

## 'Dream Team' Tackles Long-Term Care

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While

Referenda C and D grab the spotlight this fall, the seeds of a bill that quietly but firmly sailed

through the legislature this year and was signed into law by Governor Bill Owens are taking root. This law directs the formation of an advisory committee to examine Colorado's long-term health care system.

Sponsored this session as Senate Bill 173 by Republicans Senator David Owen and Representative Dale Hall, both from Greeley, this law acknowledges that Colorado's Medicaid program faces serious challenges. It also acknowledges that a bubble of "baby boomers" are nearing retirement and will exert extreme pressure on the state's health care budget, a scenario that if not addressed could wreak havoc down the road.

As lawmakers know, Medicaid is the federal-state medical insurance program for the poor that was originally set up in the mid-1960s to provide safety net assistance to moms and children.

Today, the program's swelling budget is increasingly consumed by the elderly, mostly for nursing home care.



This is not meant to discount the value of nursing home care. Our state's 200 Medicaid-certified nursing homes are doing tremendous work for the state's frail elderly and disabled population who need ongoing institutional care.

At the current pace, though, and with more baby boomers moving toward retirement, Medicaid will be hard pressed to meet its mission. In particular, the program's long-term care delivery system needs closer examination.

Consider the numbers. Today, Medicaid consumes about 23 percent of our state's general fund budget versus about 9 percent for higher education. These numbers have inverted in the last decade. The more we've spent on Medicaid, the less has been available for higher education and other publicly funded programs. Only 11 percent of Colorado's Medicaid enrollees are elderly, but this same group consumes one-third of the Medicaid budget.

At the same time, enrollment in Medicaid for all demographics, not just the elderly, has increased. Fewer companies offer health insurance for low-income wage earners and many working poor families have turned to Medicaid.

With that said, something has to give.

Following the passage of SB05-173 the state appointed 22 individuals to an advisory committee of

health care experts familiar with Colorado's health care system, senior housing needs and long-term care needs in particular. In addition, two consumers were selected. This is essential because a consumer-driven health care model that is cost effective is needed to reform the current long-term care system.

In a way, this group is a "dream team" of experts, selected for their expertise and knowledge in nursing home care, assisted living residences, adult day services, hospice care, transportation, geriatric pharmacy, home care and housing, among other specialty areas. Members were appointed by Governor Owens, Senate President Joan Fitzgerald, and Speaker of the House Andrew Romanoff.

This committee will dissect the issues and report back with recommendations to the Health Care Policy and Finance Department by July 2006. Along the way, the committee will provide updates to the Joint Budget Committee.

This advisory committee of elder care experts -- several Colorado Association of Homes and Services for the Aging members were selected for this body -- was given the charge to be creative and explore how we can smartly care for our older adults. This may mean establishing a

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## **CAHSA represented on long-term committee ... continued**

better balance between public funds for nursing homes and home- and community-based services, or expanding access to adult day centers, assisted living residences, wrap-around home care, and in-home personal care services. All options must be explored.

When this advisory committee arrives at its conclusions, funding for elder care services in Colorado will be rebalanced, with more options available for Colorado seniors that allow them to truly age in place—where they feel comfortable, safe, and have access to the care and assistance they need in the environment they choose.

Things as simple as installing grab bars in homes they have lived in for decades, providing transportation to medical appointments, accessing home care or in-home personal care services, or getting assistive technology such as a stair lift may keep seniors living independently in their homes. These examples have an associated cost, but clearly this cost is less than the cost of a premature move to a nursing home.

Specifically, the committee will develop criteria for coordinated care pilots that allow consumer choice; increase funding flexibility; shift away from certified providers and properties;

provide incentives for nursing home bed reductions; create an integrated continuum of care options; and facilitate accountability between the state and high-performing providers, among other considerations. These pilots -- two rural and three urban or designed for specific populations -- will last for three years. Among other outcomes, they must demonstrate cost savings.

Around the country, states are grappling with the same Medicaid dilemma: more people enrolled in the program, a large percent of Medicaid dollars being consumed for nursing home care, and a shortage of public funds to support a full continuum of services for long-term care.

William Novelli, CEO of AARP, said it well at a meeting in front of our nation's governors last year when he told them seniors want independence, choice and control in ways that are affordable for them and society. "More than anything, Americans with disabilities (and seniors) want independence in their daily lives, and nearly all want to remain in their own homes and receive care there. But, they and the families who care for them are often frustrated by the absence of a coherent, easily accessible and affordable sys-

tem to help them."

Developing policy and coordinating funding for public health care is complex. This committee, through its research and recommendations, will help move the state toward a better long-term solution of access, choice and quality of life while also targeting the best use of public funds. As Senator Owen and Representative Hall see it, we have an opportunity to provide more services to more people for the same or even less Medicaid funding. We can do that by creating a coordinated approach to long-term care, and valuing and funding home- and community-based services, a formula this collection of Colorado experts, our long-term care "dream team," will explore over the next year.

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