Medicaid Reform Module: Long Term Care

Author	Page	Summary
Long-Term Care Delivery		
Benefits		
The Heritage Foundation	5	Separate the delivery of social services from the delivery of medical services in the financing of long term care.
George Washington University & Center for American Progress	20	Promote case-specific management for high-cost beneficiaries such as Dual eligibles.
Cato Institute	2	Eliminate the entitlement to benefits.
Health Management Associates February 2005	15	Allow states to design benefits packages for higher income groups that are not as comprehensive as those provided to lower income groups.
National Academy for State Health Policy	19	States should continue to have flexibility to establish medical/functional/cognitive eligibility criteria and should be allowed to set different criteria for institutional and community long-term care.
Home and Community Based Services		
National Conference of State Legislatures 2005	6	Increase options for home and community based care.
AcademyHealth	2	Increase long-term care alternatives to nursing home care to minimize costs and improve quality for individuals who would benefit from such alternative residential settings, such as home- or community-based care.
Health Management Associates February 2005	15	Allow states to provide HCBS under regular Medicaid.
Health Management Associates February 2005	18	Integrate New Freedom Initiative principles into Medicaid program design, to provide opportunities for employment and greater consumer choice and direction for long term and chronic care for persons with disabilities.
Health Management Associates February 2005	18	Allow states to offer long term care services in the most appropriate setting, respecting the preferences of individuals who can receive such care in their home or community, without the need for time - limited waivers.
National Academy for State Health Policy	19	Allow states to modify their income and assets tests to allow those applicants seeking community care who are most likely to use up their resources within a short time of entering a nursing home to qualify for Medicaid financed acute and community care (but not institutional services) while they are still in the community.

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National Academy for State Health Policy	28-29, 69	The workgroup recommended that states be allowed to replace Section 1915(c) waivers with a home and community-based care program with the following components: 1) States would submit a plan to CMS describing the services covered. Once approved, the program would continue without renewal requirements. 2) States could set a higher functional threshold for admission to an institution (nursing home or ICF-MR) and a lower functional threshold for the home and community-based services program. 3) The program would not be subject to existing waiver requirements. 4) States would be able to set caps on participation in the home and community services program. 5) The program could serve multiple populations with different service options for subpopulations. 6) Cost sharing would be allowed for the optional eligibility group (above 100 percent FPL). 7) Limits on the number of clients in target population programs should be phased out over time.
National Academy for State Health Policy	31	The workgroup recommended that under the new HCBS program, states be allowed to choose to provide optional populations (those with incomes above the minimum national eligibility threshold) more restrictive choices of delivery systems than they provide to the mandatory population.
National Conference of State Legislatures 2004	2	States should be allowed to establish and set the size of the programs that provide for home and community based care as an alternative to nursing homes. As a cost control technique, states should continue to be allowed to limit this program to a specific number of slots and additionally should be allowed to provide this service without providing the full range of additional Medicaid services.
Consumer Direction		
Center for Health Transformation	8	Cash and Counseling Programs: Promote consumer directed services whereby developmentally disabled adults, children, and frail elderly opt for a budget to pay for their home care services.
National Center for Policy Analysis	30	Expand Cash and Counseling for the disabled and chronically Ill.
George Washington University & Center for American Progress	14	Promote consumer-directed long-term care, including "Cash and Counseling" for personal care services.
National Academy for State Health Policy	33	The NASHP workgroup recommended the extension of both the Cash and Counseling Demonstration program and the Money Follows the Person Demonstration program.
The Heritage Foundation	1	Promote consumer directed models of care. Build on the Independence Plus waiver to expand consumer directed care to the broader Medicaid population. This waiver allows certain disabled Medicaid persons the power to manage their own care.

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Health Management Associates February 2005	16	Allow states to adopt policies that encourage Medicaid beneficiaries to be active participants in the program by making informed choices, directing their own care, sharing in the cost of their care, and helping to control program costs.
Health Management Associates February 2005	16	Provide Medicaid beneficiaries and their families access to the information they need to navigate the health care system and to make informed decisions about their care.
National Academy for State Health Policy	32	The workgroup recommended that states be allowed to expand their use of consumer-directed care.
ADAPT	n/a	MiCASSA (Medicaid Attendant Services and Supports Act) establishes a national program of community-based attendant services and supports for people with disabilities, regardless of their age or disability. The bill would allow the dollars to follow the personal and allow eligible individuals, or their representatives to choose where they would receive services and supports. Any individual who is entitled to nursing home or other institutional services would have the choices where and how services would be provided. This would not be a new entitlement, but would make the existing entitlement more flexible.
American Legislative Exchange Council	1	Funding should be made available in the form of a Medical Assistance Account at the beginning of each year to cover all Medicaid expenses, rather than the current "pay-as-you-go" system. If the control over how and when Medicaid funds get used were instead in the hands of the Medicaid recipient, innovative drugs and treatments would be more readily accessible. While these treatments may initially cost more, they have the potential to reduce costs in the long run by eliminating the need for recurring, less expensive treatments.
Dual Eligibles		
Health Management Associates February 2005	17	Amend federal Medicare law so the federal government assumes specific responsibility for low income Medicare/Medicaid dual eligibles, including full payment of premiums, coinsurance and deductibles.
National Conference of State Legislatures 2005	3	Promote innovative care management models with information and fund sharing between Medicaid and Medicare.
National Academy for State Health Policy	35	The workgroup recommended that the federal government and the states embark on a new conversation about how to finance and deliver long-term care services provided by state Medicaid programs to dual eligibles.
National Academy for State Health Policy	36	The workgroup recommended that Medicare pay for care coordination as a covered benefit.

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Author	Page	Summary
National Academy for State Health Policy	36	The workgroup recommended that Medicare and state Medicaid programs share data on service utilization by dual eligibles in order to improve care coordination.
National Academy for State Health Policy	37	The workgroup recommended that the Medicare program mandate that Medicare quality improvement organizations (QIOs) identify dual eligibles as a subsample in quality reviews. Specifically, for Medicare Advantage health plans to receive Medicaid-financed premiums, copayments, and other forms of cost sharing, the workgroup recommended that the state have the option to require the Medicare Advantage health plan to contract with the state. The group also recommended that Medicare ensure that its risk adjustment methodology adequately address enrollment of dual eligibles in managed care plans.
National Academy for State Health Policy	38	For benefits offered by both programs, the Medicare program review its policies in the areas of payment adequacy, benefit design, and medical necessity to ensure that its beneficiaries have appropriate access to these benefits through Medicare, rather than initially seeking those benefits from Medicaid. Further, in the future, when Medicare takes an action that financially affects a state Medicaid program, the federal government should confer with the affected state before approval.
Health Management Associates March 2002	21	The administrative relationship between the Medicare and Medicaid should be simplified. This would require changes in federal law to minimize the burden now placed on Medicaid.
Cost Sharing		
National Academy for State Health Policy	28	For optional populations, states should have the option to employ cost sharing for community-based long-term care services, including services for people with developmental disabilities. States should also have the option to develop buy-in options for long-term care services.
Health Management Associates March 2002	20	Allow states to require dual eligibles to be subject to state Medicaid policies relating to coverage, cost sharing and managed care enrollment.
Other Models of Care		
Health Management Associates February 2005	16	Allow states to partner with cities and counties in providing health care through locally designed networks.
National Academy for State Health Policy	30-31	States should be able to choose to implement one or more of the following delivery system options to provide them with more effective tools to manage access to long-term care services: 1) An unmanaged fee-for-service delivery system; 2) A care managed fee-for-service delivery system; 3) A risk-based, capitated managed care delivery system for long-term care services; or 4) An integrated acute and long-term care service system.

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Author	Page	Summary
Long-Term Care Financing		
LTC Insurance		
National Conference of State Legislatures 2005	6	Give preferential tax treatment for those who purchase long term care insurance and incentives to offer long term care insurance.
National Conference of State Legislatures 2005	6	Expand options for private long-term care insurance, flexible life insurance products, and home equity sharing programs, such as reverse annuity mortgages. Promote programs such as the Medicaid Long Term Living Flexibility Option/Demonstration program.
National Governor's Association	9	Some combination of tax credits and deductions should be used to provide an incentive for individuals to purchase long term care insurance.
AcademyHealth	2	Implement incentives to obtain long-term care insurance that would extend individual ability to obtain coverage, and offset dependence on the stretched-thin Medicaid system.
National Academy for State Health Policy	64	There need to be policy changes that would encourage individuals to take responsibility for their own long-term care coverage and that would help make purchase of long-term care insurance more affordable.
LTC Partnership Programs		
National Conference of State Legislatures 2005	7	Repeal OBRA 1993 that restricts the ability of states to develop programs that provide limited asset protection and other incentives within the Medicaid program to those who purchase long term care insurance.
National Governor's Association	4	To help the aging population plan for future long-term care needs all states should be allowed to participate in the Long-Term Care Partnership program.
Health Management Associates February 2005	17-18	Provide incentives for states to adopt policies that ensure those who can afford to pay for long ‑ term care do so, including policies that advantage individuals with long term care insurance. Provide incentives for states that encourage greater reliance on long term care insurance, including the greater availability “Partnership” programs.
National Conference of State Legislatures 2004	2	Congress should repeal the provision in the Omnibus Budget Reconciliation Act of 1993 that restricts the ability of the states to develop programs that provide limited asset protection within the Medicaid program to individuals who purchase long-term care insurance. This could give many people who do not now purchase long-term care insurance an incentive to do so, helping those people while saving both the federal and state governments money.

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Author	Page	Summary
Eligibility--Estate recovery, Reverse Mort., Asset test		
Roundtable on Indian Health (Urban Institute)	10	Reform should include exemption for AI/AN populations from estate recovery rules.
Center for Health Transformation	8	Establish a capabilities program to provide incentives for people with disabilities to be productive rather than threaten them with a loss of benefits if they become employed.
National Conference of State Legislatures 2005	6	Create new options for setting financial and functional criteria to qualify for LTC services.
The Heritage Foundation	7	Eliminate asset transfer loopholes.
National Governor's Association	3	States should have increased ability to prevent inappropriate transfer of assets by seniors to qualify for Medicaid. To that end, 1) the look-back period should be increased from 3 to 5 years; 2) penalty periods should begin at the time of application; and 3) the sheltering of excess resources in annuities, trusts or promissory notes must be prevented.
National Governor's Association	4	Home equity should be considered a countable asset in order to require individuals to use home equity to off-set long-term and other medical expenses that would otherwise be paid by Medicaid. Reverse mortgage loans are available to allow seniors (age 62 or older) to convert home equity into cash.
AcademyHealth	2	Insure that coverage is reserved for low-income persons and not as an asset protection program. One option to consider is placing restrictions on, or imposing penalties for, asset transfers used to render people eligible for Medicaid coverage.
National Center for Policy Analysis	28	Recapture the costs of long-term care by broadening the definition of assets that are subject to recapture, vigorously pursuing assets and creating recapture options.
National Center for Policy Analysis	30	Use asset recapture to encourage low-cost choices.
Miscellaneous		
National Conference of State Legislatures 2004	3	NCSL urges Congress to provide the states with relief regarding the nursing home reform requirements enacted in the 1987 Omnibus Budget Reconciliation Act which are too prescriptive. States are continuing to struggle with implementing that program. NCSL is specifically concerned that the resulting paper work requirements are decreasing the quality of care in nursing homes by diverting skilled personnel from patient care to paperwork and thereby exacerbating the nursing shortage.