

End The Institutional Bias for Long Term Care

If, like millions of Americans, you need personal assistance and run out of money, you may be eligible for long-term care under Medicaid. But in order to get those safety net benefits, you may have no choice but to move into a nursing home.

This is true even though most people prefer to stay at home and most of the institutions themselves would rather be providing more lucrative post-acute care and rehabilitation. It is true even though policymakers have been trying for decades to rebalance Medicaid long-term care so the frail elderly and people with disabilities have access to benefits no matter where they get care. And it is true even though the Supreme Court ruled in 1999b 14 years ago that people with disabilities had the legal right to care in community settings whenever possible.

Despite all this, about half of Medicaid long-term care dollars are still being spent on nursing homes. It is long past time for this institutional bias to come to an end.

Yet policymakers can't quite bring themselves to make Medicaid benefits equally available regardless of where supports and services are delivered. The issue was debated during the 2010 Affordable Care Act but lawmakers blinked, suggesting only modest changes to the current nursing home-centric system.

And most recently, the congressional Long-Term Care Commission, which issued its final recommendations last week, could not agree to make Medicaid equally accessible for people receiving help at home.

It did support making home care more accessible for people receiving post-acute care under Medicare, but did not do so when it came to Medicaid's long-term care benefits. A minority report, issued by five of the commission's 15 members, did endorse steps that would end Medicaid's nursing home bias.

Under current law, people with disabilities have a federal entitlement only to nursing home care. They can receive home care but usually only if their state receives a special waiver from the federal government.

All states have been granted these exceptions, but their home care programs are often woefully underfunded. That means community services are limited or, worse, potential beneficiaries find themselves stuck on long waiting lists before they can get enrolled in a home care program. There is something especially cruel about putting a frail 90-year-old on a two-year waiting list. She is very likely to die before she gets to the top of the list.

Why is it so hard to change this outdated policy? One reason: States fear that making Medicaid too attractive would encourage more people to enroll and place more financial stress on the program. This theory, that goes by the particularly offensive label of woodwork effect, implies that, like cockroaches, poor people would come out of the walls to claim Medicaid benefits if they could get services at home.

The question of whether home care costs more or less than similar care in a nursing home is complicated and unresolved. More research would help. But without strong evidence that it is more expensive, it is hard to argue that Medicaid should continue to force the poorest and most helpless into care settings they don't want.

Btw, I am not saying, as some advocates for people with disabilities do, that there should be no nursing home benefit for long-term care under Medicaid.

There will always be people who, because of the nature of their illness or disability, or because they have no caregivers, will be best off in a nursing facility or other residential care setting. And the nursing home option should be available to them. But most people can be cared for at home and want to be. They deserve the opportunity to get this help in the setting of their choice.