

# Balancing Long-Term Care in Iowa: Lessons from New Jersey and Other States



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# Goals

## Iowa Town Meeting on Long Term Care

- Learn from policymakers in other states facing similar long-term care challenges.
- Explain why NJ wanted to reform its system and how it went about it.
- Stimulate Iowans' recommendations to improve LTC public policy.

Guiding Principles  
Change Dynamics  
Dialogue  
Consensus  
Courage  
Persistence

# The President's New Freedom Initiative (NFI)

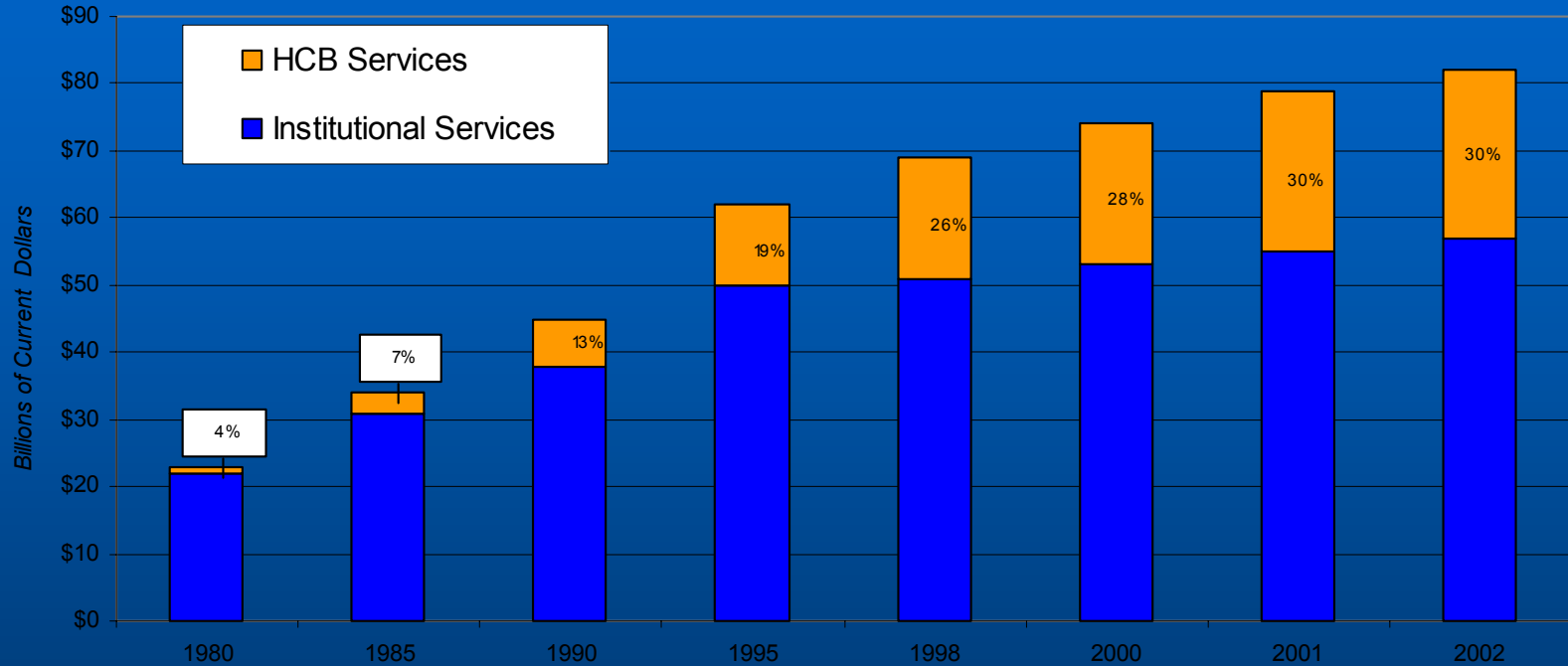
**NFI represents an important commitment towards ensuring that all Americans have the opportunity to:**

- develop skills**
- engage in productive work**
- chose where to live**
- participate in community life**

# National Progress, But Far to Go

- **Most Medicaid funds for long-term support services are still spent on institutional services.**
- **In 2001, 70% spent on institutional care (nursing facilities (NF) and Intermediate Care Facilities for the Mentally Retarded (ICFs-MR)).**

## MEDICAID LONG TERM SUPPORT EXPENDITURES Institutional vs. Home & Community-Based Services



Source: CMS Form 64. **Institutional expenditures** include nursing facility and ICF/MR charges for all years. **HCBS expenditures** include home health in 1980, and home health, personal care and HCBW service expenditures for 1985-2002.

# States Offer Ideas and Experiences--Some Examples

- Oregon
- Maine
- Washington
- Wisconsin
- Cash & Counseling States
- New Jersey

The Milbank Report:  
A Chronicling of New Jersey's  
Recent Experience

[www.milbank.org/reports/030314newjersey](http://www.milbank.org/reports/030314newjersey)





# Background and Goals

## Two Forces for Change in New Jersey:

- **Public discussion helped lay foundation of support for change and introduce new concepts in long-term care.**
  - 2 sets of statewide public forums highlighted consumer dissatisfaction with long-term care.
- **Leaders in long-term care entered public service and championed change.**
  - External and Internal forces for change
  - Focus on older adults at first as Oregon did

# Three-Pronged Strategy

Consolidation at state level  
Create more choices for HCBS  
services  
Help consumers find choices

# Primary Goal

- The primary goal of consolidating senior services into one department in 1996 was to promote **independence, dignity and choice** for NJ's 1.4 million older adults -- and to coordinate policies, budgets and programs to that end.

# The Consolidation Process

## 1996 Governor's Reorganization Plan:

- More than 20 programs and 600 staff members from four different state departments were consolidated into a single Division of Senior Services @ Department of Health and Senior Services

# The Consolidation Process

## Division of Senior Services:

- Create new long-term care alternatives and oversee their quality through licensing and certification.
- Inform older adults and the people who care for them about their options.
- Pay for senior services through private, state, Medicaid, Older Americans Act funding--and any other funding source.

# The Consolidation Process

## Organizational Complexities:

- Medicaid agency
- Aging agency for services under Older Americans Act through U.S. Administration on Aging

# More Home and Community Based Services

**Consumer directed services for older adults**

**State funded**

**Medicaid funded**

**Cash & Counseling in sister agency**

**Assisted Living and Adult Foster Care**

**Caregiver Support and Respite**

# Help Consumers Find Choices

- NJ EASE (New Jersey Easy Access Single Entry)
- Community Choice Counseling



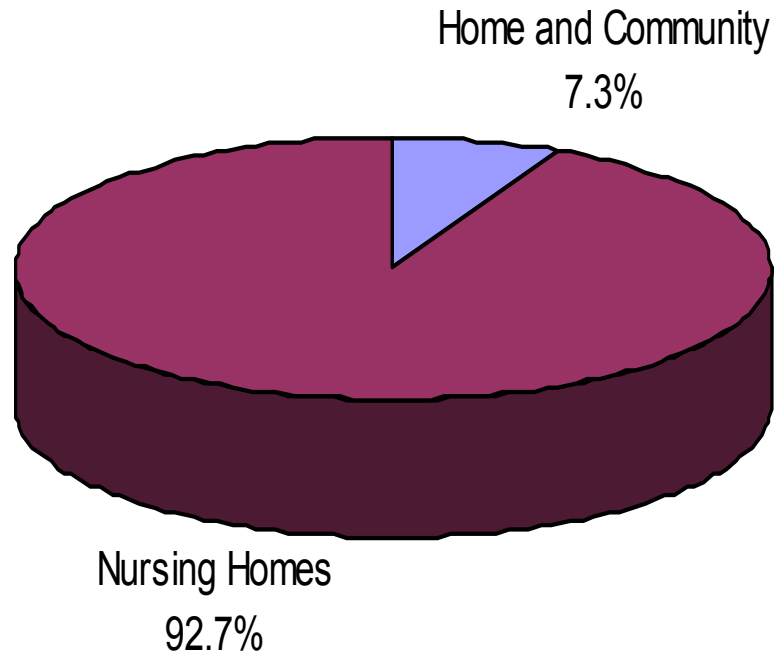
# Outcomes of the Consolidation

## Rebalancing LTC Budget from Institutional to HCBS -- “Rebalancing” Indicators:

- SFY 1997 92.7% of public funds was for institutional care and 7.3% for HCBS.
- SFY 2002 decreased to 84.7% of public funds for institutional care and increased to 15.3% for HCBS.
- SFY 2003 allocated 82.8% for institutional care and 17.2% for HCBS.

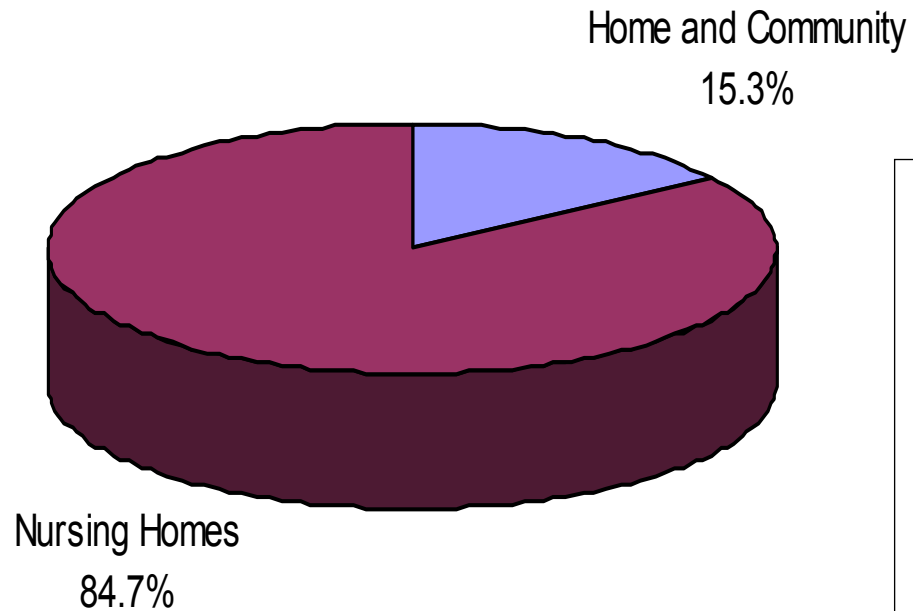
# New Jersey Department of Health and Senior Services Long Term Care Funding Allocation (State Share)

FY 1997

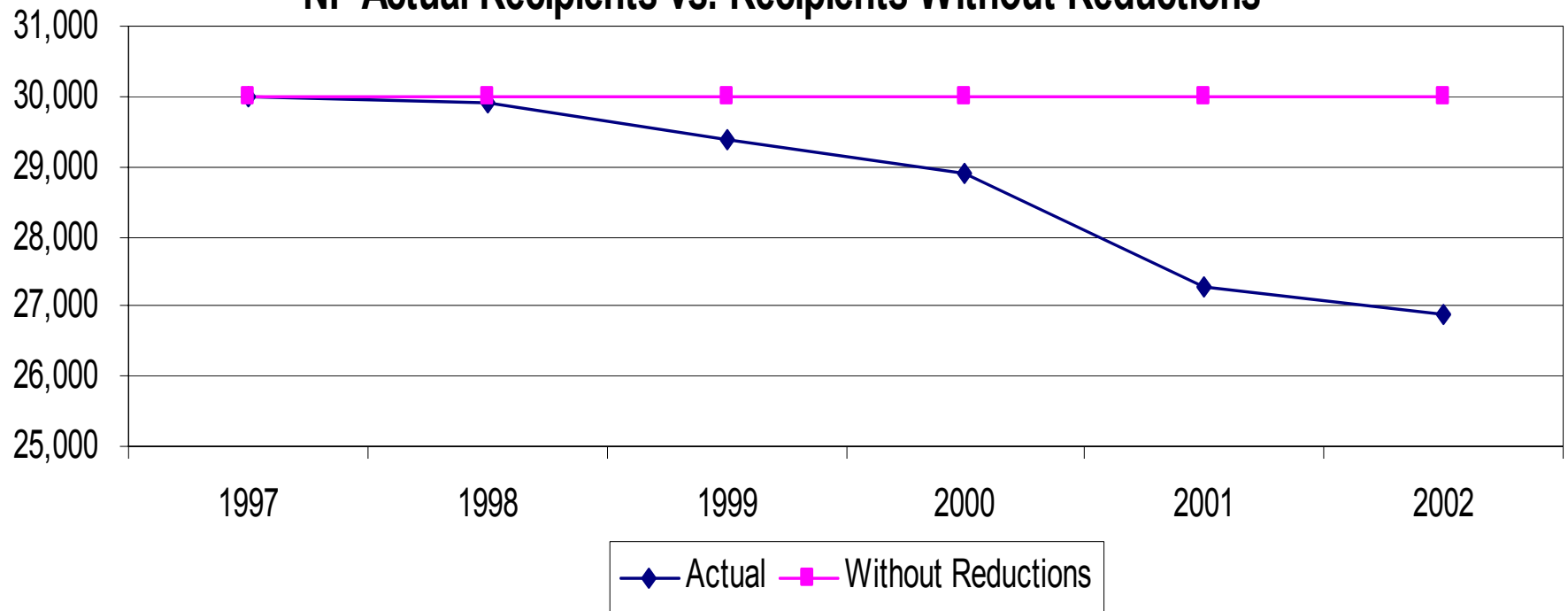


# New Jersey Department of Health and Senior Services Long Term Care Funding Allocation (State Share)

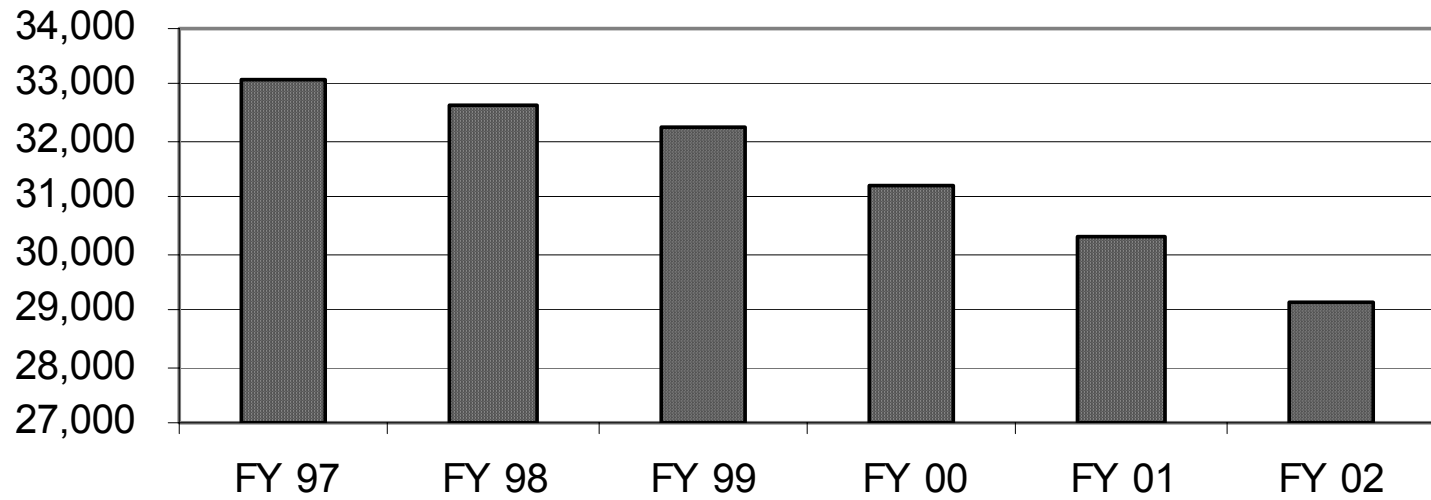
FY 2002



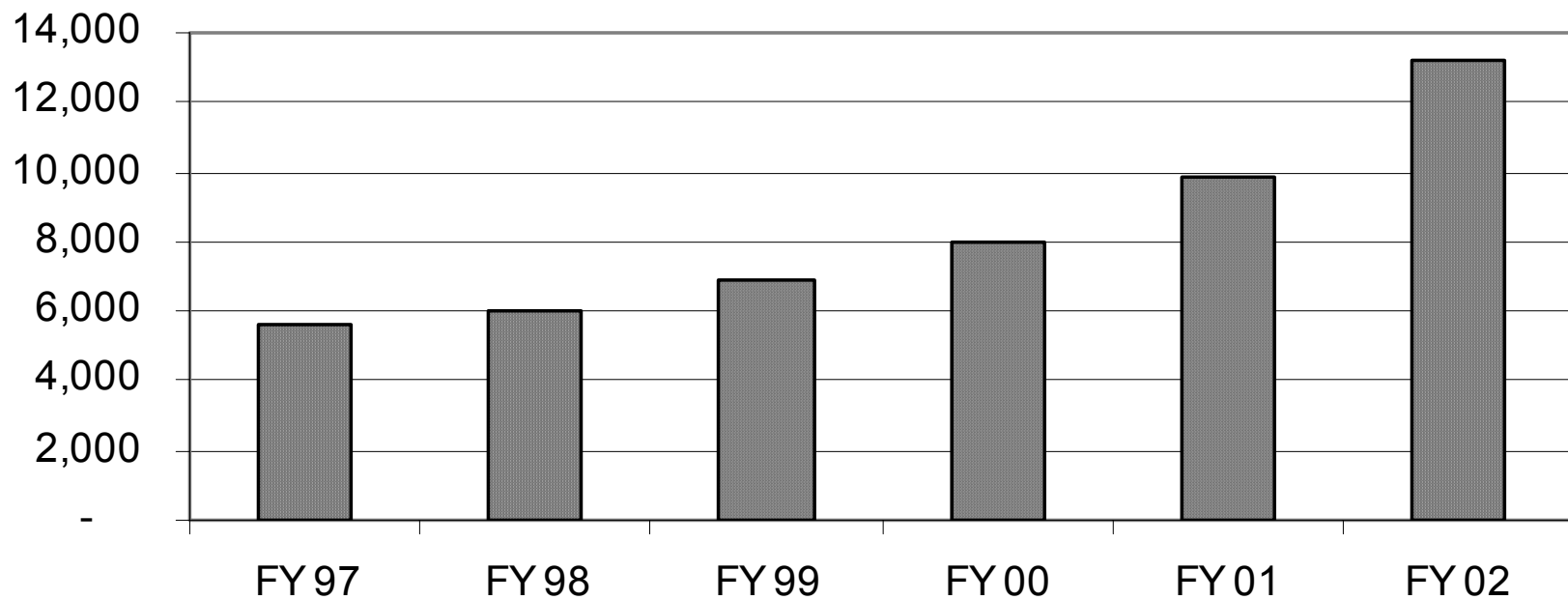
## NF Actual Recipients vs. Recipients Without Reductions



## Average Monthly Caseload: Nursing Homes



## Average Monthly Caseload: HCBS Programs



# Remaining Challenges

## LTC Rebalancing Efforts are Proceeding:

- Nursing home occupancy dropped 10%, i.e. over 3,000 fewer nursing home residents, from 1999 to 2003.
- Since its start in March 1998 through Dec. 21, 2002, Community Choice Counseling has transitioned over 4,000 nursing home residents to less costly alternative living arrangements.

# Remaining Challenges

## Two Policy Concerns:

- NJ still plans to spend about 80% of dollars earmarked for long-term care of older adults on institutional care.
- NJ needs to develop measures that help track progress in a national context.



# Remaining Challenges

## Challenges in Accelerating Change in 2003:

- Implementation of NJ EASE--New Resource Centers will include younger persons with disabilities
- Fragmentation of some HCBS between state departments
- Inconsistent policies among Medicaid waivers and services and caps on some of these services
- Economic constraints facing states today
- Tracking and accountability

# Remaining Challenges

## Problems with NJ EASE Implementation:

- Limited statewide public awareness campaign; counties responsible for promoting NJ EASE.
- Goal of “single entry system” achieved in some counties, but not as a statewide network for people of all ages and disabilities.

# Remaining Challenges

## Inconsistent Policies among Services:

- Eligibility inconsistencies
- Cost share/co-payment inconsistencies
- Service package inconsistencies
- HCBS funding inconsistencies

# Remaining Challenges

## Tracking and Accountability:

- Data tracking and accountability mechanisms are underdeveloped -- need better assessment tool that tracks people across settings
- Need system to track service quality and consumer satisfaction from setting to setting.

# Recommendations for the Future

## Recommendations for New Jersey:

- Evaluate NJ EASE and evolve into new Resource Centers.
- Encourage consumers and stakeholders to formulate statewide policy with strategies -- to emphasize the long-term services and residential settings that people need and prefer.
- Develop a comprehensive data tracking system for better accountability and measuring progress.

# Recommendations for the Future

## National Implications:

- Encourage a civic process.
- Develop a clear statement of underlying values to help focus the policy process.
- Recognize that these values mean little without actual services and access to them.
- Identify the champions.
- Develop and support staff members.

# Recommendations for the Future

## National Implications:

- Leverage consumers' desire to remain at home and the state's desire to minimize expensive institutional programs as complementary, formidable forces for change.
- Understand that LTC reform is multi-faceted: it includes health promotion, disease prevention and regulatory reform as well as HCBS.
- Use Medicaid waivers and additional state dollars creatively to expand HCBS to help consumers at all income levels.

# Recommendations for the Future

## National Implications:

- Develop user-friendly local structures, close to the consumer.
- Develop a universal pre-admission screening tool to assess the needs of people seeking LTC.
- Acknowledge that state activities are constrained or allowed by federal statutes, regulations and interpretations.
- Examine issues in integrating services for older adults, younger people with disabilities and people with developmental disabilities.



# Real Choice Systems Change Grants and Enduring Systems Change

- **Real Choice Systems Change grants**
- **Aging and Disability Resource Center grants**

# National Movement: Emphasis on the Individual

**Unit of funding should be centered more on the individual than on providers**

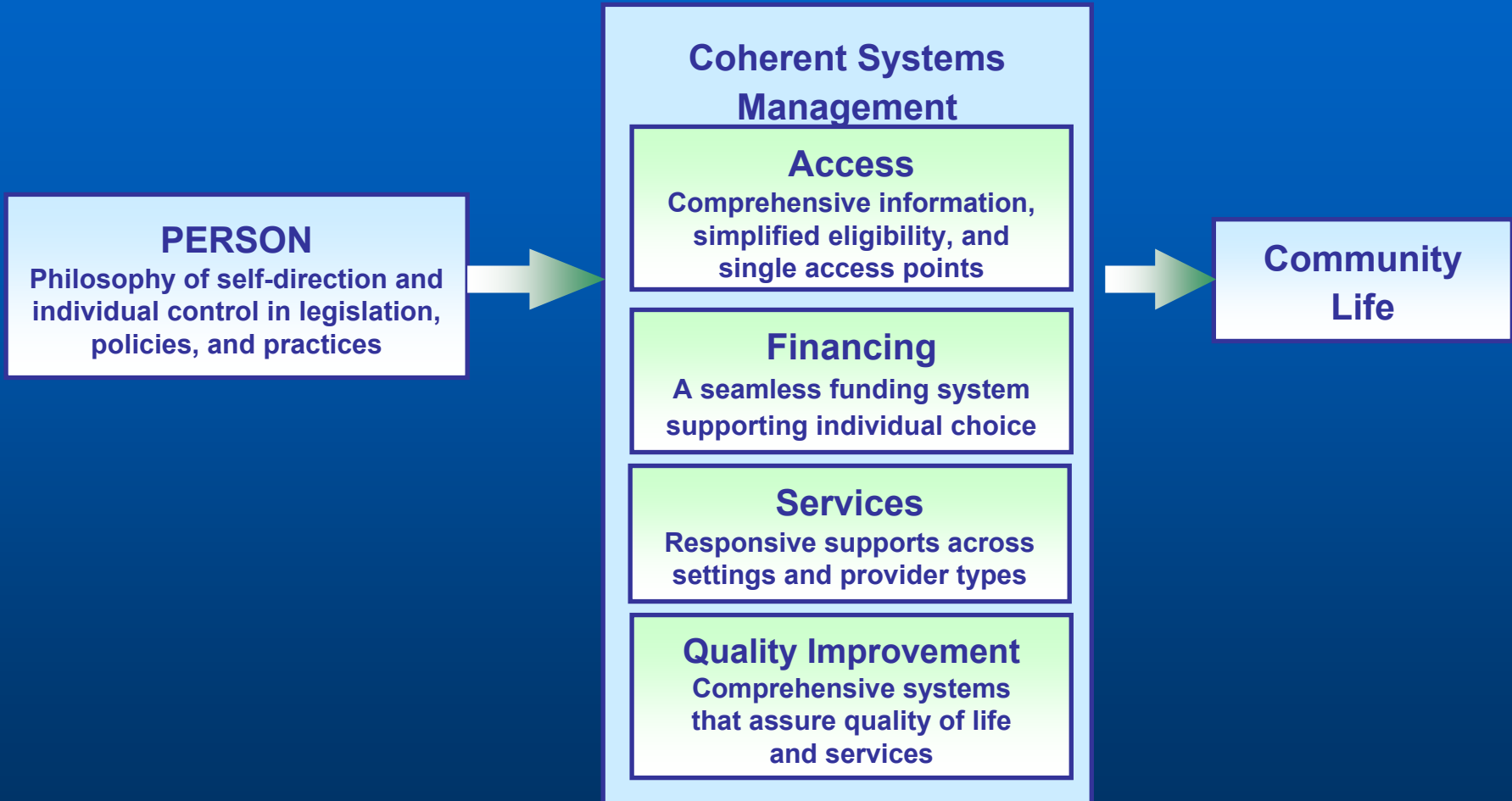
**Need array of choices for long term supports and services**

**Consumer choice and control should be promoted**

# Key Concepts are *Money Follows the Person* and *Rebalancing the Long-Term Support System*

- **Money Follows the Person = financing for services and supports moves with the person to the most appropriate and preferred setting.**
- **Rebalancing = reduced reliance on institutional options, increased community options.**

# Key Building Blocks of a Consumer Driven System



# Shaping Future

- **Nursing Home capacity**
- **Baby Boomers may not need as many beds as you might think**
- **Baby Boomers who need care outside of home will want different kind of nursing homes**
- **Advocates will push for Home and Community-Based Care**

# Shaping Future

- **Help providers transform in new market**
- **Confront workforce issues now**
- **Support caregivers**
- **Evaluate policies and programs**