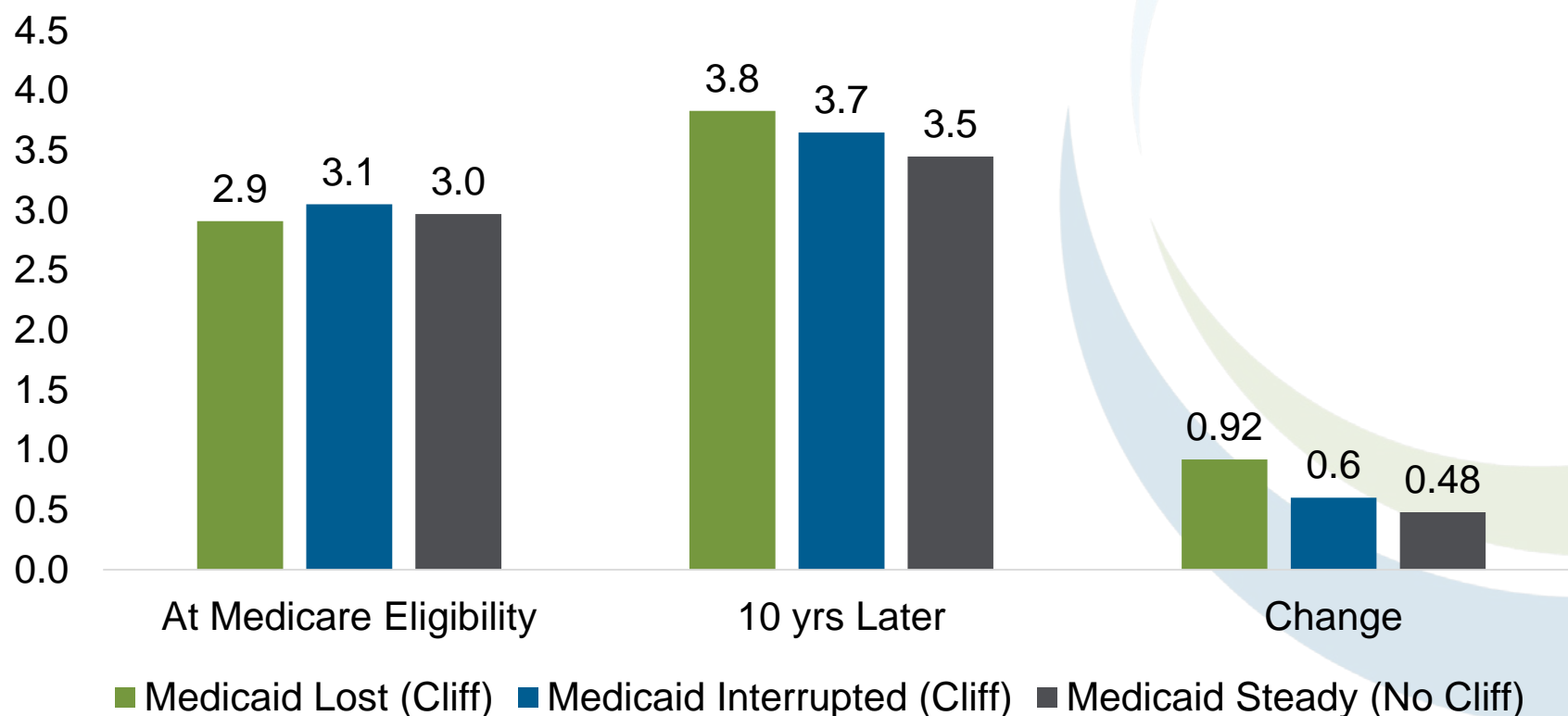
# Males and Whites have a higher percentage who permanently lose Medicaid Coverage compared to those who keep it and/or experience an interruption

Socio-Demographic Characteristics of Three Samples over 1998-2020 time period



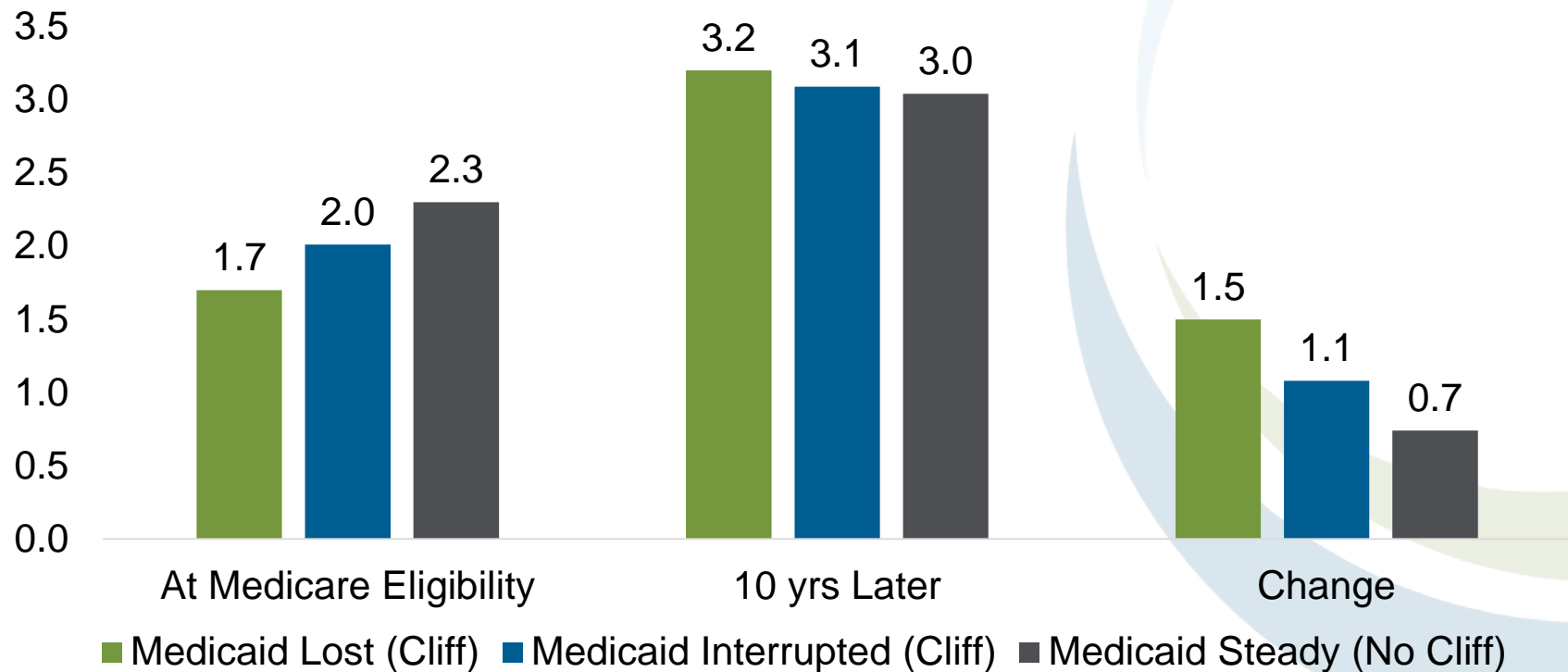
# Permanent Loss of Medicaid associated with higher number of chronic conditions and greatest change in chronic conditions

Number of Chronic Conditions by Medicaid Status  
(1998-2020)



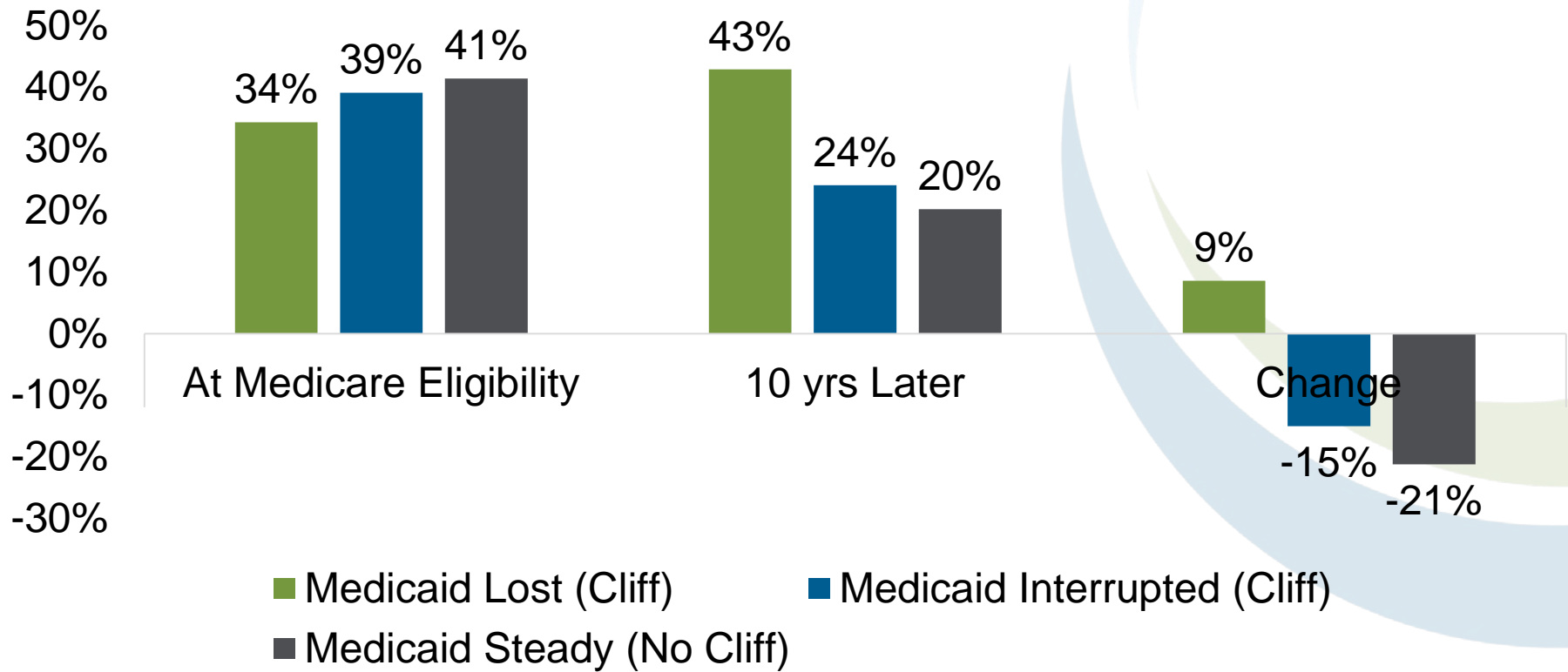
## Permanent Loss of Medicaid associated with higher number of ADL Limitations and greatest change in ADL status

Number of Limitations in Activities of Daily Living by Medicaid Status (1998-2020)



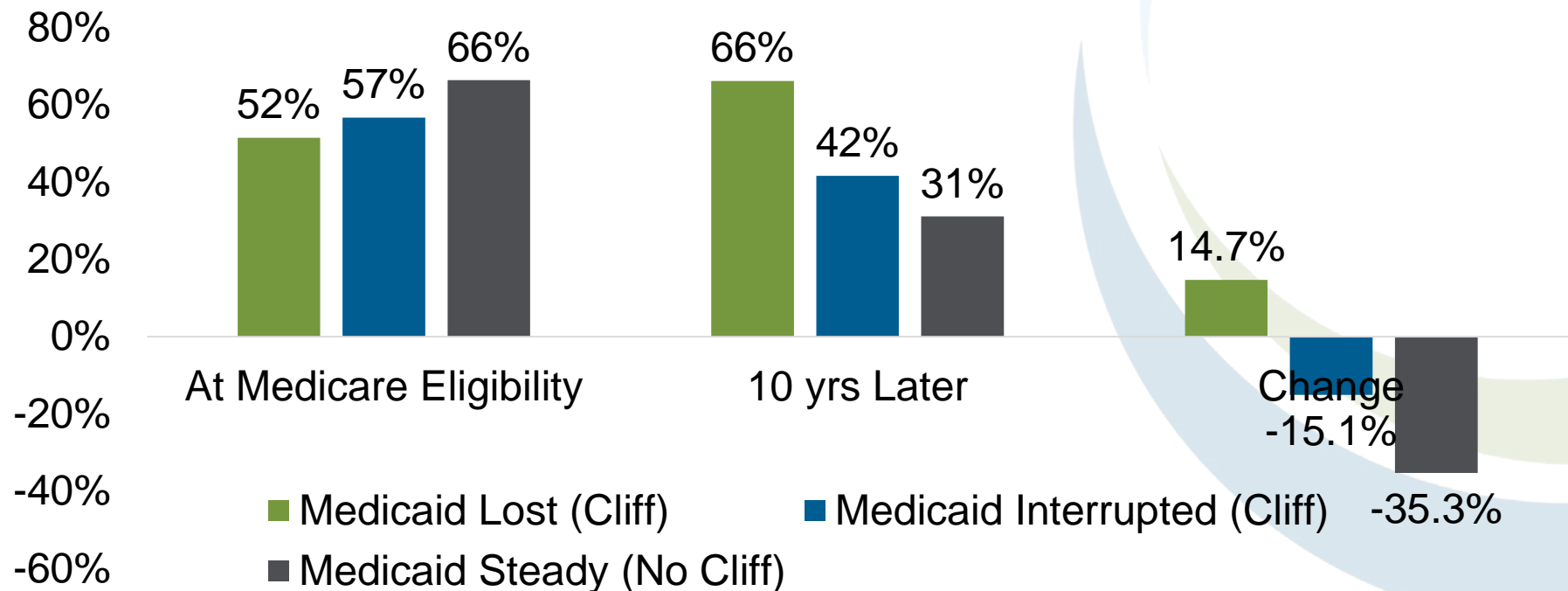
# Permanent Loss of Medicaid associated with higher percentage reporting depression and largest increase in Percentage reporting Depression

Percentage of Samples with Depression by Medicaid Status (1998-2020)



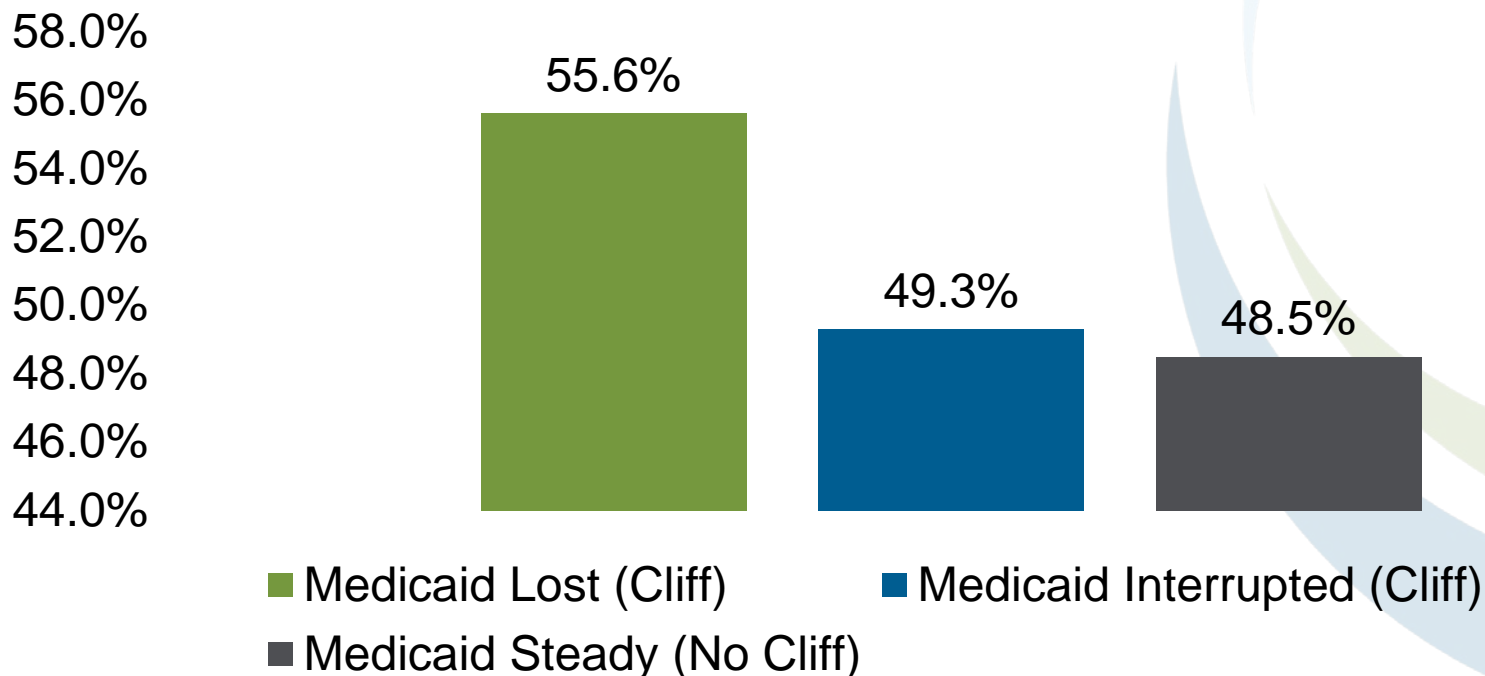
# Permanent Loss of Medicaid associated with higher percentage reporting fair/poor health and largest increase in Percentage reporting fair/poor health

## Percent Reporting Fair or Poor Health by Medicaid Status (1998-2020)



# Permanent Loss of Medicaid associated with higher Mortality

Percentage that Died within 10 Years of Medicare Eligibility by Medicaid Status (1998-2020)



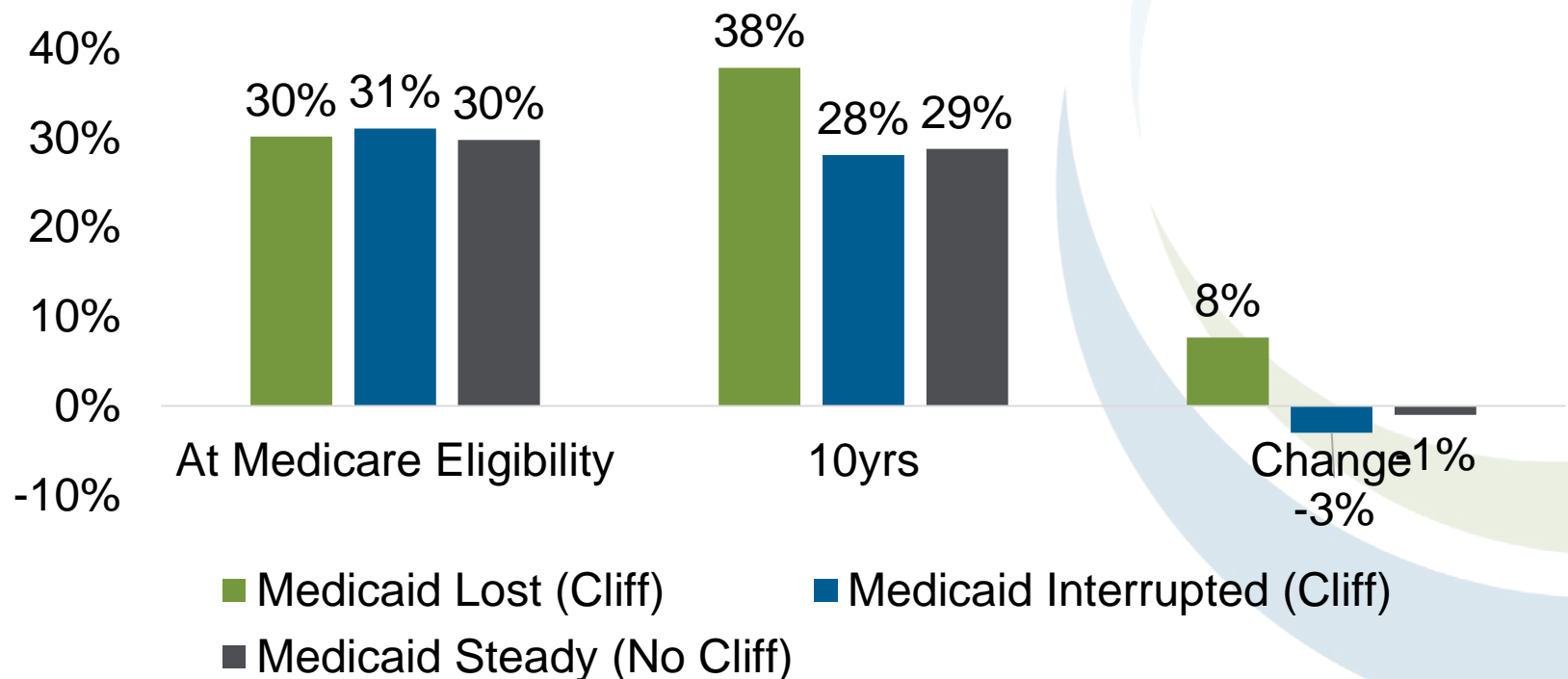
# Key Findings on Health Status (statistically significant differences)

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- Those who hit the Medicare Cliff and never regain eligibility:
  - Start off in better health than the other groups
  - Experience the greatest deterioration in health status over a 10 year period across a range of measures
    - ✓ Greater ADL loss
    - ✓ Greater rates of reported Depression
    - ✓ Greater rates of chronic conditions
    - ✓ Greater rates of self-reported poor/fair health
  - Have higher mortality rates than the other groups

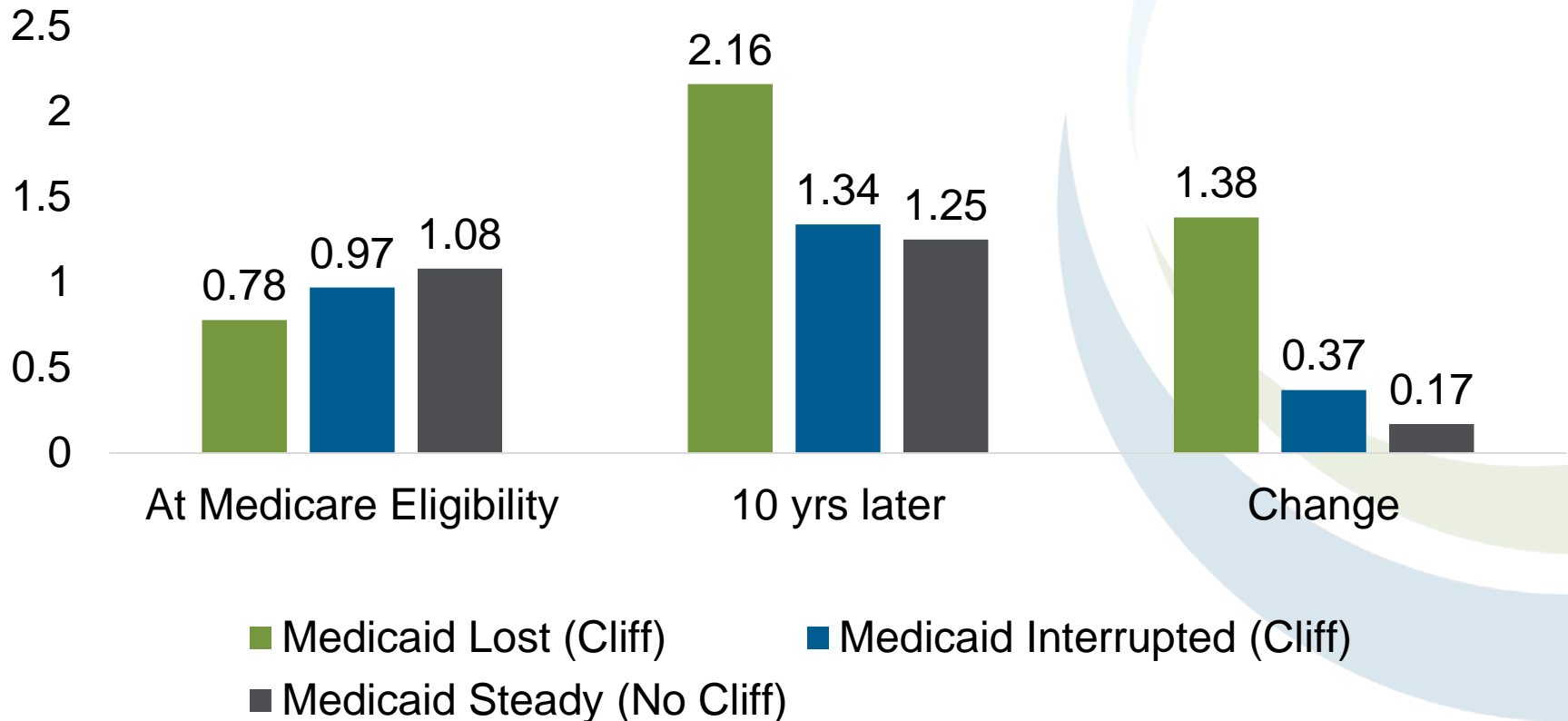
# Permanent Loss of Medicaid associated with greater hospitalizations

Percentage with Hospital Stays at Medicare Eligibility and 10 Years Later (1998-2020)



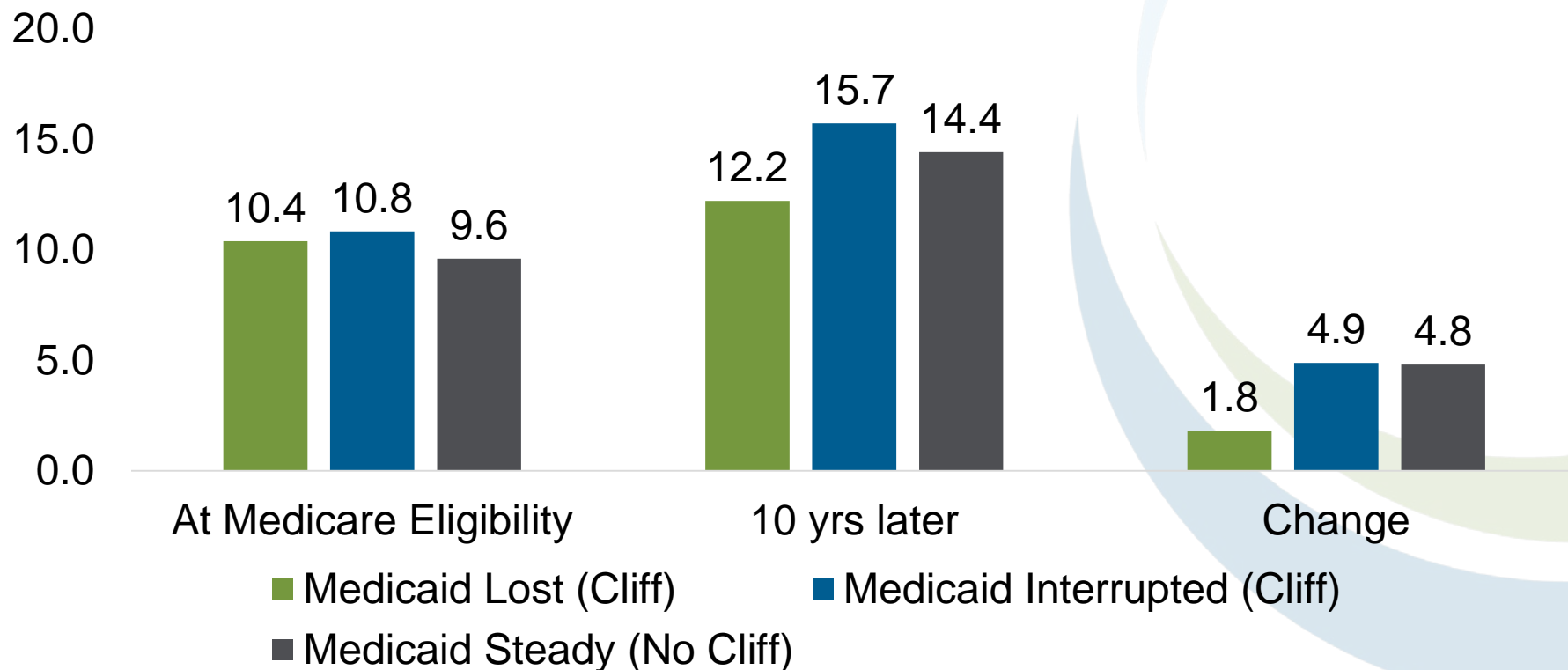
# Permanent Loss of Medicaid associated with greater hospital admission days

Hospital Admitted Days at Medicare Eligibility and 10 Years Later (mean) (1998-2020)



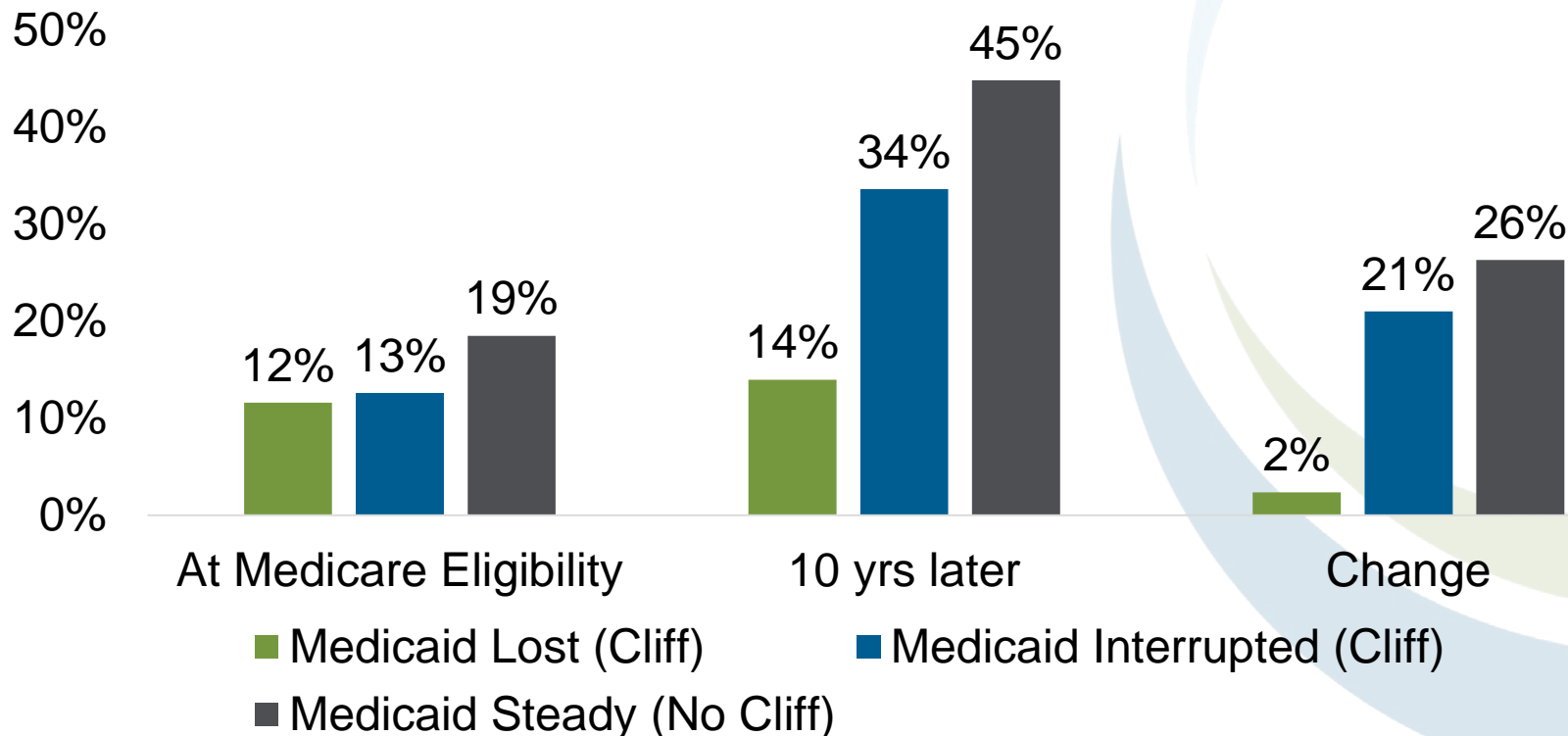
# Permanent Loss of Medicaid associated with lower rates of physician visits

Doctor Visits at Medicare Eligibility and 10 Years Later  
(1998-2020)



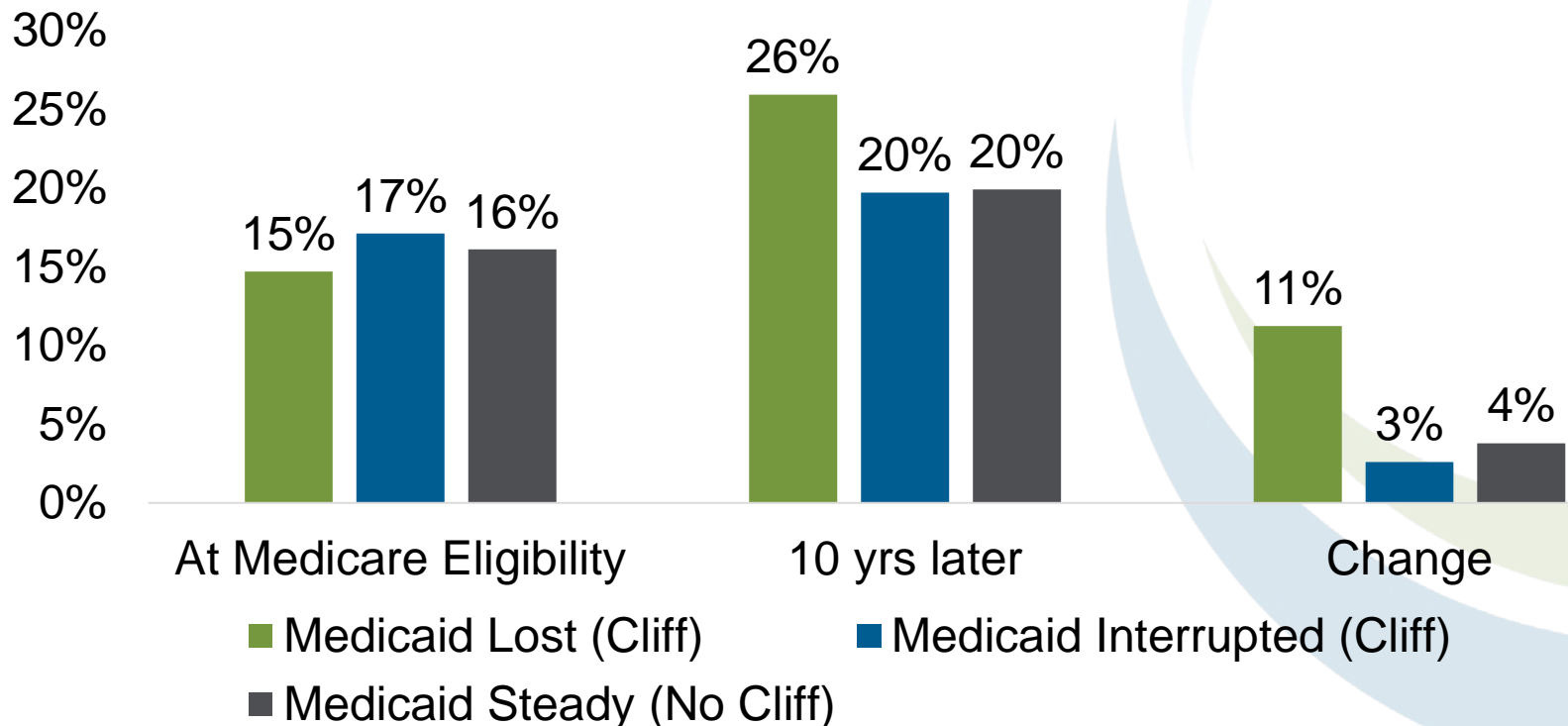
# Permanent Loss of Medicaid associated with lower use of home health care

Percentage with Home Care at Medicare Eligibility and 10 Years Later (mean) (1998-2020)



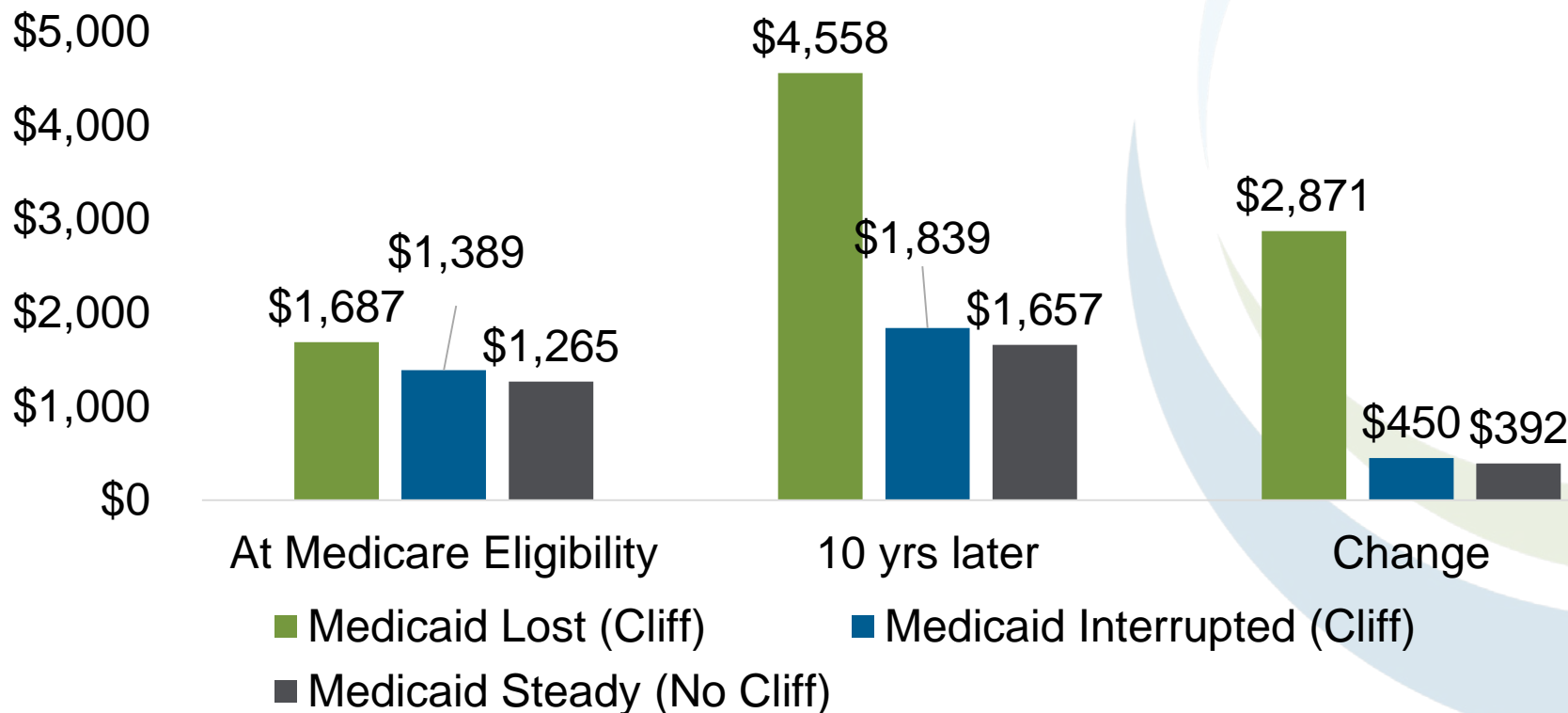
# Permanent Loss of Medicaid associated with greater Outpatient Surgeries

Percentage with Outpatient Surgery at Medicare Eligibility and 10 Years Later (mean) (1998-2020)



# Permanent Loss of Medicaid associated with Higher out-of-pocket payments

Out of Pocket Medical Costs at Medicare Eligibility and 10 Years Later (mean) (1998-2020)



# Key Findings on Health Services Utilization (statistically significant differences)

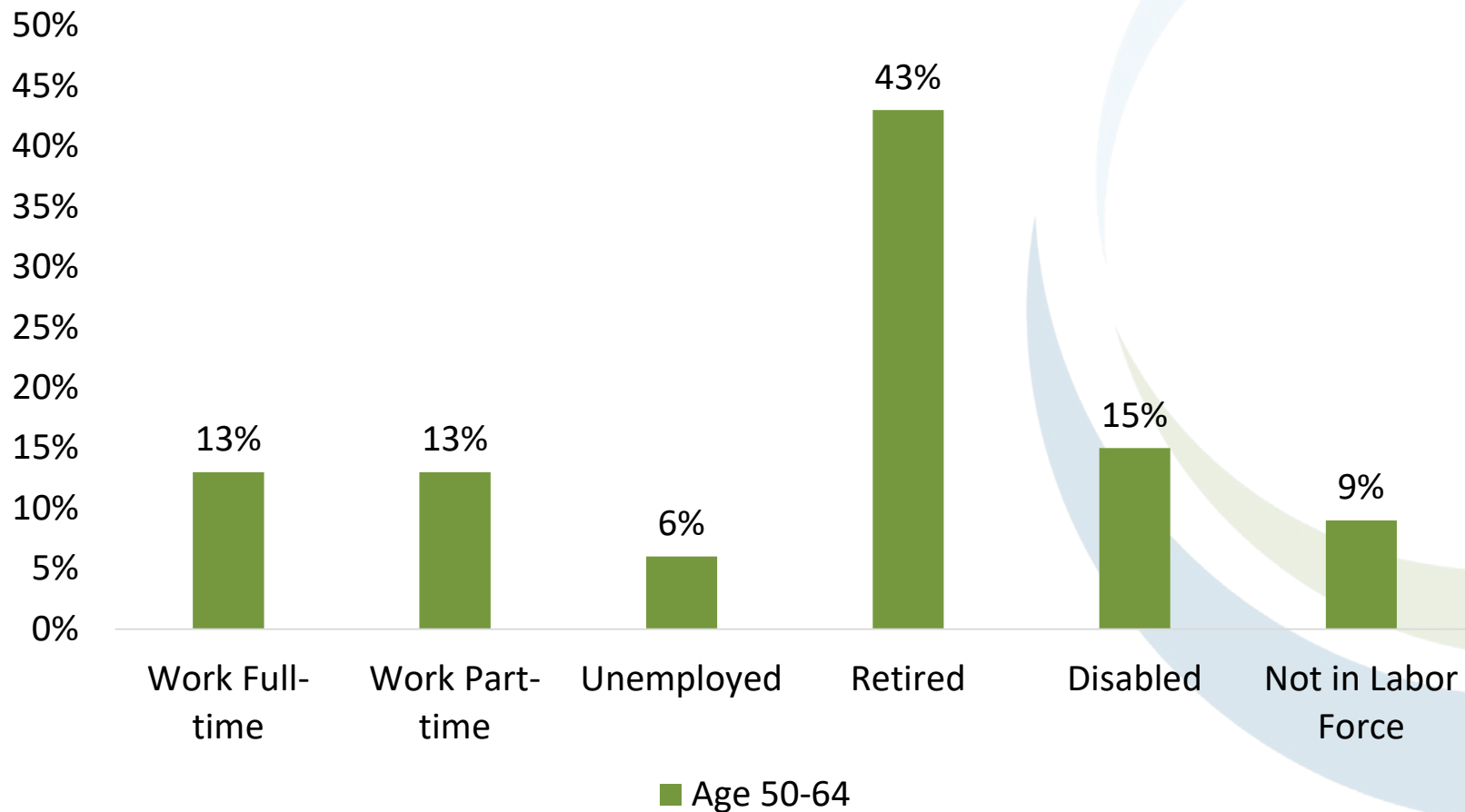
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- Those who lose Medicaid Permanently:
  - Have higher utilization of multiple services the longer they remain off of Medicaid
  - Experience the greatest increase in health services use over a 10 year period across the following service categories:
    - ✓ Greater percentage reporting Inpatient hospitalizations
    - ✓ Higher admission days
    - ✓ Lower percentage reporting physician visits
    - ✓ Lower percentage reporting home care use
    - ✓ Higher percentage reporting outpatient surgeries
    - ✓ Greater out-of-pocket health care spending

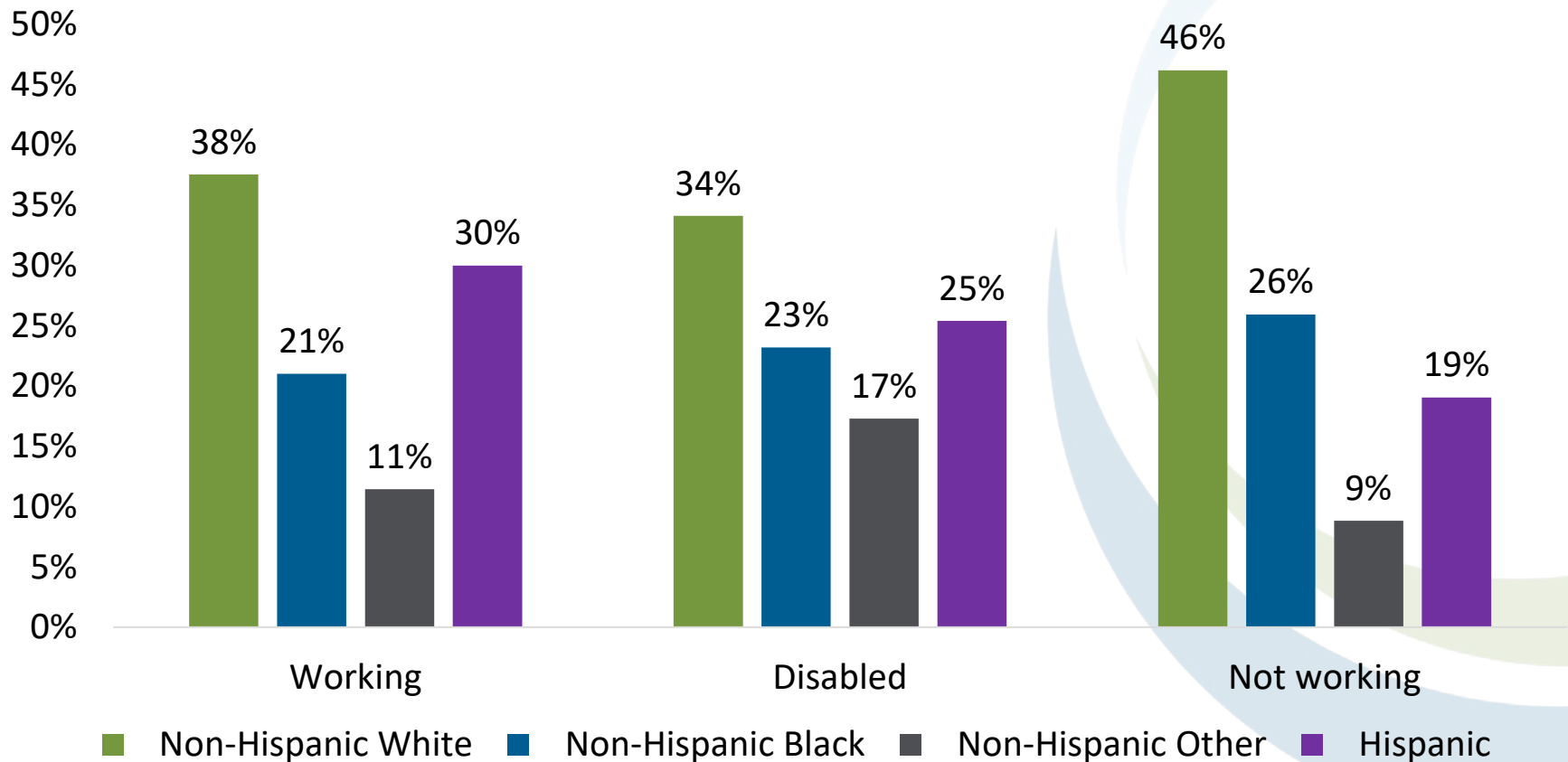
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# **Who is Affected by Work Requirements among Medicaid Beneficiaries age 50 to 64?**

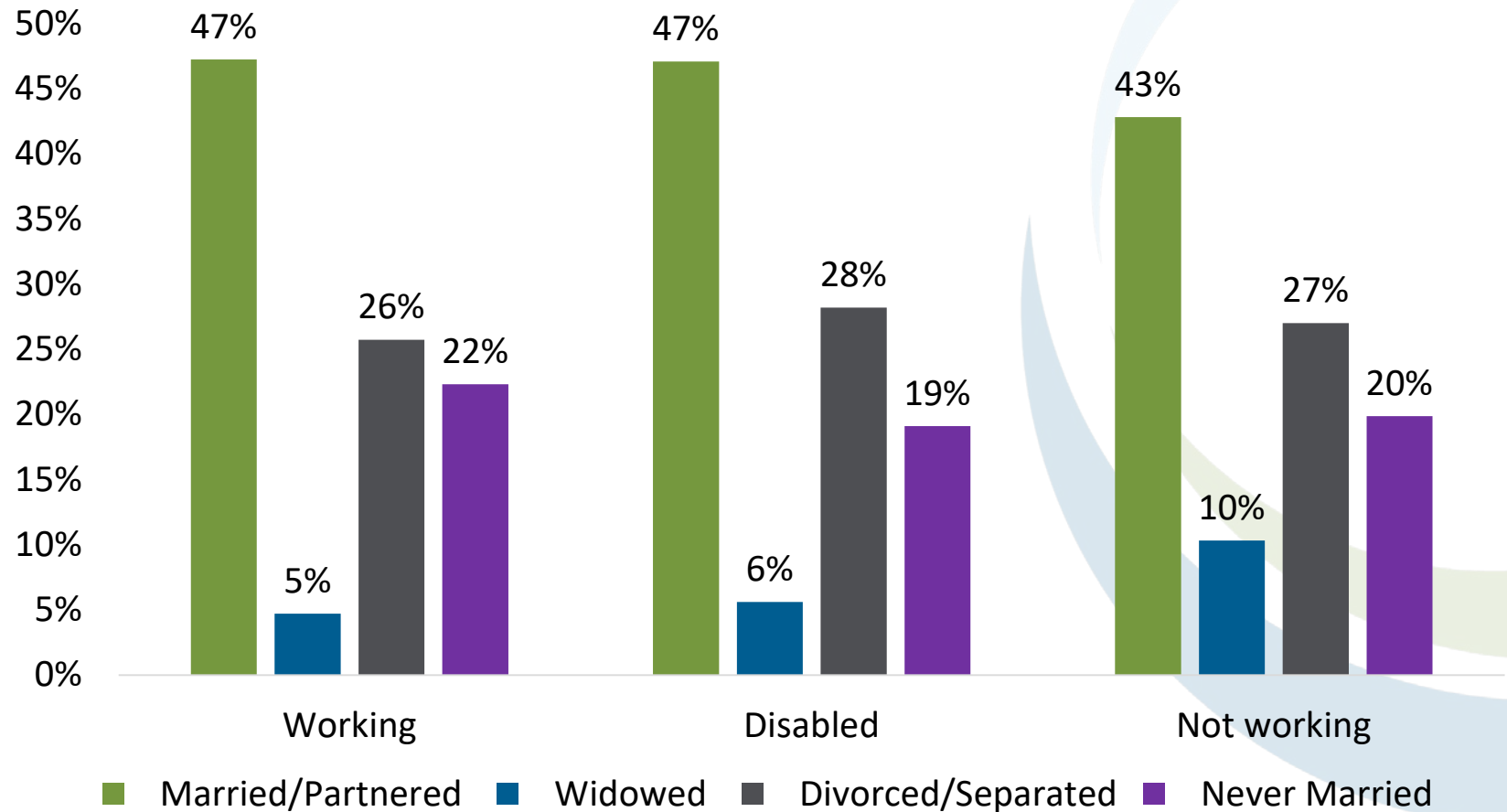
## Percentage of Medicaid Beneficiaries Age 50-64 by Work Status (2020)



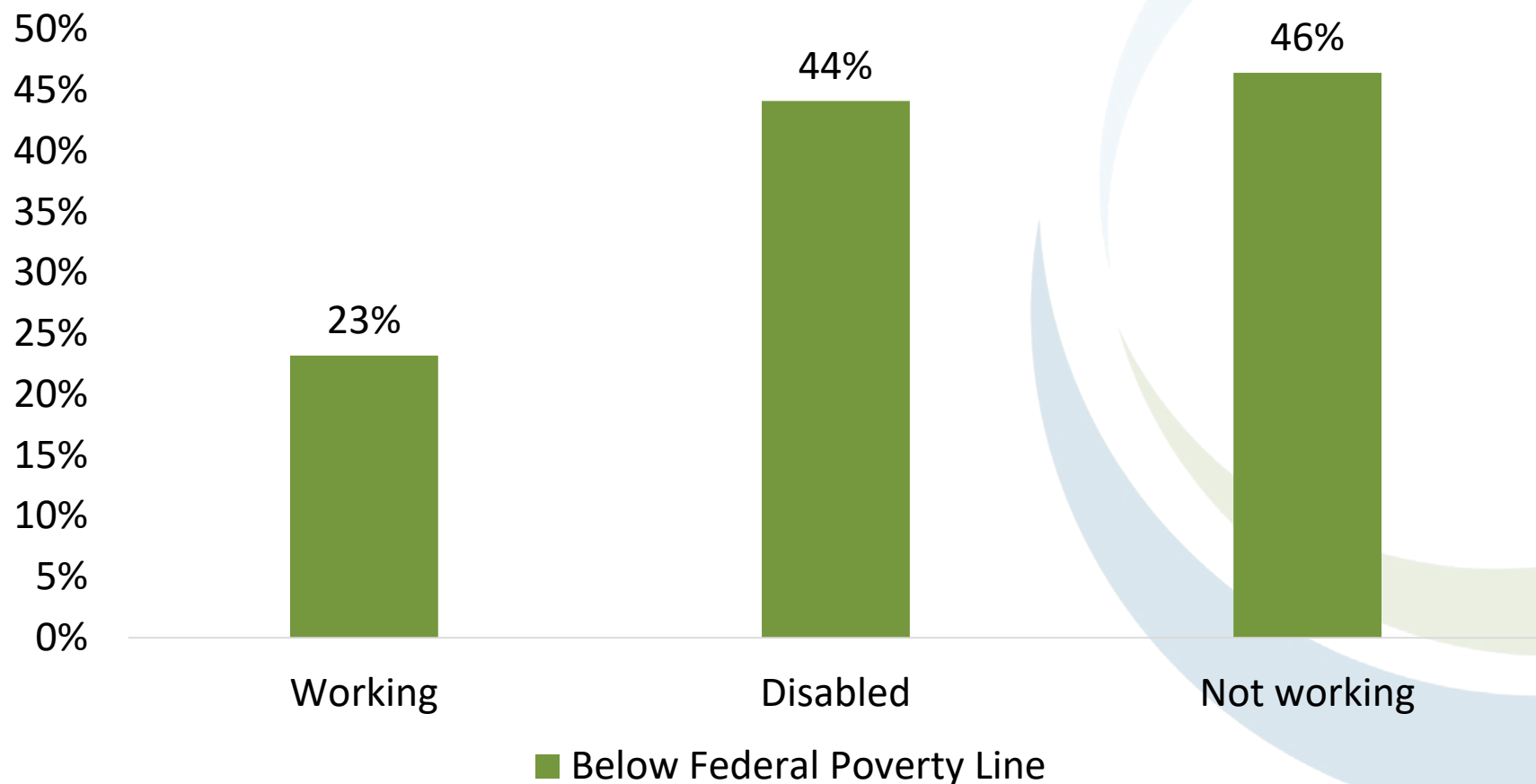
# Medicaid Beneficiaries Age 50-64 by Work Status and Race/Ethnicity



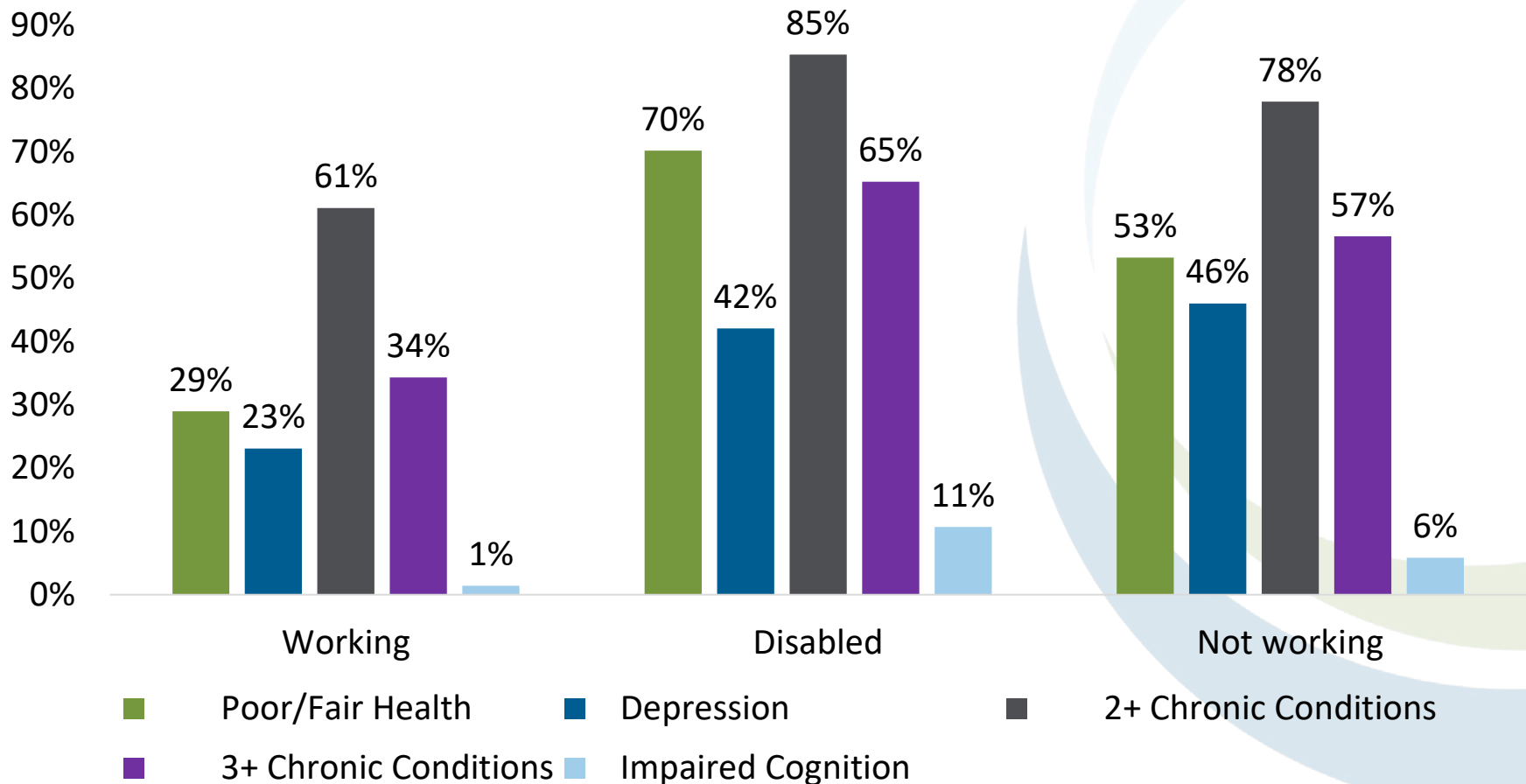
# Medicaid Beneficiaries Age 50-64 by Work and Marital Status



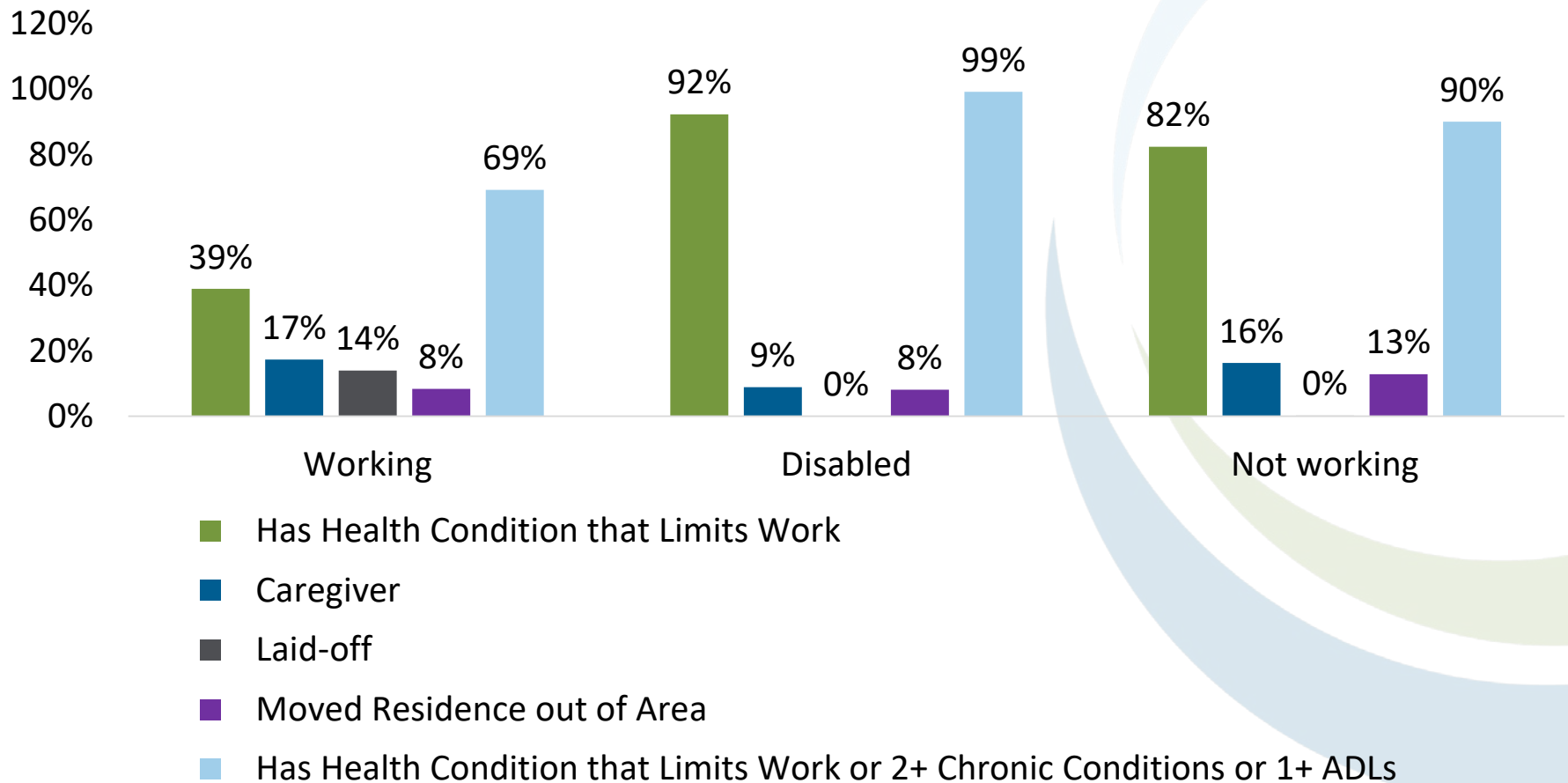
## Slightly less than half of Medicaid Beneficiaries Age 50-64 who are not working, live below the Federal Poverty Line



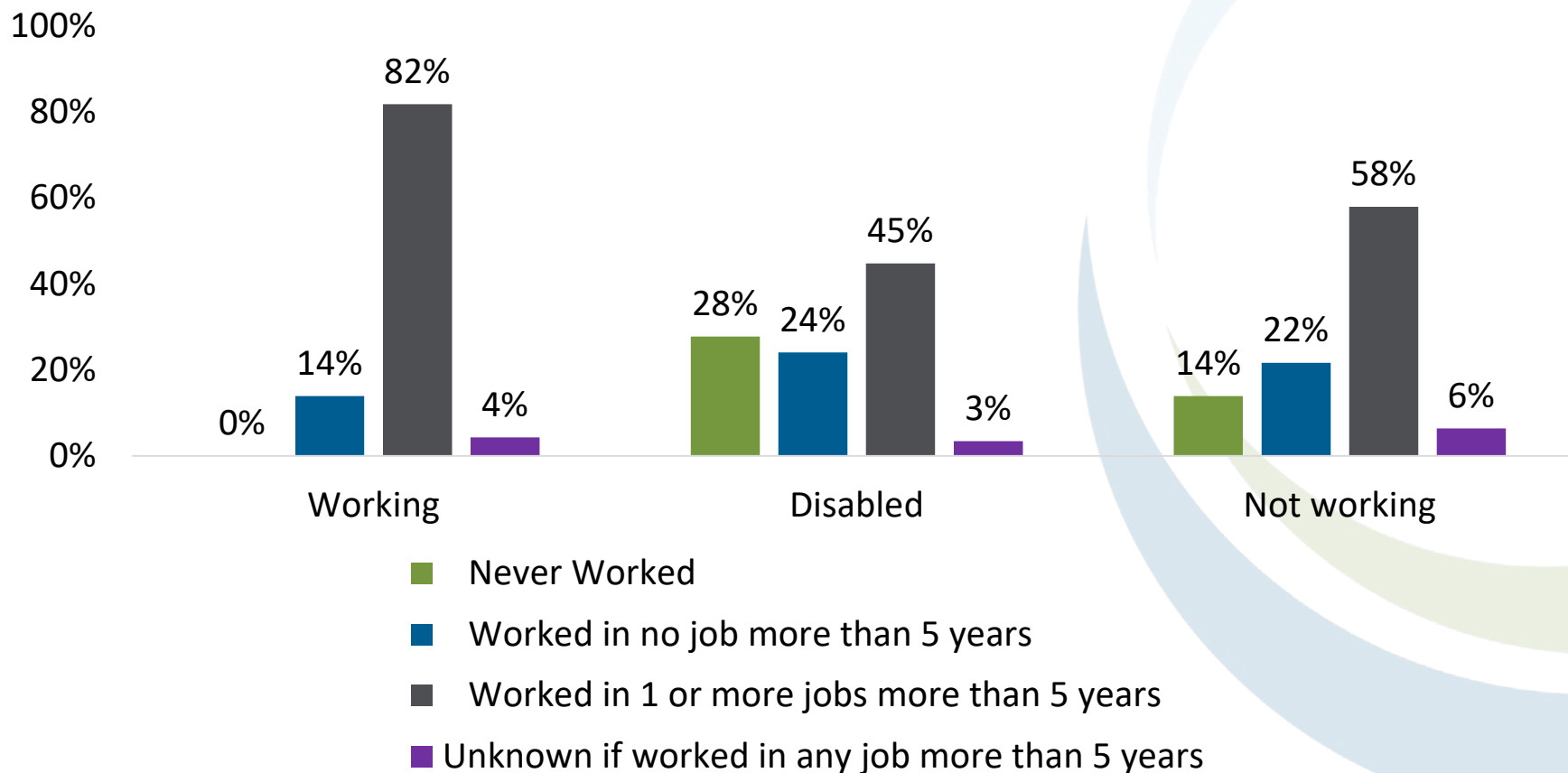
# Eight in ten Medicaid Beneficiaries age 50 to 64 who are not working have two or more chronic conditions



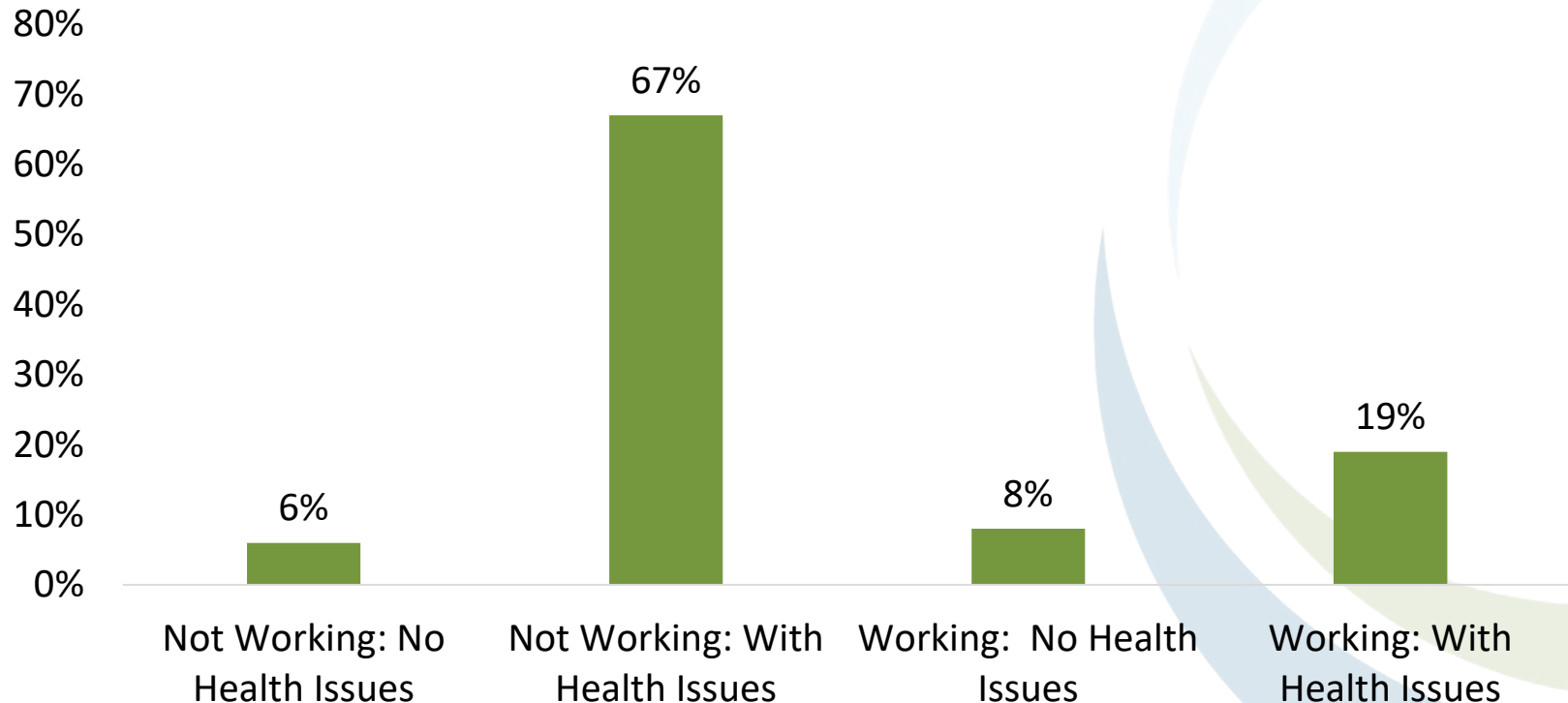
# Nine in ten Medicaid beneficiaries age 50 to 64 who are not working have a health condition that limits their ability to work



# Most Medicaid Beneficiaries Age 50-64 have worked in the past



# Only 6% of Medicaid Beneficiaries age 50 to 64 have no health issues and are not working



Definition of Health Issues: (1) have "a health condition that limits work", or (2) 2+ chronic conditions (high blood pressure, heart disease, lung disease, stroke, diabetes, cancer, arthritis, diagnosed psychological problems); or 1+ ADLs (dressing, bathing, walking, eating, toileting, or getting in/out of bed).

## Socio-Demographic Profile of 6% of Medicaid Beneficiaries Age 50 to 64 who are not Working and Have no Health issues

Socio-Demographic Characteristics	Result
<b><u>Average Age</u></b>	60.0
<b><u>Gender</u></b>	
Female	61.2%
Male	38.8%
<b><u>Race/Ethnicity</u></b>	
Non-Hispanic White	21.4%
Non-Hispanic Black	18.8%
Non-Hispanic Other	24.0%
Hispanic	35.8%
<b><u>Foreign Born</u></b>	52.6%

## Socio-Demographic Profile of 6% of Medicaid Beneficiaries Age 50 to 64 who are not Working and Have no Health issues

Socio-Demographic Characteristics	Result
<b><u>Marital Status</u></b>	
Married/Partnered	61.2%
Widowed	6.0%
Divorced/Separated	21.6%
Never Married	11.2%
<b><u>Financial Characteristics</u></b>	
Household Income (Median)	\$16,017
Net Wealth (Median)	\$80,500
Below FPL	42.0%

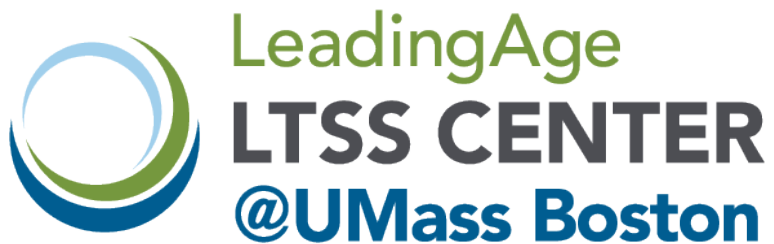
## Socio-Demographic Profile of 6% of Medicaid Beneficiaries Age 50 to 64 who are not Working and Have no Health issues

Socio-Demographic Characteristics	Result
<b><u>Employment Factors</u></b>	
Has Health Condition that Limits Work	0.0%
<b>Caregiver</b>	<b>16.6%</b>
Laid-off	2.0%
Moved Residence out of Area	9.3%
<b><u>Job History</u></b>	
Never Worked	16.9%
Worked with no 5+ years job	18.3%
Worked with 1 or more 5+ years job(s)	50.4%
Worked unknown if any 5+ year job	13.4%

# Key Observations

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- Just over half of the age 50 to 64 Medicaid sample does not work (not including those who are disabled):
  - Nearly half of these Medicaid beneficiaries are retired
  - Non-Hispanic whites have the highest percentage of non-working beneficiaries & make up half of those retired
  - Most non-working beneficiaries report either a health issue that limits work, and/or 2+ chronic conditions and/or, 1+ ADLs
- Only 6% of the total age 50 to 64 Medicaid sample is not working and doesn't report any health issues that may limit work
  - This group has higher percentages of females, Hispanics, married individuals, retirees, and Pacific state residents
  - Nearly one-fifth are caregivers



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