Balancing Long-Term Care in Iowa: Lessons from New Jersey and Other States

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Goals

Iowa Town Meeting on Long Term Care

- Learn from policymakers in other states facing similar long-term care challenges.
- Explain why NJ wanted to reform its system and how it went about it.
- Stimulate Iowans’ recommendations to improve LTC public policy.
Guiding Principles
Change Dynamics
Dialogue
Consensus
Courage
Persistence
The President’s New Freedom Initiative (NFI)

NFI represents an important commitment towards ensuring that all Americans have the opportunity to:

- develop skills
- engage in productive work
- chose where to live
- participate in community life
National Progress, But Far to Go

- Most Medicaid funds for long-term support services are still spent on institutional services.

- In 2001, 70% spent on institutional care (nursing facilities (NF) and Intermediate Care Facilities for the Mentally Retarded (ICFs-MR)).
MEDICAID LONG TERM SUPPORT EXPENDITURES
Institutional vs. Home & Community-Based Services

Source: CMS Form 64. Institutional expenditures include nursing facility and ICF/MR charges for all years. HCBS expenditures include home health in 1980, and home health, personal care and HCBS service expenditures for 1985-2002.
States Offer Ideas and Experiences--Some Examples

- Oregon
- Maine
- Washington
- Wisconsin
- Cash & Counseling States
- New Jersey
The Milbank Report:
A Chronicling of New Jersey’s Recent Experience

www.milbank.org/reports/030314newjersey
Background and Goals

Two Forces for Change in New Jersey:

- Public discussion helped lay foundation of support for change and introduce new concepts in long-term care.
  - 2 sets of statewide public forums highlighted consumer dissatisfaction with long-term care.

- Leaders in long-term care entered public service and championed change.
  - External and Internal forces for change
  - Focus on older adults at first as Oregon did
Three-Pronged Strategy

Consolidation at state level
Create more choices for HCBS services
Help consumers find choices
The primary goal of consolidating senior services into one department in 1996 was to promote independence, dignity and choice for NJ’s 1.4 million older adults -- and to coordinate policies, budgets and programs to that end.
The Consolidation Process

1996 Governor’s Reorganization Plan:

- More than 20 programs and 600 staff members from four different state departments were consolidated into a single Division of Senior Services @ Department of Health and Senior Services
The Consolidation Process

**Division of Senior Services:**

- Create new long-term care alternatives and oversee their quality through licensing and certification.
- Inform older adults and the people who care for them about their options.
- Pay for senior services through private, state, Medicaid, Older Americans Act funding--and any other funding source.
The Consolidation Process

Organizational Complexities:

- Medicaid agency
- Aging agency for services under Older Americans Act through U.S. Administration on Aging
More Home and Community Based Services

Consumer directed services for older adults
State funded
Medicaid funded

Cash & Counseling in sister agency

Assisted Living and Adult Foster Care

Caregiver Support and Respite
Help Consumers Find Choices

- NJ EASE (New Jersey Easy Access Single Entry)
- Community Choice Counseling
Outcomes of the Consolidation

Rebalancing LTC Budget from Institutional to HCBS -- “Rebalancing” Indicators:

- SFY 1997 92.7% of public funds was for institutional care and 7.3% for HCBS.
- SFY 2002 decreased to 84.7% of public funds for institutional care and increased to 15.3% for HCBS.
- SFY 2003 allocated 82.8% for institutional care and 17.2% for HCBS.
New Jersey Department of Health and Senior Services
Long Term Care Funding Allocation (State Share)

FY 1997

Home and Community
7.3%

Nursing Homes
92.7%

Total LTC allocation was $591.7 million

Home and Community Programs
- CCPED
- Respite Care
- Home Care Expansion Program
- Medical Day Care
- Older Americans Act
- Alzheimer's
- Safe Housing and Transportation
- Congregate Housing
New Jersey Department of Health and Senior Services
Long Term Care Funding Allocation (State Share)

FY 2002

Home and Community
15.3%

Nursing Homes
84.7%

Total LTC allocation was $747.5 million
NF Actual Recipients vs. Recipients Without Reductions

Actual  Without Reductions

Average Monthly Caseload: Nursing Homes

FY 97 | FY 98 | FY 99 | FY 00 | FY 01 | FY 02
---|---|---|---|---|---
34,000 | 33,000 | 32,000 | 31,000 | 30,000 | 29,000 | 28,000 | 27,000
Average Monthly Caseload: HCBS Programs
Remaining Challenges

**LTC Rebalancing Efforts are Proceeding:**

- Nursing home occupancy dropped 10%, i.e. over 3,000 fewer nursing home residents, from 1999 to 2003.

- Since its start in March 1998 through Dec. 21, 2002, Community Choice Counseling has transitioned over 4,000 nursing home residents to less costly alternative living arrangements.
Remaining Challenges

Two Policy Concerns:

- NJ still plans to spend about 80% of dollars earmarked for long-term care of older adults on institutional care.

- NJ needs to develop measures that help track progress in a national context.
Remaining Challenges

Challenges in Accelerating Change in 2003:

- Implementation of NJ EASE--New Resource Centers will include younger persons with disabilities
- Fragmentation of some HCBS between state departments
- Inconsistent policies among Medicaid waivers and services and caps on some of these services
- Economic constraints facing states today
- Tracking and accountability
Remaining Challenges

Problems with NJ EASE Implementation:

- Limited statewide public awareness campaign; counties responsible for promoting NJ EASE.

- Goal of “single entry system” achieved in some counties, but not as a statewide network for people of all ages and disabilities.
Remaining Challenges

**Inconsistent Policies among Services:**

- Eligibility inconsistencies
- Cost share/co-payment inconsistencies
- Service package inconsistencies
- HCBS funding inconsistencies
Remaining Challenges

**Tracking and Accountability:**

- Data tracking and accountability mechanisms are underdeveloped -- need better assessment tool that tracks people across settings.

- Need system to track service quality and consumer satisfaction from setting to setting.
Recommendations for the Future

Recommendations for New Jersey:

- Evaluate NJ EASE and evolve into new Resource Centers.
- Encourage consumers and stakeholders to formulate statewide policy with strategies -- to emphasize the long-term services and residential settings that people need and prefer.
- Develop a comprehensive data tracking system for better accountability and measuring progress.
Recommendations for the Future

National Implications:

- Encourage a civic process.
- Develop a clear statement of underlying values to help focus the policy process.
- Recognize that these values mean little without actual services and access to them.
- Identify the champions.
- Develop and support staff members.
Recommendations for the Future

National Implications:

- Leverage consumers’ desire to remain at home and the state’s desire to minimize expensive institutional programs as complementary, formidable forces for change.

- Understand that LTC reform is multi-faceted: it includes health promotion, disease prevention and regulatory reform as well as HCBS.

- Use Medicaid waivers and additional state dollars creatively to expand HCBS to help consumers at all income levels.
Recommendations for the Future

**National Implications:**

- Develop user-friendly local structures, close to the consumer.

- Develop a universal pre-admission screening tool to assess the needs of people seeking LTC.

- Acknowledge that state activities are constrained or allowed by federal statutes, regulations and interpretations.

- Examine issues in integrating services for older adults, younger people with disabilities and people with developmental disabilities.
Real Choice Systems Change Grants and Enduring Systems Change

- Real Choice Systems Change grants
- Aging and Disability Resource Center grants
National Movement: Emphasis on the Individual

Unit of funding should be centered more on the individual than on providers

Need array of choices for long term supports and services

Consumer choice and control should be promoted
Key Concepts are *Money Follows the Person* and *Rebalancing the Long-Term Support System*

- **Money Follows the Person** = financing for services and supports moves with the person to the most appropriate and preferred setting.

- **Rebalancing** = reduced reliance on institutional options, increased community options.
Key Building Blocks of a Consumer Driven System

PERSON
Philosophy of self-direction and individual control in legislation, policies, and practices

Coherent Systems Management

Access
Comprehensive information, simplified eligibility, and single access points

Financing
A seamless funding system supporting individual choice

Services
Responsive supports across settings and provider types

Quality Improvement
Comprehensive systems that assure quality of life and services

Community Life
Shaping Future

- Nursing Home capacity
- Baby Boomers may not need as many beds as you might think
- Baby Boomers who need care outside of home will want different kind of nursing homes
- Advocates will push for Home and Community-Based Care
Shaping Future

- Help providers transform in new market
- Confront workforce issues now
- Support caregivers
- Evaluate policies and programs