

FURTHER MEDICAID PCS CUTS ARE PREMATURE

Give Last Year's Cuts to the PCS Program Time to Work

- The Obama Administration recently approved DHS's proposed 11% rate cut for adult care home personal care services (PCS). Adult care homes (ACHs) made difficult adjustments to absorb this rate cut after lengthy discussions with DHS and the General Assembly.
- There has not been time to determine whether these rate cuts will achieve budget neutrality. The Department's projections indicate that last year's rate cut—once implemented retroactively to 10/1/13—would have covered any projected deficit in the PCS program for 2013-14.
- States with lower PCS budgets have significantly higher nursing home care costs because they rely on nursing homes for care. For seniors who can no longer live at home safely, ACHs provide the most efficient, least costly delivery of care in a more community-integrated setting.
- The legislature should give last year's "fix" a chance to work before effectively dismantling PCS and triggering a massive cost shifting of our seniors' medical care to county governments.

The Senate Budget Would Effectively Dismantle the PCS Program in ACHs

- The Senate's budget would threaten the viability of PCS by: (1) changing the eligibility for state-county special assistance (SA) in a way that will disqualify current residents from receiving Medicaid PCS altogether, (2) curtailing future access to care for seniors who outlive their assets by cutting both eligibility and reimbursement for SA and (3) imposing additional PCS rate cuts.
- With this change in SA eligibility, 5,200 of the State's frailest adult care home seniors will lose both their care and their chosen residence in an adult care home. What's worse, this change is not needed to curb growth in SA spending for adult care home PCS because total adult care home residents on SA have already decreased by 2.6% over the last 9 years.
- The Senate budget also cuts provider PCS payments by an additional 2 percent, imposes an additional cut to achieve budget neutrality for PCS if necessary, and reduces SA reimbursement by as much as 32% for seniors who need Alzheimer's care in the future. These cuts are on top of last year's 11% PCS rate cut. ACHs cannot continue to provide PCS for seniors at these rates.
- More than 40% of adult care home seniors would lose Medicaid PCS eligibility, disproportionately affecting those who suffer from Alzheimer's disease. These residents will be discharged and most likely will move into higher-cost nursing homes or become wards of the State or the counties. So any projected savings will reappear as costs to the State and/or counties.
- The counties will bear the ultimate cost – there is no federal "safety net" for impacted seniors – today's or tomorrow's. The Affordable Care Act does not cover the long-term care that displaced adult care home seniors so desperately need. And the federal government will not allow "grandfathering" of current residents on Medicaid as contemplated by the Senate. For seniors who can't qualify for nursing home care, counties will foot the bill for doctor visits, prescriptions and other ongoing care.

REQUEST: Restore SA Eligibility Thresholds and Hold PCS/SA Reimbursement at 2013 Levels