

The Big Secret About Medicaid: It's a Middle-Class Benefit

If you have a parent short on savings, a disabled adult child or a minor with special needs, Medicaid may be your backstop. Plenty of people are unaware.



By [Ron Lieber](#) | New York Times

When cuts to Medicaid were under consideration in 2017, Ron Lieber wrote columns about its intersection with [ethics](#), [elder care law](#) and [long-term care insurance](#).

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“I never thought that Medicaid would become an issue in my family, but it has.”

That was the first line of a note I received this week from a retired investment industry veteran whose autistic son receives coverage from the program. A similar email arrived from one of the most affluent towns in California.

Yes, Medicaid primarily serves Americans with the lowest incomes, and you may not count yourself among them.

But now that the program is potentially on the chopping block, as Republicans in Congress seek to make up to [\\$2 trillion](#) in spending cuts, it's a good time to consider others who qualify.

It could be an aging parent who needs nursing home care, whose significant nest egg has been drained after 20 years of retirement. Or it could be a 26-year-old adult child who can't be covered on your health insurance anymore but is not yet making much money. Or perhaps it's a severely disabled child.

Millions of people who are financially comfortable now may be just one bad break away from needing Medicaid for themselves or a member of their immediate family. Without coverage, the cost of care for an aging parent or a sick or disabled child — of any age — can be ruinous.

Medicaid is a shield against anxiety for the luckiest among us. If there is any chance your family could face enormous bills from situations like the ones that follow, the Medicaid policy debate affects you, too.

Long-Term Care

Medicaid pays for [nursing home](#) and [other long-term care](#) for people who have [mostly run out of money](#). (Medicare [does not pay](#) for such care in most circumstances.)

Often, middle-aged people are astounded when they start helping an aging parent or another relative and find that the median annual cost of a semiprivate room in a nursing home is \$111,325, according to an [annual survey](#) by Genworth, a company in the long-term-care planning business.

They're relieved when nursing home employees tell them that their parents will qualify for Medicaid once those parents draw down their own funds (or already do qualify) — and it won't cost the adult children anything.

“This is everybody's coverage,” said [David C. Grabowski](#), a professor of health care policy at Harvard Medical School.

Your 26-Year-Old Adult

One law that most people don't appreciate until they hit their 20s (or their child does) is [a requirement](#) that health insurers allow most parents to keep that child on their plan until the child turns 26, providing it offers coverage for dependents.

After turning 26, they're on their own. And no matter how well-off you are, it doesn't guarantee that your 26-year-old will have gainful employment, let alone the kind that has employer-provided health insurance.

Enter Medicaid, which often covers individual adults who earn no more than [\\$21,597](#) annually. The [website](#) for KFF, a nonprofit health research group, has a number of [clear explainers](#) on various categories of eligibility. (Which state you live in can matter a lot for all categories of Medicaid beneficiaries, and states administer the programs.)

People in their 50s don't usually boast about their 20-something children being on Medicaid. I know of two recipients in my circle in this category, because I inquire about such things. Ask around; they're probably in your circle, too.

The Disabled

For most children with an incurable but not fatal condition — and many adults with a disability that prevents them from working or earning much — there is usually at least

one family member managing some aspect of their care. But those family members may not be paying for it.

If your minor child has, say, spina bifida or cerebral palsy, your health insurance may not cover every therapy or the health aides who will allow you to avoid becoming a full-time caregiver. Medicaid [often steps in](#) to pay for many such expenses, no matter how much the parents earn.

Some adult children with autism may not be able to work, drive to work or live alone without a lot of help. But they may still want independence. The assistance and aides necessary for them to live away from family, though, may not be on the family's dime. [Medicaid pays](#) many expenses for those who are eligible, no matter their parents' assets.

So if you're pregnant or considering becoming a parent, Medicaid is a likely backstop if your child ends up needing an enormous amount of care. The same thing is true if your 20-year-old college student has a disabling accident, your 25-year-old has a severe stroke and only partly recovers or your 30-year-old has a life-altering mental health diagnosis.

It may also be true if you want to adopt. When Kelly M. Smith and his partner adopted two brothers from the Connecticut foster-care system and moved them to North Carolina, the boys qualified for Medicaid and stayed on it until they were young adults.

Later on, Mr. Smith's grandmother turned 100 and could no longer live alone. Medicaid paid for her nursing home care until she died.

"Medicaid supports everyone, including us upper-incomers," he said.

Mr. Smith sent me the loveliest picture of his family, and he wasn't the only one who shared snapshots. But the messages with some of those photos were harrowing. When parents hear about the possibility of even moderate Medicaid cuts, they are scared out of their minds. They're also teeming with rage at what they see as the cruelty of it all.

President Trump [has promised](#) not to cut the program. Rhetoric around Medicaid "[fraud, waste and abuse](#)" floats in the ether, but there is [no formal legislative blueprint](#) yet.

All we have for now are the statistics and the stories. The statistics are these: Medicaid pays for roughly [50 percent](#) of [long-term services and support](#) (like nursing homes and in-home care), according to KFF, and the program covers more than 70 million people.

The stories are yours to tell — and to coax out of others who might otherwise be disinclined to discuss a delicate part of their financial lives.

“Talk about it. Celebrate it,” said Brittany van der Salm, who spent years working for consulting firms that helped states improve their Medicaid programs. “It’s something to be proud of. You’ve made a great decision for yourself in seeking and getting care.”

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