



House Committee on Human Services

Audrey Deckinga
Senior Policy Advisor

May 1, 2008

Long-term Care (LTC) Basics

- Definition, Texas Human Resources Code (§22.0011)
 - “...the provision of personal care and assistance related to health and social services, given episodically over a sustained period, to assist individuals of all ages and their families, to achieve the highest level of functioning possible, and regardless of the setting in which the assistance is given.”
- Services
 - May include personal assistance and skilled care that may be provided in the person’s home, an adult day care center, a nursing home, or an assisted living facility

LTC Basics (continued)

- Eligibility

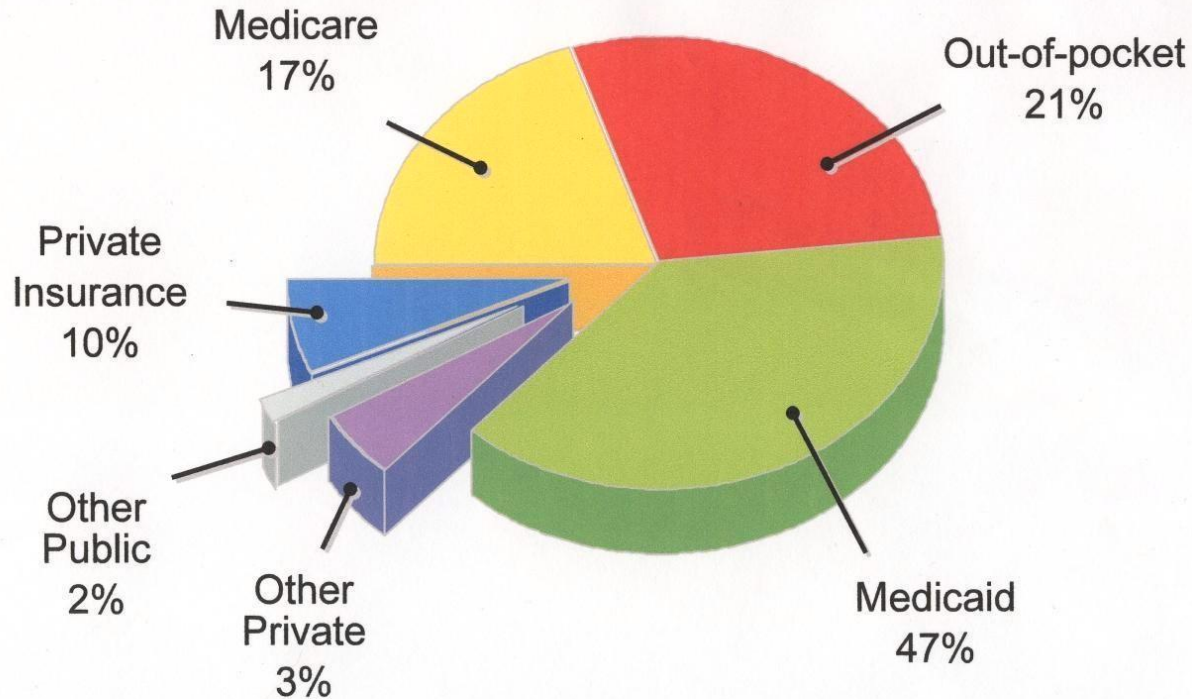
- Financial

- A person who is 65 years or older, or a person who has a disability, may receive Medicaid if he or she meets income and resource (asset) limits set by the program

- Functional

- Long Term Care services target individuals whose health problems may cause them to be functionally limited in performing activities of daily living, require skilled nursing care, or be at risk of nursing facility placement
 - Individuals must have a medical need for services as documented by a physician

Who Pays for LTC?



* Georgetown University Long-Term Care Financing Project, Fact Sheet: "Who Pays for Long-Term Care," May, 2003, as Updated July, 2004

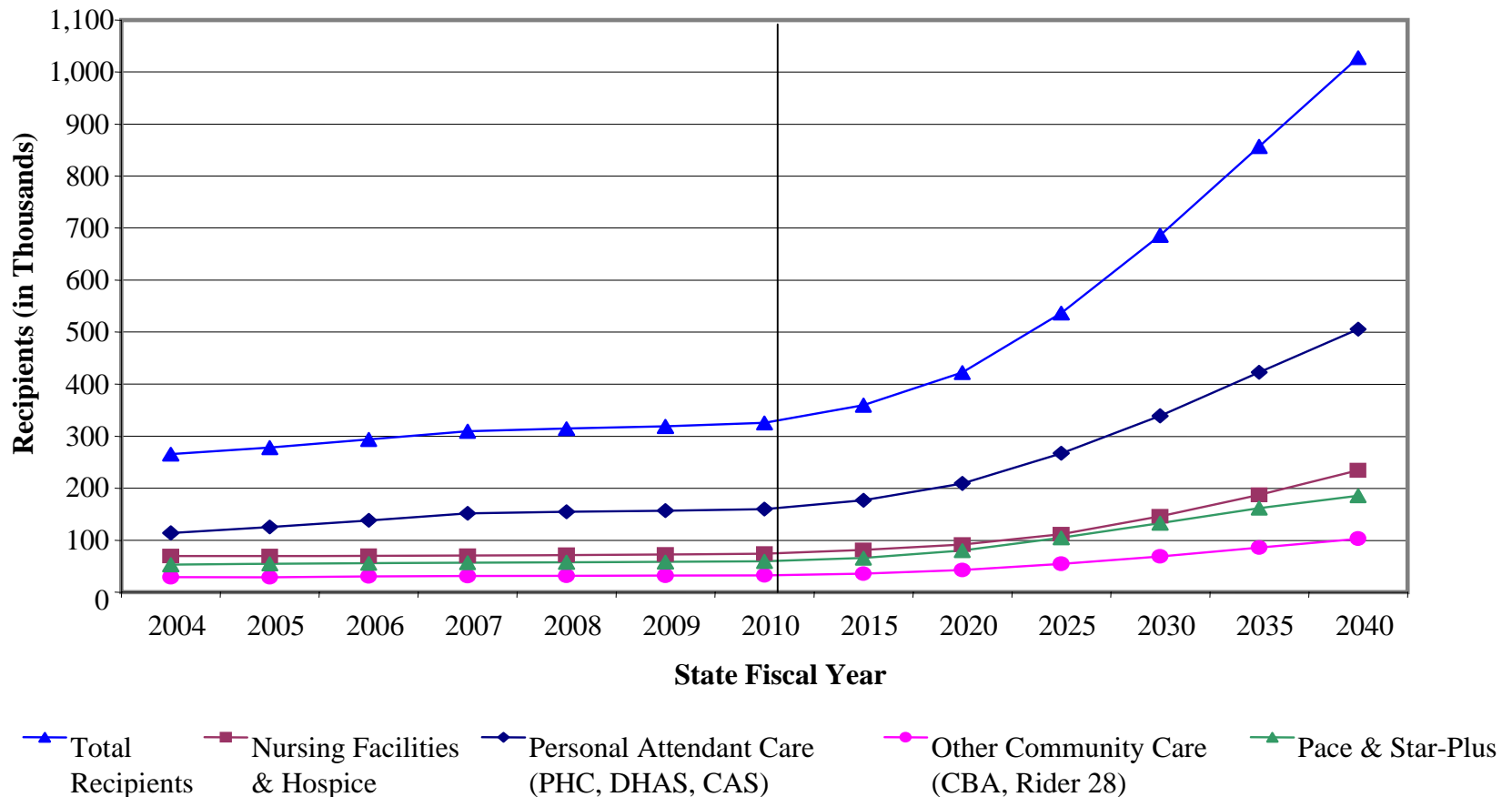
LTC Partnership

- Public-private partnership between state agencies and private insurance providers to encourage purchase of LTC insurance
- Encourages individual planning for LTC needs instead of reliance on Medicaid to fund LTC
- Goal is to reduce Medicaid expenditures by delaying or eliminating need to rely on Medicaid for LTC services
- Consumer protections and benefits
 - Dollar-for-dollar asset protection at Medicaid eligibility and Medicaid Estate Recovery
 - Inflation protection
 - Suitability
 - Reciprocity
 - Tax qualified

Medicaid and LTC Dynamics

- Aging population: Texans 65+ projected to increase from 2.3 million in 2005 to 7.4 million in 2040
- Demand for Services: In 2040, half of Texans aged 65+ expected to have some type of disability and might benefit from LTC services
- Unsustainable Medicaid budget increases
 - Medicaid pays for 67 percent of all Nursing Facility care
 - Texans eligible for Medicaid LTC projected to increase by 370 percent by 2040
 - Texas Medicaid LTC costs could nearly quadruple from \$3.5 billion in 2005 to \$12.5 billion by 2040

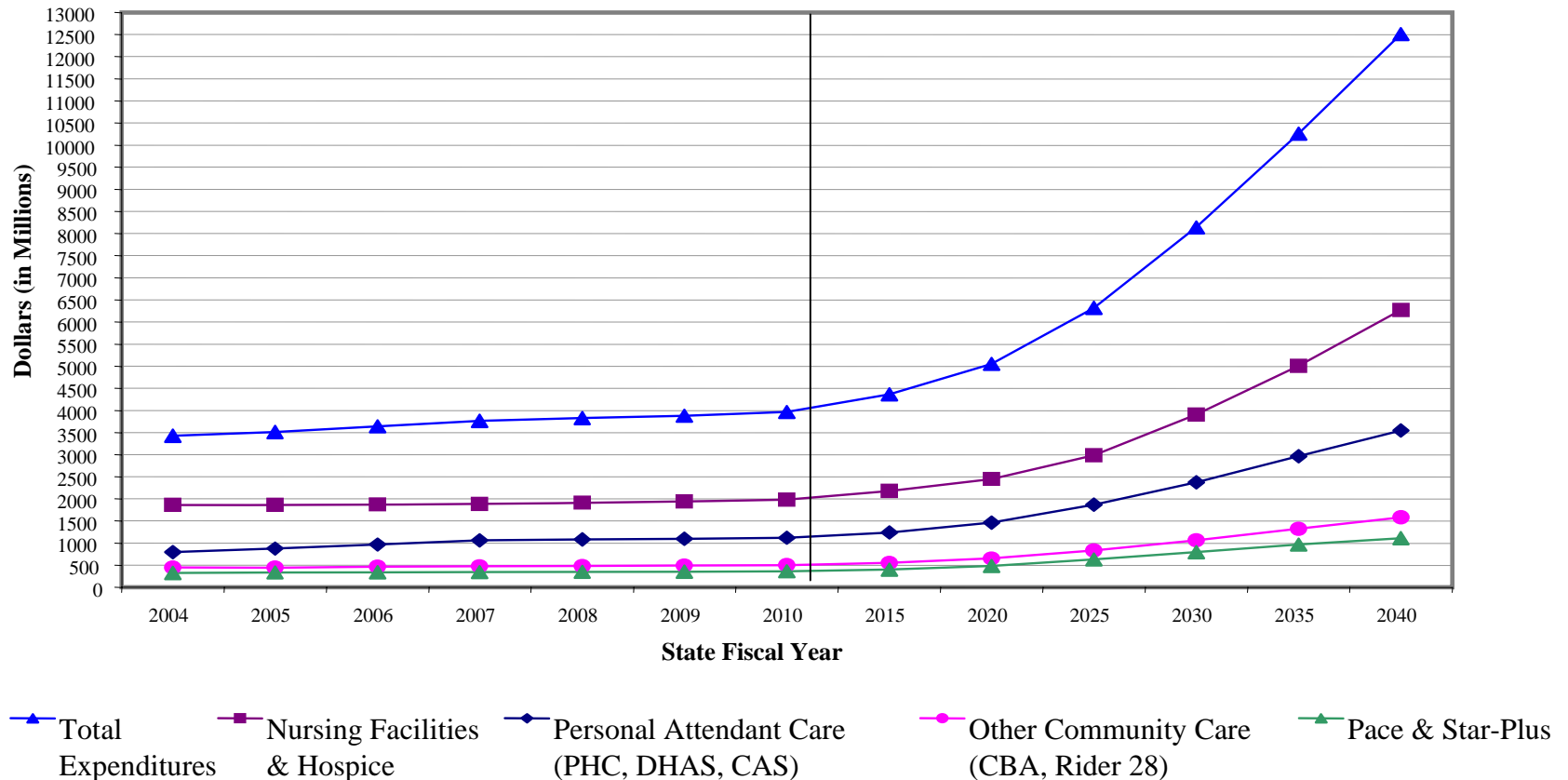
Projected LTC Medicaid Recipients



Note: Data reflect the projected monthly average number of recipients

Source: Texas Health and Human Services Commission, System Forecasting

Projected LTC Medicaid Expenditures



Note: Projected expenditures are based on 2004 dollars

Source: Texas Health and Human Services Commission, System Forecasting

LTC Partnership

- Piloted in 4 states
- Federal Deficit Reduction Act of 2005 (DRA) authorized all states to establish partnership programs
- Senate Bill 22 (80th Legislature, 2007) requires HHSC, TDI and DADS to coordinate efforts to implement a Partnership in Texas
 - Consistent with requirements in DRA
 - Training requirements
 - Adopt rules as necessary
 - Implement awareness and education campaign

Target Population

- Texans aged 45 to 65 -- currently almost 3 million Texans
- Individuals of moderate income
- Individuals who might otherwise rely on Medicaid to meet LTC needs
- Individuals who have assets and want to protect against ‘impoverishment’ before becoming Medicaid-eligible

Key Accomplishments

- Medicaid State Plan Amendment submitted and approved
- Medicaid eligibility rules published in Texas Register April 18, 2008
- Insurance agent Medicaid resource training material posted on website
- Awarded Center for Health Care Strategies technical assistance grant and accepted into RWJ Foundation Strategic Communications Program
- Held training session for AAA Benefits Counselors
- Developing LTC awareness and education campaign and website
 - www.ownyourfuturetexas.org

Status Nationally

- Thirty-five states are developing or have developed Partnership programs
 - 12 have policies for sale (including original 4)
 - 13 additional states have approved State Plan Amendments, including Texas
 - 4 additional states have submitted a State Plan Amendment