ANCOR American Network of Community Options and Resources
A National Network of Providers Offering Quality Supports to People with Disabilities

Public Comments to the Medicaid Commission
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November 16, 2006

The American Network of Community Options and Resources (ANCOR) appreciates the time, discussions and thoughtful considerations that each of you have devoted to the complex and challenging task before the Commission. ANCOR believes that the commission should use this opportunity to strengthen the Section 1115 Research and Demonstration authority and its processes.

ANCOR is the national association of private providers of community living and vocational and employment supports to more than 385,000 individuals with mental retardation, developmental disabilities, and other significant disabilities nationwide who rely on Supplemental Security Income (SSI). In our past oral and written comments, we have emphasized that the Medicaid program is the life-line for the individuals to whom ANCOR private providers supports. In fact, in the absence of affordable health and long-term supports and in the absence of coverage by private insurers, Medicaid is not only the primary, but the only source of financing for these critical services.

As the Commission finalizes its final report, ANCOR offers the following recommendations drawn from previous comments for inclusion in your report.

1. The Commission affirms that the Federal government maintains its historic role in financing and guarantees the Medicaid safety net for individuals of all ages with disabilities who need health care and long-term supports, but lack the financial means and lack access to necessary coverage.

Advancing Home and Community Long-Term Supports and Services

ANCOR commends the Commission for identifying the need to up date Medicaid by eliminating the institutional bias in long-term care, endorsing the right of all individuals to choose home and community supports and services, and supporting individualized and self-directed choices for supports that span the lifetime needs of a diverse population. To advance this choice, ANCOR urges the Commission to:

2. Recommend that Congress amend Title XIX to include home and community based services as a mandatory state plan service.

3. Recommend that Congress amend Section 6086—Home and Community Based Services Option—of the Deficit Reduction Act of 2005 to authorize states the option of providing long-term supports based on 300% of FPL.

4. Recommend that Congress amend Section 6086—Home and Community Based Services Option—of the Deficit Reduction to authorize the inclusion of the category of "other" services available under the current 1915(c) home and community-based waiver (HCBS) option.

Considerable time and attention was paid by individual Commissioners, invited presenters, and the public to two barriers to the expansion of long-term supports and services. Although no recommendations regarding maintaining neither a quality workforce nor affordable and accessible housing were included in the final report, ANCOR urges the Commission to include recommendations to address both barriers.

Workforce as Foundation to Shift to Long-Term Home and Community Services

The need to sustain a quality workforce— paid and unpaid—to provide long-term supports and services. In addition, President Bush's *New Freedom Initiative* as well as CMS' new long term care vision has identified this issue as currently a barrier in achieving the goals of home and community supports. We must contribute to the quality and effectiveness of long-term services through the development of a fairly compensated, well-trained, stable community workforce and a sufficient supply of qualified providers—be they employees of agencies or independent providers. In recognizing the value and efficiencies in providing supports in the home and community and person-centered services, we must provide a parallel shift in the financing to match the preferences and desires of people with disabilities. When it comes to reimbursing providers, for instance, Medicaid is stingier than either Medicare or commercial insurance. State cuts in or freezing reimbursements to providers of long-term supports have become one of the most expedient means for saving Medicaid dollars. However, by low-balling reimburse rates, the Medicaid program ends up reducing the number of providers willing and able to provide Medicaid long-term supports and services.

5. Recommend that the Commission include recommendations in its final report to address the crisis in the recruitment and retention of long-term care direct support professionals.

6. Recommend that the Commission include an approach similar to the bipartisan Direct Support Professionals Fairness and Security Act, H.R. 1264 that creates an incentive for states to increase the wages of Medicaid private long-term care direct support professionals.

Affordable, Accessible Housing as Foundation to Shift to Long-Term Home and Community Services

The importance of housing was well established in discussions emphasizing the shift to long-term home and community services. In previous oral and written comments to the Commission, ANCOR pointed to the identification—including that of the President Bush's *New Freedom Initiative*—of the lack of access to affordable, accessible house as a barrier to expansion of home and community services.

7. Recommend that the Congress, HUD, other federal agencies, and states devote increased public funding to subsidize and offer incentives to the private sector to create an adequate supply of affordable and accessible housing that aligns housing policy with long-term home and community supports policies.

Address the Underlying Challenge—America's Health and Long Term Care Systems

ANCOR encourages the Commission to take this opportunity to advise our national leaders that the challenge of Medicaid's sustainability is really about the challenge underlying our nation's overall public and private approaches to health care and long-term services. Medicaid was never intended to be, nor should it be, the default system to finance private and other public means of addressing affordable health and long term care. While the United States spends 16% of its GDP on health care, the industrial nations of Europe spend 11% of their GDP. This 5% difference equals $700 billion annually that could be used to address overall health and long-term care challenges, as well as other national priorities. Reforming Medicaid is not a replacement for addressing the rising costs of health and long-term care, the unsustainable growth in the number of low- and moderate-income uninsured, the reduction in employer-based coverage due to costs, and the lack of comprehensive national approaches to these challenges. The Commission must help the nation focus on the

need for a comprehensive national policy approach to long-term supports by reporting on the need for an extended period of public discussion.

8. Recommend that the Commission urge Congress and our national leaders to take concrete steps toward creating a comprehensive approach to health and long-term care reforms, align public and private resources, and engage the public and all sectors in outlining a course to achieve affordable, quality health and long-care for America's workers and low and moderate income families—including individuals of all ages with disabilities.

Reduce the Burden and Fiscal Pressure on the Medicaid Long Term Care and Expand the Financing Pie

In the absence of a comprehensive national policy for long-term supports, Medicaid will remain the largest payer for long-term care.

9. Recommend that Congress eliminate the cost to Medicaid of nearly 7 million dual-eligibles long-term supports and supports, Medicare premiums, and Medicare co-payments. These costs should be born either by reforms to Medicare and/or creation of new public and private long-term care financing mechanisms.

10. Recommend that Congress establish a public/private social insurance program for long-term care based upon private contributions similar to payroll deductions for Medicare and Social Security.

11. Recommend that Congress take a first step forward by passing the bipartisan *Community Living Assistance Services and Supports (CLASS) Act* (S. 1951) introduced by Senators DeWine and Kennedy. The aim of the CLASS Act is the building of a long-term support system available to all Americans by establishing a voluntary private mechanism—the purchase of long-term care insurance—to augment limited public programs that require a poverty threshold as the entrée to supports. By creating a risk pool of Americans across the nation, premiums will be more affordable to all—including working individuals with disabilities.

Medicaid Benefits Redesign and Waivers

The 1115 Research and Demonstration authorizes experimental, pilot, or demonstration projects likely to assist in promoting the objectives of the Medicaid statute. Flexibility under Section 1115 is sufficiently broad to allow states to test substantially new ideas of policy merit. These projects are intended to demonstrate and evaluate a policy or approach that has not been demonstrated on a widespread basis. These are five-year demonstrations and must be budget neutral over the lifetime of the project. It is important that replication occur only after evaluation has measured the demonstrated outcomes. Given the significant programmatic changes states can seek, it is important to provide openness and transparency in this process to assure meaningful participation of all stakeholders--beneficiaries and providers--and ensure an accountable process at all levels. CMS should receive adequate resources to assure thorough evaluation that the policies demonstrate the intended outcomes.

12. Recommend that Congress amend the statute to require meaningful public notice and public comments in the development of 1115 Section 1115 waiver submission, providing specific requirements of public input 60 days before submission of waiver proposals.

13. Recommend that Congress require HHS/CMS to publish monthly notices in the Federal Register of all proposals for waivers and amendments to waivers it receives and to post all proposals and waivers and amendments on its websites.

14. Recommend that HHS/CMS not approve any waiver that is not based on a reasonable hypothesis;

- HHS would have to require that waivers be evaluated at least every 3 years.

- HHS/CMS would have to ensure that all evaluations of approved waivers meet detailed requirements, including criteria for research organizations to carry out the evaluations, detailed measurement of the utilization of various health care services, and assessments of access to care and the understanding of beneficiaries regarding changes in the delivery of health care services.

- HHS/CMS would be required to submit the results of all evaluations to appropriate Congressional committees of jurisdiction.

15. Recommend that Congress provide adequate resources to CMS to carry out the evaluative requirements of the Section 1115 demonstration waivers.