

Long-Term Care Reform Provisions

Long-term services and supports (LTSS), or Long-term Care (LTC), are needed to meet health and personal care needs over an extended period of time. This frequently includes help with Activities-of-Daily Living (ADLs), like bathing, dressing, toileting, etc. Persons who need LTC are typically those with a chronic illness or a disability (developmental, physical, or mental). As we age these two conditions become more probable, although LTC may be needed at any age.¹

*LTC reform, also called rebalancing, or balancing, refers to the two main service venues: institutional care and home and community based services (HCBS). Currently the majority of LTC services are provided in an institutional setting. Throughout the country, efforts are underway to provide a better balance of these two types of services. Not only do individuals prefer to receive care in HCBS setting, but it is also more cost effective to provide care in a HCBS versus an institutional setting.² The Patient Protection and Affordable Care Act and associated amendments specified in the Health Care and Education Reconciliation Act of 2010 are collectively known as the Affordable Care Act, or ACA. The ACA includes many provisions that reflect the goal of LTC reform: a balanced LTC system. These provisions are found **bolded** in this document, and include information regarding their impact in Illinois.*

Per the “Sense of the Senate”, the expressed opinion of the Senate, as included in the ACA, LTC reform is recognized as a high priority for Congress, and called for the 111th Congress to address LTSS in a comprehensive way, and for LTSS to be made available in the community as well as institutional settings.² This priority will remain until a balanced LTC system is achieved.

The Community Living Assistance Services and Supports (CLASS) Act, National insurance for LTC services and supports.^{3,4,5}

- Federally administered, voluntary LTC insurance program
- Individual workers are automatically enrolled through their employer, with the option to opt-out. Payroll deductions are taken to cover the premium.
- Premiums set by the Secretary of the Department of Health & Human Services (DHHS)
- Pre-existing conditions will not exempt individuals from enrollment
- Cash benefit, averaging no less than \$50/day and determined based upon functional ability to complete ADLs and IADLs.
- No life-time or aggregate limits of service utilization
- Eligibility for benefits:
 - Paid into program, with monthly premium, for 5 years
 - Worked for at least 3 years during the time one is paying premiums⁴
 - Have a disability expected to last at least 90 days
 - Meet functional/cognitive eligibility criteria established by the DHHS Secretary
- Eligibility assessment system will be established by January 1, 2012; benefit plan created by October 1, 2012⁵

- About 70% of people age 65 years and older will need long-term care services at some point in their life. In Illinois, this would be 1,102,549 older adults who could benefit from the assistance of the CLASS LTC insurance system if they participated. (Based on those 65 years and older in 2009).^{6,7}

Spousal impoverishment protection for joint income and assets will be extended, for 5 years beginning January 1, 2014, to include spouses of Medicaid HCBS beneficiaries, in addition to previously covered spouses of Medicaid beneficiaries in an institutional setting.^{3,4,5}

- Illinois covers 71,022 individuals through seven Medicaid 1915 (c) HCBS waivers.⁸ This provision would cover the spouses of these Medicaid HCBS beneficiaries.

Community First Choice Option—Medicaid State Plan may be amended, effective October 1, 2011, to include home and community-based attendant services & supports.^{3,4,5}

- For individuals eligible for medical assistance under the Medicaid State Plan
 - Income may not exceed 150% Federal Poverty Line (FPL), or if an individual's income is greater than 150% FPL, individual must meet state income eligibility requirement for nursing facility level of care.^{2,3,4,5}
- May include financial assistance to assist with ADLs, Instrumental ADLs (IADLs), and health-related tasks
- May include assistance with transition from institution to the community by financing one month's rent, rent and utility deposits, and household furnishings
- No ceiling may be set for number of persons receiving services
- Services must be offered on state-wide basis, in the most integrated setting appropriate to an individual's needs
- States will receive a 6% increase in Federal Medical Assistance Percentage (FMAP) rate for state Medicaid plan attendant services
- On average, 2.7 million individuals are eligible for Medical Assistance in Illinois⁹ and thus may be eligible for the Community First Choice benefits, should Illinois amend their Medicaid state plan.

1915 (i) amendment, Medicaid Home and Community Based Services (HCBS) State Plan Option. Effective October 1st, 2010.^{3,5}

- 1915 (i) HCBS Medicaid state plan option is a hybrid between 1915 (c) waivers and a regular Medicaid state plan option; originally a part of the Deficit Reduction Act of 2005.
 - 1915 (i) does not require need of institutional level of care, has less stringent guidelines than waivers, yet offers more limited services
 - 1915 (i) allows states to offer HCBS as an optional benefit to a Medicaid state plan
- With this amendment, 1915 (i) state plan services will be broadened, removing possible barriers to providing home and community based services (HCBS)
 - Enrollment ceilings are eliminated; state-wide coverage required
 - States may target individuals with specific conditions if desired⁵
- Due to the broadening of services, the elimination of enrollment ceilings, and the requirement of state-wide coverage, the 1915 (i) HCBS Medicaid plan will be difficult for many states to adopt due to current budget crises.

- Illinois faces a \$13 billion dollar budget deficit going into Fiscal Year 2011¹⁰; the 1915 (i) HCBS Medicaid state plan option does not appear to be a probable consideration for Illinois.

Money Follows the Person (MFP) Demonstration Project Amendment^{3,5}

- MFP is a demonstration project, established through the Deficit Reduction Act of 2005; Illinois was one of 30 states originally actively involved with MFP.
- MFP targets Medicaid recipients living in nursing facilities that are interested and able to live in the community, and facilitates such transitions from the nursing facility back to a home and community based setting.
 - Transitions facilitated through an enhanced FMAP for Medicaid home and community based services and supports for a year after transition from nursing facility.
 - As of April 6, 2010, Illinois has transitioned a total of 94 individuals from nursing homes to the community (including older adults, persons with mental illness, and persons with disabilities).¹¹
- Originally scheduled to conclude in 2011, MFP will extend through September 30, 2016
 - Dependent upon state meeting annual transition benchmarks and community spending benchmark.¹²
- Eligibility requirements for program are modified under the ACA to enable more individuals to transition from nursing homes to the community, and are already effective:
 - Reduced required length of institutionalized residency from 180 days to 90 days
 - If resident institutionalized for short-term rehabilitative services, residency covered by Medicare does not count towards 90-day eligibility

State Balancing Incentive Program (October 1, 2011-September 30, 2015). A financial incentives program for states to shift LTC for Medicaid beneficiaries from nursing homes to HCBS.^{4,5}

- Illinois' LTSS Medicaid expenditures on HCBS are less than 50%¹³ making the state eligible for a 2% FMAP increase for HCBS medical assistance expenditures under the Medicaid state plan.
- If Illinois is chosen and FMAP is increased, the state must make structural changes within 6 months to include:
 - “no wrong door single entry-point” system;
 - conflict-free case management services;
 - With a goal to develop a service plan for both beneficiaries and their caregivers; includes case management for transitions in care from institutional to HCBS⁵
 - core standardized assessment services.
- Up to \$3 Billion allocated for Medicaid HCBS⁵

Aging & Disability Resource Centers (ADRC). Secretary of DHHS will appropriate increased funding of \$10 million per year for FY 2010-2014 to promote the ADRC initiative (as stated in Older Americans Act); ADRC's to serve as central community access points for LTC services and supports.⁵

- Illinois currently has 3 ADRCs serving 15 counties¹⁴
- Illinois was awarded an “ADRC: Empowering Individuals to Navigate Their Health and Long Term Support Options” grant from the Administration on Aging and the Centers for Medicare and Medicaid Services for September 30, 2009 to September 30, 2012.¹⁵
 - The grant includes objectives to expand the number of individuals reached by ADRCs in the state and to create more ADRCs.
- On September 27, 2010, DHHS announced the funding of \$60 million ACA funds to help individuals and their caregivers better understand and navigate their health and LTC options.¹⁶ Illinois was awarded funding for three out of the four available grant categories:
 - **Medicare Outreach and Assistance in Low Income Programs and Prevention Grants:** \$1,499,253.
 - **ADRC Options Counseling Grants:** \$457,160
 - **Evidence Based Care Transition Grants:** 197,656
 - The Evidence Based Care Transitions Grant in Illinois was awarded to the Illinois Department on Aging, AgeOptions, and the Illinois Transitional Care Consortium. The Care Transitions model is the Bridge Model.¹⁷

Please note: The Older Adult Services Advisory Committee (OASAC), established through Public Act 093-1031, acts in an advisory capacity to the Directors of the Illinois Department on Aging, Illinois Department of Public Health, and Healthcare and Family Services, to promote a transformation of Illinois’ comprehensive system of older adult services from funding a primarily facility-based delivery system to primarily a home-based and community based system. In 2010, OASAC developed a plan to restructure the State of Illinois service delivery system for older adults (Public Act 96-0248) which includes recommendations for review of the impact of the ACA on aging services in Illinois, especially in regard to the Community First Choice Option, the CLASS Act, and the State Balancing Incentives Program.¹⁸

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