

How Significant Are the LTC Provision of the U.S. Health Care Reform Legislation: An Overview

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The US Problem

- Lack of financing
- Quality
- Meeting increased demand

The Financing Dilemma

- High Annual Costs
 - Nursing Home: \$72,270 to \$79,935
 - Assisted Living: \$36,372
 - Adult Day Care: \$17,420
 - Homemaker/Companion Services: \$27,664
 - Home Health Care: \$30,000
- Limited Private Assets and Insurance Coverage
- The Medicaid Safety Net
 - People must impoverish themselves or accrue medical expenses in excess of income to be eligible

The Coordination Dilemma

- Chronic Conditions
 - 80% of seniors have 1 chronic condition; 50%, at least 2
 - Chronically ill experience difficult transitions across settings
 - 79% of Medicare spending is for those with 5+ conditions
- Medicare-Medicaid Dual Eligibles (8.8 million)
 - Constitute 18% of Medicaid enrollment, 54% of spending
 - Medicare spending is substantially higher for duals than non-duals with similar numbers of chronic conditions
 - Derives largely from a lack of coordination and conflicting incentives between Medicaid and Medicare

The Service Dilemma

- The Demand and Need for HCBS
 - Most older adults would prefer to remain at home and in the community as long as possible
 - Nearly 2.0 million in the community in need of support on par with the nation's 1.6 million nursing home residents
- Growth in Medicaid HCBS
 - Proliferation of federal and state initiatives since *Olmstead*
 - Spending doubled between '99 and '07 (\$17 to \$42 billion)
 - Participants increased from 1.9 to 2.8 million from '99 to '07
- Still a Long Way to Go
 - HCBS waiver waitlists in 39 states: 365,553
 - Proportion of Medicaid long-term care HCBS: 32.8%

The Workforce Dilemma

- Relationship between the Type and Quantity of Staffing and the Quality of Care Received
- Turnover Rate Is Especially High in LTC
 - 40 to 60% in home care; 67.0% in nursing homes
- By 2018 the Nation Will Need an Additional
 - 422,000 nurse aides, orderlies, and attendants
 - 552,000 home health aides; 477,000 personal/home care aides
- Challenges to Recruitment & Retention
 - Public perception; Caregiving demands; Insufficient training
 - Lack of value & respect; Limited autonomy
 - Little career advancement; Poor Compensation

The Quality Dilemma

- Improvement in Nursing Home Quality Over the Last 20 Years But Substantial Challenges Remain
 - 25.7% of facilities received 1+ deficiencies that result in actual harm or immediate jeopardy in 2008
 - Substantial variation in regulation exists across states
 - Uncertainty about the efficacy of various quality indicators
 - Increasingly debilitated and medically complex residents
- The Quality of HCBS and Assisted Living Has Been Subject to Far Less Scrutiny than NHs
- Ongoing Concern: General Public & Specialists

The ACA & Long-Term Care

- Legislation
 - Patient Protection and Affordable Care Act (ACA)
- Major Provisions
 - The CLASS Act
 - Medicaid Home- and Community-Based Services (HCBS)
 - Chronic Care Coordination, Dual Eligibles
 - The Long-Term Care Workforce
 - Nursing Home Quality

The CLASS Act

- Enrollment & Premiums
 - Over age 18, meets earnings requirement
 - No “underwriting”; premiums based on age
 - May enroll individually or automatically through employer
- Benefit Triggers & Coverage
 - Pay premiums for 5 years, minimal earnings during 3 years
 - At least 2 or 3 ADL limitations or cognitive impairment
 - Minimum average cash benefit of \$50 per day
- Administration
 - Administrative costs limited to 3.0% of premiums
 - Cannot draw revenue from the general federal treasury
 - Premiums may be adjusted depending on fiscal situation

Medicaid HCBS

- Establishes Medicaid HCBS Options
 - State Balancing Incentive Payments Program
 - Community First Choice Option—state option to cover attendant services and supports
 - Modifications to the Section 1915(i) state plan option
- Extends Mandatory Spousal Impoverishment Protections to Community-Based Population
- Increases Funding for ADRCs
- Extends Money Follows the Person Demo

Chronic Care Coordination

- Federal Coordinated Health Care Office
 - Improve coordination between Medicare and Medicaid
- Center for Medicare & Medicaid Innovation
 - Assess innovative payment and delivery arrangements
- Medicare Special Needs Plans
 - Reauthorizes SNPs with new rules (e.g., contracting)
- Demonstrations
 - Medical home and related demonstrations
 - National Pilot Program on Payment Bundling
 - Medicare Hospice Concurrent Care Demonstration

Workforce

- Nursing Home/Other Settings
 - Training for nurse assistants on dementia & abuse
 - National program on criminal background checks
- Personal Care Attendants & the CLASS ACT
 - Permits payment of family caregivers using CLASS benefit
 - State assessment of personal attendant care infrastructure
 - Personal Care Attendant Workforce Advisory Panel
- Demonstrations & Grants
 - Core competencies, pilot curricula, certification programs
 - Career ladder initiatives
 - Geriatric Education Centers
- Provides Health Insurance to Direct Care Workers

Nursing Home Quality

- Nursing Home Transparency and Improvement
 - Disclosure of ownership, staffing, and expenditures
 - Compliance and ethics programs
 - Improvements to Nursing Home Compare Website
 - Standardized complaint form
- Other Nursing Home Quality Provisions
 - Culture Change & HIT Demonstrations
 - P4P: Implementation Plan for Medicare SNF
 - Workforce training and improvement

Impact?

- Sense of the Senate that:
 - *“Congress should address long-term care services and supports in a comprehensive way that guarantees elderly and disabled persons the care they need.”*
- BUT Just How Effective is the ACA likely to be in addressing the problems plaguing long-term care?
- Will It Result in Meaningful Reform or Will It Just Tinker Around the Edges?

One view:

- CLASS is suspended and unlikely to be revived
- The private LTCI industry is in free-fall
- HCBS provisions dependent on states taking advantage of them; a difficult time
- Quality and workforce provisions hold promise, but are relatively minor
- Care coordination demonstrations hold promise, but concerns about their too-precipitous adoption