

Indiana Home Care Task Force
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For Immediate Release: Tuesday, February 23, 2010

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Indiana can act now to stop the harm being caused to senior citizens, persons with disabilities, children, and taxpayersand save money

(Indianapolis) Today, civic leaders appealed to public and private leaders to join citizens across the state in stepping forward in support of policies that will provide and grow lower cost and better home and community based services, keep vulnerable Hoosiers from being forced into nursing homes, and lower the cost of state government.

John Cardwell, director of The Generations Project and president of Hoosiers First; *Elmer Blankenship*, president of the Indiana Alliance for Retired Americans, *Jim Wallihan*, president of United Senior Action of Indiana, and *Nancy Griffin*, a leader in several organizations representing persons with disabilities and senior citizens, presented a joint statement entitled “a solution to the crisis facing Indiana’s most vulnerable citizens.” The four civic leaders are also active in the Indiana Home Care Task Force, a statewide voluntary alliance of citizens and organizations representing senior citizens, persons with disabilities, long term care professionals, and community leaders.

The Joint Statement contains the following findings:

One, the home and community based services reforms will dramatically expand the opportunities for senior citizens and persons with disabilities to access low cost and high quality home care and related services .

Two, the home care options currently not used or under used in Indiana can save taxpayers and the state of Indiana money. In other states presumptive eligibility, individual provider networks, self-directed care, self-funding Medicaid mechanisms, and cost containment clauses all save money while growing the home care services that produce better health outcomes while stopping involuntary and highly expensive nursing home enrollments.

Three, removing the barriers to federal benefits programs (Medicaid, Supplement Nutrition Assistance, and Temporary Family Assistance) will save taxpayers and the state of Indiana money by providing services in a timely manner, keeping people healthier, and avoiding costly litigation.

Four, the Joint Statement also concluded the *failure* to provide needed home and community based services, including home care and basic public benefits, will continue to result in large increases in the state's Medicaid budget, larger bills for taxpayers, and poorer health outcomes for senior citizen, persons with disabilities, and vulnerable children.

The Joint Statement begins on the following page.

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A Solution to the Crisis Facing Indiana's Most Vulnerable Citizens

Today, as leaders of organizations representing senior citizens and persons with disabilities, we are imploring public and private leaders in Indiana to take action to protect the state's most vulnerable citizens, to better serve the taxpayers of Indiana, and to save the state money.

The opportunity to do this is possible because the General Assembly enacted Senate Enrolled Act 493 in 2003, a sweeping home care reform law, and since that time many aspects of that measure have been put in place. Nonetheless, critical steps have not been taken. With the state facing a fiscal crisis now is the time to complete the transition from a long term care system based on expensive nursing home care to a system fully driven by home and community based services (HCBS). This new vision of long term care does include high quality nursing home care as a viable option among a full array of high quality options. Transitioning to this fully balanced, or re-balanced system, will save the state money, protect taxpayers, and provide people with critically needed HCBS.

These issues, involving home and community based services that are vital to the health and wellbeing of low income senior citizens, persons with disabilities, and families with children who have disabilities, are reflected in the following Joint Statement.

We are asking public and private policy makers to do two things: (1) expand lower cost home and community based services (HCBS) while reducing the use of costly and inappropriately applied nursing home care, and (2) improve the monitoring and the service requirements of Indiana's recently privatized system of public benefits for low income Hoosiers. Combined, implementing policies that achieve these ends will **reduce** the overall costs of the programs and services that are necessary for senior citizens and persons with disabilities to maintain their health and quality of life.

These actions are necessary because Indiana is once again driving up nursing home enrollments while suppressing the use of home and community based services through Medicaid waivers and the CHOICE program. The state is also making our public benefits (welfare) system more expensive and less efficient through its failed privatization experiment.

At this very moment, enrollments for Medicaid waivers have been capped through the rest of the fiscal year, 4.77 million dollars appropriated for CHOICE are being withheld by the state administration, and the combined waiting lists for the programs have now blossomed to over 3,200 people. Concurrently, nursing home enrollments through the Medicaid program are once again rising, going from a daily census of around 25,000 to nearly 27,500 in less than three years. This is happening even though home care services through Medicaid waivers or the CHOICE program are far cheaper and produce better health care outcomes. How can anyone justify sending an individual to a nursing home at an average cost to the public of \$50,000 per year if that same person could be served through CHOICE at an average cost of slightly more than \$5,000 per year? How can anyone justify a failure to act when Hoosiers are

being pulled from their families and homes, placed in institutions, and taxpayers are being stuck with the bill?

At this very moment, the state continues to operate a grossly dysfunctional welfare system as a result of its failed privatization experiment. The consequences continue to be brutal. In state fiscal year 2009, it appears welfare privatization and modernization played a large role in over 240,000 “failure to cooperate” denials being issued to Hoosiers seeking medical, nutrition and temporary family assistance services. Uncounted millions in food stamp benefits have been lost, perhaps numbering in the tens of millions of dollars, for the poorest of the poor. According to the Ft. Wayne *Journal Gazette*, a recent *Hunger in America* survey showed a dramatic downturn in food stamp utilization in nine northeast Indiana counties from 41 to 28 percent. These counties had a 12.1 unemployment rate! The survey outcomes can only be rationally explained as an outcome of privatization and modernization. The same survey found a 64 percent increase nationwide in food stamp utilization. How can anyone justify a failure to act when it is clear welfare privatization and modernization continue to place the health and the lives of frail seniors, person with disabilities, and vulnerable children at risk?

We are asking policy makers to take five specific actions regarding HCBS in Indiana. (1) Allow an area agency on aging to authorize the provision of home and community based services for a senior citizen or a person with disabilities through the Medicaid program as soon as it is determined an individual is eligible for those services. (2) Establish an individual provider network so people who need home care can hire qualified individuals to provide those services. (3) Expand self-directed care to include family members when qualified and under specified conditions. (4) Use a Medicaid home and community based services (HCBS) self-funding mechanism in order to reduce the over use of nursing home care and to expand home care without having to increase the state’s Medicaid outlays. (5) Require the above provisions to stay within the limits of available state and federal funding for HCBS.

We recognize the state administration has taken a hardened position in opposing specific welfare reforms at this time. Given that reality, we are asking policy makers to take two general actions. (1) Establish a permanent bipartisan public benefit (welfare) oversight committee. (2) Establish a baseline of procedures and practices that will substantially improve the quality of service and care received by individuals and families who must use Medicaid, the Supplemental Nutrition Assistance Program, and the Temporary Assistance for Needy Families program.

These improved procedures and practices must include full compliance with federal and state law, full protection of the civil and human rights of clients, services provided in a timely and safe manner, local offices located in places accessible to persons with disabilities and the indigent, serving clients with disabilities in their homes as needed, publishing local welfare office phone numbers, using client friendly technology, granting clients access to the information in their files, multiple mediums for applying for benefits, serving providers promptly, and several steps to improve quality throughout the system. These substantial improvements can be made even while the state continues to experiment with alternative models for administering public benefits in the state.

We have been told these changes cannot be implemented because they will cost more money. That is not true. The opposite is true. **The aforementioned home and community based services programs are commonly done in states across the nation to improve services, the quality of life, and to save money.**

Presumptive eligibility is done in Washington, Oregon, Ohio, Pennsylvania, Vermont and elsewhere for persons needing HCBS because it saves some money administratively and lots of money by keeping people out of expensive institutions. In Ohio the error rates on presumptive eligibility are 3/10ths of 1 percent. Which means presumptive eligibility is accurate 99.7 percent of the time according to the Ohio Department of Aging.

Individual provider networks and registries for persons needing HCBS are operated in at least twenty one states because they save lots of money and people served by individual providers receive a higher level of care than persons served by licensed agencies. According to a 2007 report on home care by the Joint Legislative Audit and Review Committee (JLARC), a state of Washington legislative body (go to <http://jlarc.leg.wa.gov>), total costs for the state per hour are **\$12.60** when serving a person at home with through an individual provider. Total costs per hour are **\$17.60** for Washington when serving a person at home through a home care agency. The JLARC report pointedly noted that individual providers care for persons that are significantly more impaired (with ADL scores that average **13.25**) than persons served by licensed home care agencies (with ADL scores that average **10.46**). Why? Because licensed agencies do not want to assume the risk of serving persons who are highly impaired.

Self-funding mechanisms are how other states grow home care, achieve better health care outcomes, improve the quality of life for all their citizens, and stay within their Medicaid budgets. States across the nation are copying the self-funding practices of Oregon, Washington, and Vermont. These state use dollars saved by placing persons in home care instead of nursing homes to buy home care for other persons and, therefore, further reducing the need for nursing home care. This is how a self-funding cycle is created within a state's Medicaid budget.

The aforementioned welfare reforms can achieve savings by keeping young and elderly Hoosiers healthier, helping seniors avoid hospitalization and nursing home placements, making it easier for families to remain whole, using common sense administrative reforms, and keeping the state out of needless litigations. On the latter point, the state of Indiana will continue to lose in state and federal courts if it stubbornly persists in operating a public benefits program for Medicaid, food stamps and TANF outside of the bounds of federal law.

Conclusions

The substantial harm being caused to citizens by the state's failure to provide sufficient home and community based services to senior citizens and persons with disabilities is obvious and pervasive. The substantial harm caused to all economically and medically at-risk Hoosiers by Indiana's failed privatized public benefits system is also obvious and pervasive. The recognition of this harm requires policy makers to act. The solutions to these problems save money. The solutions to these problems save lives. The solutions are also a measure of our humanity.