

## Testimony by

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I am Stuart Shapiro, the CEO of the Pennsylvania Health Care Association, a statewide advocacy organization for the commonwealth's elderly and disabled residents and their providers of care. Our mission is to ensure that those who need long-term care receive quality services in the most appropriate setting as they age. We represent more than 450 long-term care and senior service providers that care for more than 45,000 elderly and disabled individuals daily.

I am pleased to be here, and I want to personally say welcome to the new members of this important committee. I look forward to working closely with you, as I have with every past member whether they had a D or an R after their name. Your work is important because you have in your hand the health and welfare of Pennsylvania's 2 million seniors, their families and those who help them live life to the fullest as they age.

Last week I was talking with Chairman Hennessey, and he said with that famous Irish Brogue, "Stuart, what makes this report different from all the others that are on my shelf? Is there anything new?"

My answer to that question, is the foundation of my testimony.

I said, Mr. Chairman: "This Report is **really** different. It is different because, for the first time, all of the 24 plus stakeholders endorsed the report and this report really broke new ground in its recommendations."

I indicated that all of my recommendation were not taken exactly as I would have preferred, and, that I did not like every word, every idea, and every recommendation, but, in the end, the report was a compromise document, much like legislation, that gives a roadmap that can work. So I voted yes, and, the compromise was unanimously endorsed by every member of the Commission.

Then I said, “Mr. Chairman, the new ground that this report broke was the unanimously endorsed recommendation **that it was good policy to take into account the fiscal realities that our Commonwealth faces along with cost-effectiveness in determining where care should be provided.**”

The recommendation is clear that the location of care is no longer just about “want”, and consumer choice, but other factors like cost effectiveness should to be considered. This is indeed new ground, and I was really glad to be part of the diverse group of stakeholders that endorsed it along with the recommendation that the goal is to serve the greatest number of individuals.

Allow me to quote from Page 25, Recommendation 4, which states: **“MAKE THE LTSS SYSTEM FISCALLY SUSTAINABLE.”** Then in the Background section also on page 25, the report was unequivocal stating: “Both public comments and Commission discussions highlighted the many fiscal challenges confronting Pennsylvania’s current LTSS system...and the Commissioners considered how the current system could be changed to make it more fiscally sustainable....”

Likewise the first Strategy, 4.1, on page 26, of the Report stated: **“Serve the greatest number of individuals in the safest, most appropriate, least restrictive, and cost-effective setting possible with the limited available state and federal resources”**

**That is the first time I have seen the words cost-effective used in this type of report.**

The Life Program here in Pennsylvania is an example of a cost-effective program that effectively combines Medicare and Medicaid dollars.

Let me be clear, I fully endorse and support individuals remaining in their homes receiving services under the Commonwealth’s Medicaid program for as long as it is safe and for as long as it is cost effective. No-one should be in a nursing home who does not need the type of services provide there on a 24/7 basis.

I also believe that the citizens of Pennsylvania, just like members of this Committee and Commission members, want the **greatest number of individuals served with limited resources.**

Thus, I suspect that the citizens of Pennsylvania (along with this Committee) would be very surprised to learn that in many cases the Medicaid program, under the various waiver programs, is paying more than \$150,000 annually to care for individuals in their homes when the annual cost is only about \$50,000 in a nursing home.

For example, based on data given to the Commission, there are over 1100 individuals, **in just the Aging Waiver**, where the annual cost of individuals' care is higher than in a nursing home. When care can be provided safely for less in a person's home than in a nursing home, it should be, and no-one should be in a nursing home who does not need 24/7 care.

On the other hand, I do question whether the tax payer funded Medicaid program should be paying far more for round the clock care in the person's home when quality care can be given in one of Pennsylvania's nursing homes at a lower cost. If we set a ceiling at the cost of care in a nursing home, which is allowed by the Federal Government for the waiver programs, with the same dollars many more people could be served with the considerable savings.

Before closing, I would now like to briefly focus on three other important strategic recommendations which individually are very important, and all tie back to recommendation 4....financially sustaining the LTSS system.

**Strategy 3.1 on page 23, urges the adoption of a single uniform assessment tool by September 30, 2015 that collects comparable data elements at specified intervals for all LTSS consumers in all Commonwealth funded LTSS settings.**

This was mandated in ACT 56, SB 704, of 2007, and is also a key deliverable for Pennsylvania with the enhanced federal matching dollars the Department of Human Services is getting under the Balancing Incentive Program. **Without this we will never have comparable data to monitor and understand what the Commonwealth is paying for, what the quality of care really is, and whether we are getting the type of outcomes that our seniors deserve. We also can't be sure that we're getting the value that our taxpayers demand for their investment in long-term care.**

**Strategic Recommendation 2.1 on page 16, calls for Streamlining, standardizing, and expediting the Eligibility Process for all seeking LTSSs.**

This is very important to correct so that we can assure that individuals receive care in the least restrictive and cost effective setting possible. Consumers should be able to return to their homes from a hospital visit, or stay in their homes, when the home is safe and cost effective for care. The eligibility process should not put barriers in the way.

**Finally, I would like to focus on Strategic Recommendation 1.1 on page 9. Develop and Implement a LTSS Coordinated Integrated Demonstration Project.**

That is LTSS jargon for a Managed Care for the Elderly demonstration project.

On the subject of managed care for the elderly, I do have very strong feelings. Thirty states are experimenting with managed care under Medicaid for the elderly. I use the word experimenting purposely for there are NO CONCLUSIVE RESULTS that show that managed care improves care or outcomes, gives consumers choice, and saves money. **In fact, preliminary data seems to say that it does none of these.**

While I believe Pennsylvania is most prudent to wait for some real and consistent data from other states that the elderly are not hurt by so called managed care and that managed care actually save the state money, I did vote yes on the report's recommendation for small geographically limited demonstration projects that are voluntary, person centered and developed with real stakeholder involvement. I would also like to note that the report also endorsed **not proceeding unless the demonstration's outcomes are positive on a number of parameters. I happen to believe that any demonstration should include both Medicaid and Medicare dollars as the major cost saver is reduced hospitalizations paid by Medicare, but that is a discussion for another day.**

I urge this committee, the Wolf Administration, and the entire legislature to look skeptically on the suggestion that managed care will save the State money and improve care. The data is just not there to prove this.

I again want to thank the Committee for holding this hearing. I will be pleased to answer any further questions.