Center for Medicare Advocacy

Advancing Access to Medicare and Health Care

Impact of Federal Cuts on Medicare Beneficiaries

Draft Federal Budget Creates Concerns

Recent reporting indicates that the administration is planning to significantly cut or eliminate critical programs for older adults and people with disabilities in its proposed fiscal year 2026 budget request for the U.S. Department of Health and Human Services (HHS). The administration has not yet submitted a budget proposal to Congress; the reporting refers to a draft proposal. The HHS draft budget raises additional concerns around the potential dismantling of many essential ACL programs that help to safeguard the health, safety, and economic security of older adults and people with disabilities.

The draft budget, if passed, would eliminate a number of programs that protect older adults from fraud and abuse, including the Long Term Care Ombudsman Program, which works to safeguard the health, welfare and rights of nursing home residents; the State Health Insurance Assistance Program (known as CHOICES in CT), which provides free, unbiased counseling and assistance to Medicare beneficiaries and their caregivers; and Adult Protective Services support, which helps protect older adults from abuse and exploitation.

SSA Cuts Increase Obstacles for Beneficiaries

The Center for Medicare Advocacy recently filed an amicus brief urging a federal court to stop DOGE's dismantling of the Social Security Administration (SSA). CMA, along with the Medicare Rights Center, submitted the brief in a legal challenge brought by disability rights groups against SSA, DOGE, and Elon Musk as the "*de facto* head of DOGE."

The amicus brief explains that a properly functioning SSA is critical to the effective operation of Medicare because of how the two programs interact. SSA handles eligibility and enrollment for Medicare, it administers Medicare's monthly premiums, and it plays an especially critical role for beneficiaries with low incomes by assisting with programs that reduce out-of-pocket medical costs. It is thus impossible to threaten the infrastructure of Social Security without also threatening the infrastructure of Medicare.

Service problems and prolonged delays at SSA severely harm disabled people who rely on Medicare for access to health care. Delays in Medicare coverage often mean forgoing costly medical care, leading to worse health outcomes, sometimes with life-or-death consequences. The amicus brief highlights the story of a Connecticut beneficiary with epilepsy and a thyroid disorder who was forced to put off medical care for an extended period due to an SSA backlog that delayed her Medicare coverage.

The plaintiffs challenge DOGE's erosion of SSA's core services in the name of "efficiency." Mass workforce reductions, policy changes that have led to overwhelmed field offices and telephone lines, crashing of SSA's website, and the dissolution of the agency's Office of Civil Rights and Equal Opportunity, are just some of the actions that are burdening people with disabilities. With SSA already operating at a 50-year staffing low before the Trump Administration took office, DOGE's workforce cuts and other policies have pushed the agency over the edge. People with disabilities are disproportionately impacted, in part because they are more likely to rely on the availability of in-person assistance at SSA. Under public pressure, SSA just announced a reversal of its plan to curtail phone services, but it still must reverse the many other harmful policies it is undertaking on the pretext of rooting out "fraud and waste," such as radical workforce reductions.

CMS staffing cuts are cuts to Medicare

The mass layoffs at HHS, including those at the Center for Medicare and Medicaid Services (CMS), will detrimentally impact Medicare beneficiaries who expect to receive high quality care from the program many of them have paid into for much of their lives. These cuts erode CMS' ability to ensure beneficiaries receive the care they are entitled to and will undoubtedly diminish beneficiaries' access to services.

It's been reported that 300 staff are being "RIF'd" from CMS, including 30 from the Office of Minority Health (OMH) and 200 from the Office of Program Operations and Local Engagement (OPOLE). It is hard to overstate the importance of the functions of these offices in ensuring all Medicare beneficiaries can access care.

CMS OPOLE is responsible for implementing and streamlining many aspects of CMS' program operations, including monitoring and enforcing Medicare Advantage and Part D plans' adherence to Medicare rules.

OMH is tasked with eliminating health disparities for underserved minority populations, including people with disabilities, people living in rural areas, and people whose primary language is not English. The entire Office of Minority Health within CMS, as well as the corresponding HHS office, is being shut down completely.

CMS-OPOLE staffers assist beneficiaries who mistakenly enroll in a Medicare plan they did not wish to enroll in. In some circumstances of enrollment error due to coercion or confusion, an enrollment could be corrected by the CMS caseworker retroactively.

Only CMS has the authority and ability to grant beneficiaries in these situations a special enrollment period to change their enrollment. These case workers also assist low-income beneficiaries, many of whom are on both Medicare and Medicaid, with problems like being charged a higher copay than they truly owe for prescription drugs. CMS staffers can and often do need to step in if a Part D plan is unable or unwilling to charge the correct copay for a covered drug, especially for low-income beneficiaries. They act when the plan does not respond sufficiently to the issue or is out of compliance with Medicare rules.

OPOLE staffers also educate providers, partners, beneficiaries, and their own contractors on Medicare rules and regulations to improve communication and understanding of the program and to ensure that all parties that interact with Medicare understand what benefits beneficiaries are entitled to.

We don't know at this point the extent of the institutional knowledge and integral positions that have been lost within OPOLE or within CMS as a whole. What we do know is that the cuts to CMS staff will inevitably erode the ability of CMS to oversee and address chronic problems with Medicare plans that negatively impact beneficiary rights and access to care.

A Cut to Medicaid is a Cut to Medicare

The potential cuts to Medicaid are also very concerning to the beneficiaries we serve. CMA has published alerts to make it clear that a cut to Medicaid is a cut to Medicare:

- One in five Medicare enrollees relies on Medicaid to help pay Medicare premiums and cost sharing
- Nearly 30% of Medicaid funding goes to people with Medicare
- Medicaid is the primary payer for 63% of nursing facility residents
- Without Medicaid, over 12 million Medicare enrollees would experience gaps in care that jeopardize their health and well-being.

Regardless of what the federal landscape looks like, CMA will continue to work to advance access to comprehensive Medicare coverage, health equity, and quality health care for CT's Medicare beneficiaries and for all older people and people with disabilities.