
NEWS

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PHCA Commends Goals, Intent of Administration's Community Choice Initiative, But Questions Remain

With Pilot Program About to Expand Statewide, Cost and Quality Issues Still Require Proper Examination

Harrisburg, PA – Testifying before the Senate Aging and Youth Committee, chaired by Senator Jane Orié (R-Allegheny, Butler), the President and CEO of the Pennsylvania Health Care Association (PHCA) praised the goals and intent of the Rendell Administration's Community Choice "rebalancing" initiative, and said that as the program will soon expand beyond pilot status, a careful evaluation of cost, care quality and other tangential issues is warranted. PHCA also commended Senator Orié and her colleagues on the Senate Aging Committee for their leadership on aging services issues facing the Commonwealth.

"Now that the Community Choice demonstration project has been in existence for nearly 18 months, and the Administration is poised to launch the program across the Commonwealth, we would do well to consider whether the project has succeeded in achieving its stated objectives and what lessons may be learned from the project to date," said Alan G. Rosenbloom, President and CEO of PHCA.

In noting that Community Choice has indeed "expedited eligibility determinations for home and community-based services (HCBS)," Rosenbloom suggested the streamlined eligibility process pioneered by Community Choice should be applied to nursing homes as well. "From the clinical perspective, the eligibility standards are identical," he told the Committee. "There is no valid reason that precisely the same forms and processes cannot be used for nursing homes as well."

Costs of HCBS

Rosenbloom said it is still not clear that Community Choice, or Medicaid-funded or government-funded HCBS programs, is reducing or slowing government expenditures for long term care services. According to recent data from the Department of Public Welfare, he said, the number of individuals served in Medicaid-funded HCBS programs increased by nearly 30% over the past two years, and the Governor's proposed budget projects continuing expansion in these services.

At the same time, however, according to a report released by the Legislative Budget and Finance Committee last month, nursing home capacity in Pennsylvania increased during the same period, as did occupancy, Medicaid utilization rates and acuity of need for all residents regardless of payer source. "A reasonable inference from these facts is that we are witnessing modest growth in the need for nursing home care at that same time that we are seeing substantial growth in government-funded HCBS services," he continued. "The overall budgetary implications suggest greater expenditures, rather than lesser expenditures, than would otherwise be the case absent significant HCBS expansion."

In fact, he said, it is increasingly clear that HCBS does not save government expenditures and that, while it nonetheless may be sound public policy, "it is not the budgetary panacea some have claimed." While it is true that, both in Pennsylvania and nationally, a higher percentage of Medicaid long term care expenditures is spent on facility-based care than on HCBS, Rosenbloom said it is also true that, for the segment of the long term care population whose care and service needs are less intensive, as well as for a younger disabled population who frequently have greater decision-making capacity than seniors who suffer disproportionately from dementia, expanded HCBS makes sense.

“The appropriate balance between nursing home care and HCBS, however, cannot be gleaned merely from the percentage of Medicaid funding devoted to such services,” the PHCA President and CEO stated. “This characterization is simplistic and fails to consider the growing acuity need created by our aging population.”

HCBS Costs Versus Facility Costs an Invalid Comparison

Rosenbloom also questioned the characterization that HCBS is less costly than facility-based care: “While there is no doubt that the average Medicaid cost per beneficiary is less for HCBS than for nursing home care, nursing home residents generally require much more intensive and costly services than Medicaid beneficiaries receiving care and services in the community. It is no accident that, as more Medicaid beneficiaries receive HCBS, the acuity levels for Medicaid recipients in nursing home residents increases as well. We certainly have witnessed this phenomenon in Pennsylvania.”

In addition, he pointed out the Medicaid-only comparison is “spurious.” The Medicaid rate for nursing home care and services includes not only 24-hour-a-day, seven-day-a-week nursing care, it also includes room and board and a variety of social and supportive services. “In HCBS, many of these costs become externalized, either to other government programs or to private parties.”

In assessing the comparative costs to government of nursing home care and HCBS, Rosenbloom continued, it is essential to include all government expenditures, not merely Medicaid expenditures, before concluding that HCBS provides substantially similar care and services to a substantially similar population for substantially less government money. “If the government simply shifts the burden of paying for care from itself to the Medicaid recipient and his or her family and friends, however, then government simply adds to the already substantial burdens borne by informal caregivers. Informal caregivers already provide the lion’s share of long term care and services. They typically provide eight years of long term care services to loved ones, averaging nearly 18 hours of care per week and bearing out-of-pocket expenses as high as \$20,000 annually. We should examine closely the degree to which family and friends are able to assume this burden.”

Need for HCBS Quality Standards

Finally, Rosenbloom said PHCA is also concerned there is insufficient quality oversight for government-funded HCBS programs in Pennsylvania, and disappointed with the approach the Administration has taken to this issue, whether in the Community Choice Program, government-funded HCBS more broadly, or legislative efforts to create a balanced and integrated regulatory system for Pennsylvania’s long term care delivery system.

“Last session, for example, the Administration promoted changes to the then-pending home care licensure bill that effectively exempted Medicaid-funded HCBS providers from licensure and regulatory oversight, on the theory that such programs already had sufficient oversight,” testified Rosenbloom. “In fact, recent developments in Pennsylvania and nationally have demonstrated that current oversight is insufficient to protect vulnerable populations, particularly given national data confirming that individuals who require long term care and services are at greater risk for abuse, neglect and mistreatment in HCBS settings, particularly their own homes, than in facility-based settings.”

In conclusion, Rosenbloom noted the Community Choice program, and continuing expansion of government-funded HCBS, are centerpiece of the Administration’s vision for reform of the Commonwealth’s long term care delivery system, and said, “With appropriate oversight, we believe that HCBS expansion is crucial to Pennsylvania’s ability to meet demand in the future. We also believe, however, that such expansion must be based on facts, not ideology, and that a vision that treats nursing homes and other facility-based providers with benign -- or possibly malign -- neglect ill serves the Commonwealth, particularly its older residents.

To view the PHCA testimony, go to http://www.phca.org/docs/AGR_Testimony_SenateAgingYouth_5_3_05.pdf.

PHCA is a statewide membership services organization representing approximately 300 long-term care and senior service providers throughout the Commonwealth. Additional information about PHCA is available by calling 717-221-1800 or visiting www.phca.org.

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