

Reinventing Medicaid Act Creates Incentives, Makes Investments to Rebalance Long-Term Care Spending

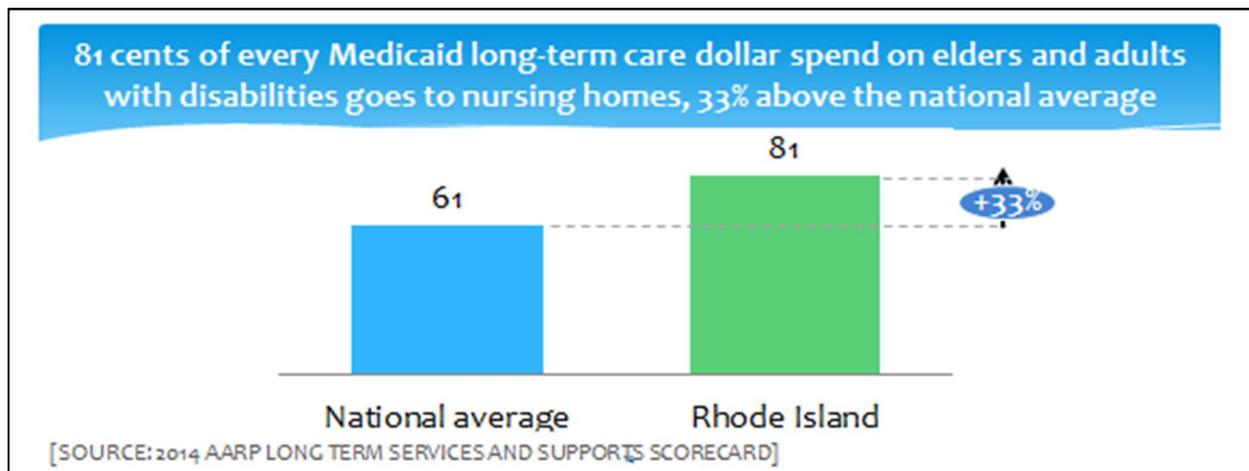
Rhode Island spends 81 cents of every long-term care dollar on nursing homes, 33 percent higher than national average

Long term care funding spent on home and community services stuck at \$0.18 per dollar

Governor's proposal rewards quality and coordination, invests concrete dollars in home and community care

The current Medicaid model incentivizes nursing home placements, even for patients who would likely be happier and healthier receiving care in their community or at home.

- **Proportionally, Rhode Island spends more than nearly every other state on nursing homes.** We spend \$0.81 cents of every elder and adult disabled long-term care dollar on nursing homes, a third higher than the national average.



- **Advocates, policymakers and providers have been talking about rebalancing long-term care for years**, but we still spend only \$0.18 of every long-term care dollar on home or community care. Until now, we've never had an incentive mechanism or investment strategy in place to push the system to achieve a goal that gives a preference for home and community care.
- **Rhode Island has too many people with minimal needs residing in nursing homes.** A recent UnitedHealth study reported on by the Providence Journal shows that Rhode Island has a higher percentage of people with minimal needs living in nursing homes than all but six states.

The Reinventing Medicaid Act of 2015 provides the first significant incentive program to reward nursing homes for helping the state achieve the nearly decade-long goal of rebalancing long-term care.

- **Governor Raimondo’s proposal provides economic incentives for better quality and better coordinated care in our nursing homes.** Nursing homes that reduce long stays and achieve quality standards would have the opportunity to “earn back” most – if not all – of the proposed rate reductions.
- **One possible incentive model is based on input from a national trade association that many of Rhode Island’s for-profit nursing homes belong to.** As the state develops specific performance measures, EOHS is committed to working collaboratively with all the stakeholders.
- **Nearly all of the stakeholders, including the Rhode Island Health Care Association, agree that Rhode Island’s current Medicaid system is unsustainable** and needs to adapt to the changing health care landscape.

We can’t expect different results if we don’t invest the time, money and energy to achieve our goals. In past years, Rhode Island has not made adequate investments to support an expansion of home- and community-based care for Medicaid beneficiaries. The Reinventing Medicaid Act makes concrete investments to rebalance the state’s publicly-funded long-term care system.

- **Citing positive revenue estimates released earlier this month, Governor Raimondo and Secretary Roberts have urged the General Assembly to invest in wage increases for home care workers and direct care staff,** many of whom have gone several years without a raise. They have also recommended investments in respite care and support for senior centers.
- **The Governor’s proposal increases supplement payments to cover room and board at assisted living facilities.** Medicaid does not pay for room and board in assisted living, leaving many seniors and adults with disabilities who have lower needs with few options other than moving into a nursing home.
- **Under the current system, many adult day care providers do not accept the highest need patients.** The Reinventing Medicaid Act creates an acuity-based payment system that offers financial incentives for adult-day providers to offer services for Medicaid patients.
- **Oftentimes, the biggest barrier for patients ready to transition from a nursing home to the community is having a place to transition into.** Governor Raimondo’s proposals include investments in housing assistance for elder and disabled enrollees who would otherwise be homeless or remain in a nursing home.
- **Governor Raimondo’s budget included \$330,000 of additional funding for Meals on Wheels.** According to a recent Brown University study, seniors who receive meals experience fewer falls and hospitalizations which often lead to stays in nursing homes.