

SNAPSHOT

Medicaid's Role for Seniors Living in Small Towns and Rural America



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Key Findings

- The percent of seniors relying on Medicaid in small towns and rural areas declined slightly during the examined period from 18 percent in 2008-2009 to 15 percent in 2014-2015. Medicaid is an important lifeline for these older adults supplementing their Medicare by providing long term care and/or help paying Medicare costs.
- Nationally, there is no observable difference between the percent of seniors receiving Medicaid in small towns and rural areas as compared to metropolitan areas, but there are state exceptions to this finding. The seven states where Medicaid is disproportionately important to seniors living in small towns and rural areas are: Missouri, Alaska, South Carolina, Mississippi, Alabama, Arizona, and Maine.
- Nineteen states are above the national average (15 percent) for the share of seniors who rely on Medicaid in small towns and rural areas. Alaska has the highest rate in the country with 27 percent of seniors relying on both Medicaid and Medicare. Mississippi, Maine, Louisiana, South Carolina, Alabama, and Kentucky all have at least one-fifth of their seniors in rural areas relying on Medicaid. As a result, cuts to Medicaid will have a disproportionate impact on rural health providers and populations in these states.

Medicaid is a lifeline for millions of older adults (age 65+) who are likely also enrolled in Medicare. Medicaid is the primary payer for long-term services and supports (LTSS) that are not covered by Medicare, paying for more than 50 percent of LTSS in 2015.¹ Medicaid's role paying for LTSS is especially important as the population ages: 37 percent of older adults ages 65-74 need long-term care, compared to 74 percent at age 85 or above.²

In addition, Medicaid helps older adults afford a range of necessary health care services. Through the Medicare Savings Program, low-income Medicare beneficiaries receive assistance through Medicaid with a portion or all of their Medicare premiums and cost-sharing, including subsidies for their drug coverage.³ Given the significant role that Medicaid plays for older adults, cuts to Medicaid threaten these vital supports. These challenges will only grow as the population ages; per-enrollee health care spending for an individual 85 years and over is about double the spending for an individual between 65 and 84 years old.⁴

Previous research found that Medicaid disproportionately covers children and nonelderly adults in small towns and rural areas, and that trend grew between 2008-2009 and 2014-2015.⁵ Using the same data sources, it appears that the trend differs for older adults: There was a slight decrease in the share of older adults covered through Medicaid between 2008-2009 and 2014-2015 in small towns and rural areas (18 percent to 15 percent).

In most states across the country, a meaningful difference is not observed between the share of older adults enrolled in Medicaid in metropolitan and non-metropolitan areas (16 percent vs. 15 percent). However, there are seven states where Medicaid appears to play a bigger role for seniors in small towns and rural areas (Table 1) as compared to metropolitan areas. The seven states are: Missouri, Alaska, South Carolina, Mississippi, Alabama, Arizona and Maine.



Table 1. States with the Largest Difference in the Share of Seniors Covered by Medicaid in Small Towns and Rural Areas Compared to Metro Areas, 2014-2015

State	Difference between non-metro and metro counties (percentage points)
Missouri	10%
Alaska	8%
South Carolina	6%
Mississippi	6%
Alabama	5%
Arizona	4%
Maine	4%

In 19 states, the share of seniors covered through Medicaid in small towns and rural areas is greater than the national rate of 15 percent (Table 2). In these states, Medicaid is an especially key payer for the physicians, clinics, hospitals, and other health care providers who care for seniors in small towns and rural areas. There were three states at the national average of 15 percent and 25 states below the national average.⁶

Table 2. States with a Share of Seniors Covered by Medicaid in Small Towns and Rural Areas that Is Above the National Average, 2014-2015

State	Seniors with Medicaid, 2014-2015 (percent)
Alaska	27%
Mississippi	25%
Maine	23%
Louisiana	22%
South Carolina	20%
Alabama	20%
Kentucky	20%
Georgia	19%
Vermont	19%
Missouri	18%
Florida	18%
New Mexico	18%
Arkansas	18%
Arizona	17%
New York	17%
California	16%
North Carolina	16%
Hawaii	16%
Texas	16%

Conclusion

Across the country, Medicaid helps 15 percent of seniors supplement their Medicare and pay for long-term care. Unlike earlier findings for children and other adults, the percent of seniors relying on Medicaid is similar in metropolitan and non-metropolitan areas. However, in some states Medicaid is disproportionately important to seniors and the providers who serve them in small towns and rural areas. Moreover, this is an expensive population to serve and will become increasingly so as the population ages. This is problematic because rural communities already face challenges with maintaining robust provider availability. As a consequence, cuts to Medicaid will be especially harmful to rural communities in certain states where the share of seniors exceeds the national average.

Methodology

For more on methods for this project, please see the Methodology section of our companion paper [Medicaid in Small Towns and Rural America](#).

¹ Kaiser Family Foundation, “Medicaid’s Role for Seniors,” (Washington: Kaiser Family Foundation, June 2017).

² Ibid.

³ M. O’Malley Watts, E. Cornachione, and M. Musumeci, “Medicaid Financial Eligibility for Seniors and People with Disabilities in 2015,” (Washington: Kaiser Family Foundation, March 2016).

⁴ Centers for Medicare & Medicaid Services, “Health Expenditures by Age and Gender,” (Washington: Centers for Medicare & Medicaid Services, 2002-2012) available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/Age-and-Gender.html>. See table 7 in “Age and Gender Tables.”

⁵ J. Hoadley, K. Wagnerman, J. Alker, and M. Holmes. “Medicaid in Small Towns and Rural America,” (Washington: Georgetown University Center for Children and Families and North Carolina Rural Health Research Program, June 2017).

⁶ Four states are excluded because they do not have small-town or rural counties.

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