

Investment in the Senior Safety Net

Senior Digest, February 2015

Recently one of our state's legislative leaders stated that his goal, improving the economy and creating jobs, would reduce or even eliminate the need for a safety net for persons and families in need. His statement had a modicum of truth, but only just so. Creating more living wage jobs would reduce state spending for childcare subsidies, SNAP (food stamps), and Medicaid health care. Lowering unemployment saves on welfare cash payments to families. Unemployed and underemployed seniors, many of them highly skilled, would benefit from more job openings. However, in the case of our rapidly growing senior population we must invest more, not less, in our safety net for seniors and disabled adults. And we must start right now. The most vital component of that safety net is Medicaid-funded long-term care.

Medicaid-funded residential care (nursing home and hospice) is an entitlement under federal law. If a state participates in the Medicaid program, then it must provide residential care to all eligible persons who need a specified level of care and have very low incomes and assets. However, Medicaid rules also allow the state give those persons, when it's appropriate, the option of receiving home and community-based services (HCBS) instead of in lieu of nursing home care.

For many years the federal government has financially incentivized the states to invest in improved and expanded HCBS, which include adult day and assisted living programs as well as home care. This has been called "balancing" Medicaid long-term care by increasing total spending on HCBS while reducing total spending on residential care. Rhode Island's balancing effort from 2009 through 2013 was called the Global Medicaid Waiver. A version of that waiver was continued in 2014 and remains in effect. However Rhode Island still has lagged behind other states in achieving a better balance. As a result, promised Medicaid savings have been much less than hoped for. I believe that Rhode Island has been much too timid in trying new approaches, and recent governors haven't given this issue the leadership and attention that it deserved.

There is an unavoidable reality here. With aging of Baby Boomers, Rhode Island's 65 and over population is projected to increase from 152,000 in 2010 to 194,000 in 2020. Drastically cutting or eliminating the Medicaid long-term care safety net for seniors will be impossible. Our goal must be to bend the cost curve by having a much smaller

percentage of seniors end up in nursing homes. We can learn from other states how to accomplish this.

We will always need a robust safety net for seniors and disabled adults. Going back to the days of poor houses and decrepit old folks' homes is not a viable option. Family caregivers can't do it all on their own. With strong and sustained leadership by Governor Raimondo and our General Assembly leaders, Medicaid long-term care can be made less expensive per person and give seniors what they want, what any of us would want---a chance to age in the community with independence and dignity for as long as possible.