

**Long-Term Care Financing in Massachusetts:
*Current Challenges, Future Trends & Policy Options***

Remarks from Secretary JudyAnn Bigby

- I am pleased to be here with so many of our long term care colleagues here in the state, with Professor Harrington who has done so much to help map the opportunities and challenges of the Commonwealth, and with Professor Feder whose contributions to health care policy in general and long term care policy in particular are nationally respected. Phil, Keith, and Senator Jehlen, I am always appreciative of the leadership you have offered in this arena. And Anya, I am very grateful for the support that MMPI has provided for today's event. I am sorry I was not able to get here earlier but I understand there will be a video that I will be able to enjoy later.

- We are here at a time of tremendous economic uncertainty, something that would suggest that trying to seriously think about long term care is a joke or maybe irrelevant. Thankfully, we are also in a time of tremendous hope, solidarity, and purpose – both with our new president and with our current governor. Here in the state, Governor Patrick has made a commitment to having a long term care policy that is *community first*. In spite of our budget challenges, the governor announced this week his intention to still move forward on putting in place a community first waiver to extend community-based long term care supports to disabled individuals who have never had such coverage before. We believe that we cannot keep letting long term care fall to the bottom of the agenda – that is why we:
 - Launched the state's first *Olmstead Plan*;
 - Settled our *Rolland* and *Hutchinson* litigation earlier last year, assuring community based long term care for developmentally disabled and brain injured individuals, including elders;

- **Enacted a mental health parity bill;**
- **Announced the closure of 4 of our DMR institutions and the commitment to expanded community service development;**
- **Have begun, with many of you here, the very important child behavioral health initiative implementation, an effort that promises to bring critical home and community based support to children with serious emotional disturbance and their families;**
- **Initiated a pilot program to expand skilled nursing facility services to pediatric patients who currently don't have access to appropriate post acute support; and**
- **Built into our new MCO procurement the re-structuring of disability-related case management**

Additionally, we have begun to look at new strategies for better care integration of our dually eligible Medicaid and Medicare populations and in this week's budget we announced that we will be initiating a "cash and counseling" initiative that will allow MassHealth elder and disabled consumers the choice to get a cash budget instead of certain optional long term care services to be used to make flexible decisions about care options that best fit their circumstances, needs, and preferences.

- **All of these efforts, as well as the ongoing work in Elder Affairs, our disability agencies and in the MassHealth Office of Long Term Care, reflect our understanding that disability and its attendant long term support needs is an individual, family, provider, payer, and public policy concern across the lifespan. While our current budget climate has, in fact, caused us to significantly reduce our commitment in some of these arenas, we are determined to plan for a less difficult future – and we know we must.**
- **You have sat here today listening to the LTC demographic imperatives that loom large for Massachusetts as well as the nation: 1) the expectation that our elder community will grow by over 1/3 by the year 2020 from its base in**

2005; 2) the similar projection regarding the survival and expansion of non-elder disabled individuals who are expected to have grown as a cohort by 12% between 2004 and 2015.

- You have a fact sheet from EOHHS that spells out the implications for our state of these expanding LTC populations.
 - First, elders and people with disabilities already constitute a large part of the state's Health and Human Services commitment
 - At this time we have invested close to \$5B in long term care supports through both MassHealth and our discretionary agency programs
 - Through those programs we serve over 350,000 elders and children and adults with disabilities
 - But we are well aware that we are not serving everyone who is in need of long term support services as we know that approximately (1.3M) 20% of the state's population is comprised of elders or non-elder people with disabilities, an unknown number of whom need but cannot access LTC services through the state or through other than informal family care mechanisms
 - Elders and people with disabilities *want* to live in the community to the maximum extent possible. The state has a *community first* policy commitment but we need to improve the extent to which our state-funded LTC efforts are supporting community vs. institutional care
 - Nonetheless, we are pleased to report that the FY2008 year was the best so far in terms of the relative allocation of MassHealth funding to nursing facility vs. community long term care – we have been increasing both the actual dollars and the real percentage of the community effort.

- **Community and nursing facility providers are partners in this transformational effort. They have both worked hard to build community capacity and to successfully transition people from nursing homes and other institutions, resulting in the effective closure of thousands of nursing home beds.**
- **The existing payer mix is insufficient to support the needed long term care support across the lifespan.**
 - **Like the rest of the country Medicaid is the biggest payer for LTC here in the state.**
 - **There are significant gaps in LTS service coverage for all payers.**
 - **While MA residents have more than doubled participation in long term care private insurance policies in recent years, they continue to play a very limited role in care financing.**
 - **And informal, often family member, unpaid care giving (estimated to be worth about \$8.8B in MA alone in 2007) well exceeds the public and private insurance contributions to LTC and impacts many other aspects of our state's economy by its negative impact on caregivers' family life and paid work capacity.**
- **As Judy said earlier, it is time to build a better system that imagines a more equitable public-private partnership in the financing and support of elders and children and adults with disabilities.**
 - **The governor has asked me to help him build a roadmap for change.**
 - **To that end, I am happy to announce today the creation of a Long Term Care Advisory Group – a commitment from the Olmstead Plan and a priority for the Governor. This group will be meeting over the course of the next year to develop strategic options for the Governor to consider for the future.**

- **Many of the members are here with us today, including the distinguished Senator here on the podium whose vision about a long term care commission is partially realized through this effort. A full list of the membership is in your packets. The members bring a diverse range of experiences with and expertise in long term support utilization, funding, management, analysis, and aspiration. We are fortunate to have their resources and commitment being put to this critical effort.**
- **To the group, your work is cut out for you – I thank you in advance for your efforts and I look forward to following your deliberations and to bringing the outcome to the governor next year.**