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Are Seniors Going to Lose Long Term Care Coverage- How will they be cared for?

May 17, 2011 by Deirdre Wheatley-Liss



Elderlawanswers reports this week that congressional proposals to change Medicaid funding target cutting services to seniors. The report takes the position that block funding of Medicaid will underfund Medicaid to the states. The states will then have to cut back on services, which is disproportionately affect the elderly as they are the biggest users of Medicaid services. I note that if Medicaid paid even a portion for home care as it does for nursing home care, it would likely cost less to care for our senior population, and more people could be cared for in their homes, which is where they would like to be in the first place.

The full text of the article with links is below:

After the fierce backlash against their plan to privatize Medicare, Republican strategists are focusing on their proposal to cut \$750 billion from Medicaid. Ironically, policy experts say that scheme would have a much greater impact on today's elderly and near-elderly than the Medicare proposal ever would. A flurry of reports released by different groups paint an alarming picture of millions of nursing home residents and those who receive long-term care at home losing Medicaid coverage over the next decade if the Republican plan becomes law.

"This is a huge deal for the nation's seniors, and it's been largely unrecognized," Jocelyn Guyer, the co-executive director of the Center for Children and Families at the Georgetown University Health Policy Institute, told the New York Times.

The plans for Medicaid, part of the budget bill recently passed by the Republican-led House, would turn Medicaid funding to states into a "block grant," something proposed by George W. Bush in 2003 and by Newt Gingrich in 1995.

Under the current system, the federal government matches every dollar that states spend on Medicaid, no matter how high the total goes. Under the House Republican plan, starting in 2013 states would receive a fixed amount every year, which would only increase with population growth and the overall cost of living, not health care costs. If a state's Medicaid costs are higher than its block grant will cover, the state would have to make up the difference, either by spending more of its own money or by restricting eligibility for Medicaid (including nursing home coverage), reducing covered services, or cutting payment rates to health care providers. The Republican plan would make it easier for states to cut benefits and limit eligibility by giving them more flexibility in designing their Medicaid programs than it now permits.

According to the non-partisan Congressional Budget Office (CBO), the federal block grants would not come close to meeting states' needs. The Office predicts that by 2022 federal funding for Medicaid would fall 35 percent below what the federal government now is projected to provide states, and the



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shortfall would be 49 percent by 2030. Eight states -- including Florida, Colorado and Georgia -- would lose more than 40 percent of their federal funding for Medicaid over the next decade, according to a separate analysis by the Urban Institute released by the Kaiser Family Foundation.

Relaxing or eliminating federal requirements would mean more uninsured or underinsured citizens. The Urban Institute predicts that between 31 million and 44 million fewer people would be enrolled in Medicaid in the next decade, and most would be left without insurance coverage.

States desperate to cut Medicaid costs would likely turn first to services for the elderly and disabled because that's where the money is. Although only 23 percent of people enrolled in Medicaid in 2010 were elderly or disabled, they accounted for 64 percent of Medicaid spending, according to the CBO, and seven of 10 nursing home residents are on Medicaid.

In its own report, titled "The High Cost of Capping Federal Medicaid Funding," the AARP says that the cumulative effect of giving states the option to change their Medicaid rules "could cause millions of poor -- as well as formerly middle-class people who have exhausted their life savings and rely on the Medicaid program -- to lose access to the long-term care services that Medicare does not provide."

Based on of its long experience ensuring that states do not limit eligibility and benefits, the National Senior Citizens Law Center says that the result of block granting Medicaid would mean taking health care coverage away from millions of low-income older adults and people with disabilities.

"In the name of 'flexibility' and state's rights, America's safety net could be ripped to shreds," the group warns in a new Policy Issue Brief, "Medicaid Block Grants: Attacking the Safety Net for Low-Income Older Adults." The Brief outlines eight ways that Medicaid block grants could hurt elderly Medicaid recipients or their families:

1. It could be harder to qualify for benefits
2. Coverage for long-term care services and supports could be threatened
3. Access to nursing home care could be lost
4. Availability of essential services could be eliminated
5. Those with both Medicare and Medicaid could be at risk
6. Spouses of Medicaid nursing home residents could be impoverished
7. Nursing home consumers would lose protection
8. Getting medical equipment and supplies could become difficult

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