

US Medicaid Commission

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Summary of Comments

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Medicaid and Aging

- It is hard to think about sustainability of the Medicaid program without thinking about older people in America.
- Elected officials and State Medicaid Directors all seem to believe that nursing homes full of older people is the primary culprit in cost growth problems.
- So, “old people” are the problem.



A Brief Rebuttal (1)

- The percentage of older people requiring long term supports at any point in time is dropping, and has been for a number of years.
- It is expected to continue to drop.
- Older people are often steered to facilities by risk averse health professionals and families.
- I have never met an older person who wanted to be in a long term care facility, but I have met many who have said that they agreed so that “my children won’t have to worry”.
- Many people continue to believe that long term “frailty” is expected, and that moving away from family is a way to manage reduce on others, rather than being a place to live life with supports, an expression of our ageism.



A Brief Rebuttal (2)

- Long term care or Home and Community Based Services for older people are not the fastest growing segments of Medicaid expenses.
- Older people are not the highest cost users in Medicaid as a whole, or even in the most expensive sub-category, Aged, Blind and Disabled.
- Older people are not the group growing at the fastest rate (highest percentage) in the Medicaid program, though they are in absolute numbers.
- Alternatives are not more usually expensive than nursing facilities, and when they are, it is reasonable to restrain public expenses by limiting them as appropriate.
- The “woodwork effect” can be controlled.



Reasonable Objectives Regarding Sustainability

- There will be more people with needs they cannot afford to meet for themselves and that others cannot provide.
- There is clear evidence that we often pay for higher levels of care than are needed, and sometimes pay too little for care when it is needed.
- The goal has to be to serve more people into a costs structure that in the aggregate grows more slowly.
- To try to do otherwise risks turning our back on people who need services and supports, further jeopardizing quality of care, consumers' quality of life, or all three.
- This is an issue that potentially could effect virtually every American family and individual, with the possible exception of the very wealthy.



Whose Job Is It, Anyway?

- A major hurdle in Medicaid policy is that there are at least 51 sets of elected and appointed officials in charge of some significant part of the system.
- State's rights are important values in American style government.
- Long term services and support services in the community are for now options, not obligations.
- In a tight budget situation, a state usually has to do what it must before it does what it might like to do.
- Long term services and supports financing would work best if supported by a national policy strategy.
- So, it is all of our jobs.



Why a National Strategy?

- “Young “ seniors move a lot, taking wealth with them. Many move again to be near family and friends as the awareness that help may be needed grows.
- The vast differences in state programs and policies makes individual planning and informal (non-paid) care giving very challenging.
- It makes financial planning, including insurance buying, difficult as well.
- For states, “old states” are getting older, increasing the burden on taxpayers, while “young states” cut taxes to attract employers, then can’t afford to get old.
- In the meantime, a person who needs long term services and supports of any age faces vast inequities in access to services in the community depending on where they live, regardless of their personal preferences, their willingness to accept risk in pursuit of personal freedom, or their previous or current ability to pay taxes.
- A national strategy should have state by state variations on how national goals would be achieved. To try to do otherwise denies the reality that our country is diverse and becoming more so. National policy should direct goals and objectives, not modes and methods.



Overcoming Inertia

- Why did some states take the initiative in rebalancing? Were they that much smarter? Nicer? More desperate?
- To me, it doesn't matter. They have blazed a trail, doing similar things, though often in different ways.
- As anyone who has worked in public life knows, it is much easier to stop things than it is to make progress. And, as RFK said, "Progress means change, and change has its enemies."
- If we really believe that the current rate of growth in the Medicaid budget will be unsustainable for the country, and we know we can't turn our back on those who will need care now and in the future, we really can't afford to avoid change much longer.
- The entire nation bears the cost of a lack of progress, because we all pay an average of \$.57 when a state spends \$.43 on more expensive services than were needed.



Waiting While Debating

- Churchill said, “Americans will do the right thing, after they have exhausted all the alternatives.”
- Apparently, we’re not done yet.
- Decades of policy analysis and research and demonstration projects have sometimes informed and even more often fueled the debate about what to do.
- Doing research on a program like Medicaid, which operates in essentially 50 different ways, is difficult.
- Doing precise research in the real world, where policies are continuously revised and events happen to change the variables, is even harder.
- The search for “the solution” calls to mind the phrase “Don’t let the pursuit of perfection become the enemy of the good.”
- There are a lot of states that are doing things that are making things better, both for consumers and their taxpayers.
- There are steps we can take to help.



Like What?

- The resources that federal agencies have made available are very helpful to states that know how to use them, though some need more.
- States that can't surmount internal obstacles and political pressures, or that are resisting change, need a reason to get moving.
- Incentives can be developed, patterned after the "Money Follows the Person" initiative (enhanced matching, etc.).
- Strategies that increase consumer awareness, improve access to HCBS alternatives targeted to "spend downs" (who consume many Medicaid-paid nursing facility days), and that reduce unnecessary administrative barriers, such as those contemplated in the proposed reauthorization of the Older Americans Act, should be enacted and aggressively pursued.
- I'm sure there are other things that might work, including widespread and well-coordinated advocacy.



Who Needs Map?

- It is good to have a map at the beginning of a journey, but most people wouldn't buy one until they were committed to starting.
- Looking at the leading states, all the things I have suggested are parts of the necessary infrastructure of a balanced system.
- None of these efforts would be wasted and all would help to move the system along.
- Personally, I like maps. But, most of the important change processes I have been a part of didn't have one when we started out. We knew where we wanted to go.
- We don't need one to get started. There are pioneers that can guide us, but each state needs to find its own way to a better balance for all their citizens.
- It is going to take a long time to make real progress in most states, even if there were a formal national strategy. If we're moving toward better balance, that's better than where we are as a country now.
- Progress is a good thing. The status quo is too expensive.