

Overhauling our Long Term Care System in RI

It is a time of opportunity and upheaval in long term care in Rhode Island, as evidenced by several steps taken to overhaul our system of care for the frail and aging in the 2009 legislative session. Between the Global Medicaid Waiver, the state budget, and other policy initiatives, these are unprecedented days for long term care providers, and, of course, for our older population and their caregivers. As we overhaul our system of care, the road ahead is long and complex. The demand for assistance will increase as our population ages and providers across the spectrum (as well as the state) are facing significant financial challenges. It is clear that much more needs to be done to address the wide array of elders' needs and ensure that quality care is available and affordable.

The Global Medicaid Waiver which is now being implemented is intended to create greater access to home and community-based services, providing more choice to consumers and caregivers. While much of the news about the waiver focuses on diverting or transitioning people out of nursing homes, it should be emphasized that there will always be a need for nursing home care. The goal is to create more avenues to receive (and pay for) long term services and supports in addition to traditional nursing home care. As mission-driven, non-profit providers, we understand this shift in philosophy and recognize the need for our industry to adapt in a responsible way.

Indeed, the number of nursing home beds paid for by Medicaid has been declining already, by about 8 percent between 2004 and 2007. As we move forward, and further contraction occurs, there should be a thoughtful, deliberate plan to downsize nursing homes in the state. All options should be on the table, such as conversions to other forms of housing, and addressing anachronistic measures such as the payment scheme in which the state pays some nursing homes for beds that are not being used. This practice, called "beds out of service," is counterintuitive to the economics of supply and demand. We can no longer afford to subsidize some nursing homes to maintain unused beds if we are trying to reduce beds.

Despite the declining rates of nursing home use, many providers continue to look ahead and explore new ways of fulfilling their mission of caring for our older population. A promising trend in senior care is toward small household or neighborhood models (sometimes known as the Green House® model), which provides skilled nursing care in smaller, more intimate settings. Current laws limit the development of these models, but Senate President Theresa Paiva-Weed has called for a commission to review ways to bring this innovative new option to Rhode Island.

On a cautionary note, the impending closure of Saint Francis House in Woonsocket has sounded the alarm bell for many long term care providers throughout the state. Stagnant reimbursement rates for assisted living residences who care for those on Medicaid and SSI have been chronic problems but the loss of this Woonsocket-based assisted living residence is a clear indication that providers are on the brink, and as a result there are 57 fewer subsidized assisted living rooms available in our state, at a time when such options are already limited. Assisted living is poised to play a key role in long term care reform, and a comprehensive approach to rate reform for assisted living residences must be a priority.

An increasingly important opportunity for elders and caregivers are adult day health centers, which provide intensive services to frail and impaired older adults. These

centers, which care for a large number of individuals on state subsidized programs, have also had reimbursement challenges, which will be exacerbated as they care for more sick and frail individuals under the Global Medicaid Waiver. A dramatic cost share for low-income individuals to pay for these services was averted in this year's budget. Going forward, we should be looking at actually *reducing* the barriers to this low-cost, effective method of care, which would save the state money.

Lastly, given the realities of government budgets and our population demographics, alternative financing methods for long-term care need to be expanded. Medicaid is currently the primary payer of such care, but this is not sustainable, even with the Global Medicaid Waiver. Moreover, the federal stimulus bill provided a significant infusion of Medicaid funds to help avoid further cuts, but this funding expires in December 2010, creating what some are calling a "Medicaid cliff." It is clear that individuals and society have a responsibility to better plan for long term care costs. A proposal included in the current health care reform effort called the CLASS Act would establish a national long term care insurance trust and has attracted bipartisan support, and could establish a foundation for long term care financing options.

Everyone shares the goal of creating a system of quality care that works for our elders, their caregivers, and the taxpayers of the state. Quality care should mean skilled, appropriate care at an affordable price that benefits the individual and the community at large. It is an ambitious but achievable goal, to which RIAFSA members are committed.

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