

**NOTICE:**

**THERE WILL BE NO WEEKLY EMAIL UPDATES FRIDAY, NOV. 21 or Nov. 28. HAPPY THANKSGIVING!!**

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**VOR Weekly E-Mail Update**

**November 14, 2008**

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**1. OBAMA ADMINISTRATION TRANSITION INFORMATION**

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**The Obama/Biden Administration transition website** is <http://change.gov/>: The site has many breakout subjects such issues as social security and disabilities; not too much is posted yet.

**Government Accountability Office Transition Report:** Following each presidential election, GAO serves as a resource to assist with the transition to a new Congress and administration. See, [http://www.gao.gov/transition\\_2009/](http://www.gao.gov/transition_2009/). Using its institutional knowledge and broad-based, nonpartisan work on matters across the government spectrum, GAO provides insight into, and recommendations for addressing, the nation's major issues, risks and challenges. Also located throughout the site are key reports for further research, as well as contact information for and video messages from GAO experts.

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## **2. Senator Baucus releases broad health care reform proposal**

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**Summary:** The following is an executive summary of a broad health care reform proposal released this week by Senator Max Baucus, Chairman of the Senate Finance Committee. Given that Medicaid represents the primary health insurance for people with mental retardation and developmental disabilities, any proposal to reform health care will touch Medicaid. Following the Executive Summary of the Baucus Plan, you'll find the section from his full proposal relating to Long Term Care. The tone will be familiar to residential choice advocates, and worrisome, however the section does conclude with a nod in support of choice: "Institutional or residential care is appropriate in some cases; however, it should be a choice for individuals and families."

VOR will be studying and speaking out on the Baucus Plan, as well as other proposals that will be forthcoming (e.g., Senator Kennedy).

**For the full proposal visit, <http://finance.senate.gov/healthreform2009/home.html>.**

**Call to Action Health Care Reform  
2009**

**Senate Finance Committee Chairman Max Baucus (D-MT)**

## EXECUTIVE SUMMARY

The link between health care costs and the economy is undeniable. Reforming the health care system is essential to restoring America's overall economy and the financial security of our working families.

The case for reform is strong. The U.S. is the only developed country that does not guarantee health coverage for all its citizens, with 46 million uninsured and another 25 million underinsured. As a result, families are struggling to keep up with out-of-pocket costs for medical care. American businesses are straining to absorb rising health care costs while staying competitive at home and around the world. Despite high levels of spending on health care, research documents poor quality of care received by patients in the U.S. Studies show, for example, that adults receive recommended care for many illnesses only 55 percent of the time. Children fare even worse.

Americans are acutely aware of problems in the country's health care system, and they are ready for change. They are not alone. The nation's health care stakeholders - consumers, businesses, labor, providers, plans, manufacturers, and state and local governments - are signaling that they are ready and willing to engage in serious and comprehensive reform of a health system in crisis. They recognize that the status quo of high costs, unacceptable numbers of the uninsured and underinsured Americans, and far less than optimal quality and value is unsustainable and intolerable. And, notably, the nation's economists concur that system reform is not only necessary to rationalize our health care system, but to sustain our economy, our ability to compete internationally and, over the long haul, to deal with our long-term fiscal challenges.

A high-performing health care system would guarantee all Americans affordable, quality coverage no matter their age, health status, or medical history. Today, the costs of care for the uninsured are largely borne by those with insurance; providers charge higher prices to patients with private coverage to make up for uncompensated care, and these costs are passed on to consumers in the form of increased

premiums. Requiring all Americans to have health insurance will help end the shifting of costs from the uninsured to the insured.

Covering all Americans would also ensure that the insurance market functions effectively. Insurance works because policyholders pay into their plans when healthy, and have their medical bills paid when they are sick. If a significant portion of Americans does not purchase coverage until sick, then premiums for all enrollees will increase to cover insurer outlays, and the problem of unaffordable coverage will persist. Finally, covering all Americans is essential to effective prevention and wellness efforts and managing chronic illnesses. Efforts to guard against and better manage illness are an effective tool to improve health and contain costs but, without every American in the system, those efforts will fall short of their full potential.

In a high-performing health care system, employers, individuals, health providers and plans, as well as government would all bear responsibility and contribute to fulfilling the goal of covering all Americans. Wellness and prevention would be prioritized. And increased quality would result in lower costs so that employers could afford to continue to offer health coverage and still compete in a global marketplace. Our public health programs would be on a more fiscally sustainable path. Ensuring that every American has coverage would make health care truly portable, so that Americans are no longer locked into a job based on a need to retain their health coverage. This Call to Action outlines a vision for creating that high-performing health care system.

Like a sturdy stool, the Call to Action has three equally important legs: (1) a policy that ensures meaningful coverage and care to all Americans; (2) an insistence that any such expansion be coupled with an emphasis on higher quality, greater value, and - over time - less costly care; and (3) an absolute commitment to weed out waste, eliminate overpayments, and design a sustainable financing system that works for taxpayers as well as for the nation's recipients and providers of health care.

**Ensuring Health Coverage for All Americans.** The Baucus plan would ensure that every individual can access affordable coverage by

creating a nationwide insurance pool called the Health Insurance Exchange. Those who already have health coverage could keep what they have. But for those who need affordable, guaranteed coverage, the Exchange would be a marketplace where Americans could easily compare and purchase the plans of their choice. Private insurers offering coverage through the Exchange would be precluded from discrimination based on pre-existing conditions. Premium subsidies would be available to qualifying families and small businesses. By making health care more affordable and universally available to all Americans, the Baucus plan would take a major step toward eliminating racial and ethnic health disparities.

While the Exchange is being created, the Baucus plan would make health care coverage immediately available to Americans aged 55 to 64 through a Medicare buy-in, and it would begin to phase-out the current two-year waiting period for Medicare coverage for individuals with disabilities. The plan would provide every American living below the poverty level with access to Medicaid. This policy is consistent with the original intent of Medicaid, and it is the quickest and most cost-effective way to cover every American living in poverty. The Baucus plan would also ensure that all states use the State Children's Health Insurance Program (CHIP) to cover children at or below 250 percent of the Federal poverty level, putting help within reach for more needy children. Finally, recognizing that America cannot keep its promise to provide care to Native Americans and Alaska Natives with the current level of Indian Health Service (IHS) funding, the Baucus plan calls for additional funding for IHS.

Once affordable, high-quality, and meaningful health insurance options are available to all Americans through their employers or through the Exchange, individuals would have a responsibility to have health coverage. This step is necessary for insurance market reforms to function properly and to end the cost shifting that occurs within the system. It is expected that the vast majority of American employers would continue to provide coverage as a competitive benefit to attract employees. Except for small firms, employers that choose otherwise must contribute to a fund that would help cover those who remain uninsured.

The Baucus plan would immediately refocus our health care system toward prevention and wellness, rather than on illness and treatment. Those who are uninsured ? and therefore less likely to receive

preventive care and treatment for major conditions ? would be given a "RightChoices" card that guarantees access to recommended preventive care, including services like a health risk assessment, physical exam, immunizations, and age and gender-appropriate cancer screenings recommended by the U.S. Preventive Services Task Force. Individuals without private coverage and not eligible or enrolled in a public health coverage program, but whose RightChoices screening detected and diagnosed one or more of the most common, costly chronic conditions, would qualify to receive treatment on a temporary basis until viable coverage options are available under the Health Insurance Exchange. Current Medicare, Medicaid, and CHIP beneficiaries would receive recommended preventive services with little or no co-payment. Preventive services would be covered by all insurance options offered through the Health Insurance Exchange.

**Improving Health Care Quality and Value.** Recognizing that any attempt to cover the uninsured and reduce health care spending must address the perverse incentives fostered by current payment systems, the Baucus plan includes delivery system reforms that would improve quality and, over time, lower costs. The plan strengthens the role of primary care and chronic care management. Primary care is the keystone of a high-performing health care system. Increasing the supply and availability of primary care practitioners by improving the value placed on their work is a necessary step toward meaningful reform.

The plan would refocus payment incentives toward quality and value. Today's payment systems reward providers for delivering more care rather than better care. A redefined health system would realign payment incentives toward improving the quality of care delivered to patients. Fixing the unstable and unsustainable Medicare physician payment formula is a necessary step in this process. The plan would promote accountability and coordination among providers by encouraging providers in different settings - physician offices, inpatient hospitals, post-acute care settings, and others - to collaborate and provide patient-centered care in a way that would improve quality and save money.

To facilitate the proposed delivery system reforms, the Baucus plan would improve the health care infrastructure by investing in new comparative effectiveness research and health information technology (IT). Health IT is needed for quality reporting and improvement and to give providers ready access to better evidence and other clinical

decision-support tools. Reinvesting in the training of a twenty-first century health care workforce is necessary for many delivery system reform goals to be realized.

**Achieving Greater Efficiency and Sustainable Financing.** The U.S. spends \$2.3 trillion per year on health care, and economists warn that rising health care costs represent a serious threat to our long-term fiscal security. According to the Congressional Budget Office, up to one-third of that spending - more than \$700 billion - does not improve Americans' health outcomes. Excess spending must be eliminated and dollars put to better use, not only to correct the imbalances of the current health care system, but to offset the high costs of much-needed comprehensive reform.

Beyond measures to refocus the system on primary care, reward quality care, and invest in critical research and technology, the Baucus plan would endorse direct steps in five additional areas to curb excess health care spending. The plan would invest more to detect and eliminate fraud, waste, and abuse in public programs. The plan would address overpayments to private insurers in the Medicare Advantage program. The plan would increase transparency of cost and quality information and would require disclosure of payments and incentives to providers by drug or device makers that may lead to biased decision-making. The plan also considers careful reforms of medical malpractice laws that could lower administrative costs and health spending throughout the system, while ensuring that injured patients are compensated fairly for their losses.

Long-term care services and supports are both a significant share of national health expenditures and a driver of cost. Considering policies to shift the focus from institutional care to services provided in the home and community could improve the quality of care delivered and reduce costs. Finally, the plan would explore targeted reforms of the tax code to make incentives more efficient, distribute benefits more fairly, and promote smarter spending of health care dollars by consumers themselves.

**Conclusion.** I believe it is the duty of the next Congress to reform America's health care system. In 2009, Congress must take up and act on meaningful health reform legislation that achieves coverage

for all Americans while also addressing the underlying problems in our health system. The urgency of this task has become undeniable.

In the short term, health care reform would cost taxpayers more than the government can achieve in savings from all reforms and financing changes. Congressional leaders and the public must be realistic about the timeframe in which the fiscal success of reform is measured. If we fail to act, however, we will double our current national expenditure on health care from \$2 trillion to \$4 trillion, continue to witness the plight of tens of millions of our citizens without health insurance cost shifting to those who do, continue to tolerate poor quality that leads to nearly 100,000 deaths a year, and watch our businesses become less competitive and our nation go further into debt. In short, we all must realize that the costs of inaction, both in human and financial terms, will eventually be far greater than any initial outlays. We must choose to invest now in a health care system that will richly repay the nation with greater health and economic stability in the long term

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**FROM THE FULL REPORT:**

**<http://finance.senate.gov/healthreform2009/home.html> (p. 78, Long Term Care Services and Supports).**

**E. LONG-TERM CARE SERVICES AND SUPPORTS**

Long-term care differs from other types of health care in that the goal is not to cure an illness, but to provide patients with the highest level of functioning possible and improve quality of life. The need for long-term care affects individuals of all ages: children born with disabling conditions, working-age adults with inherited or acquired conditions ? many of whom are able to work ? and the elderly with chronic illnesses. Care for these individuals is most often provided by informal caregivers ? family or friends ? who provide care with little or no compensation. More than 50 million informal caregivers currently tend to the needs of individuals and family members of all ages.

Today, about 9.4 million adults, five percent of the adult population, receive long-term care services in the community or in institutions;<sup>61</sup> and about 1.1 million children living in the community have long-term care needs.<sup>62,63</sup> An estimated 69 percent of people turning 65 years old will need some form of long-term care assistance before they die.

The current system for delivering long-term care is expensive, inefficient, and does not encourage the delivery of high-quality care. In 2005, national spending on long-term care was estimated to be nearly \$207 billion.<sup>65</sup> States and the Federal government are the largest payers of these services. Medicaid alone accounts for as much as 49 percent of long-term care spending ? most of which was provided in an institutional setting.

Medicare covers a limited amount of post-acute care in skilled nursing facilities and in the home for certain beneficiaries. And Medicare benefits are not coordinated with Medicaid ? even though the Federal government bears much of the cost for these programs. Likewise, conflicting incentives may increase costs and diminish the quality of care. Divergent characteristics, program goals, eligibility requirements, and covered services for Medicare and Medicaid programs often lead to uncoordinated care and a fractured delivery system for individuals needing long-term care and assistance.

The cost for nursing home care is extremely expensive, about \$70,000 per year on average.

Without financial assistance from Medicaid or private insurance, most people simply cannot afford extended nursing home care.<sup>68</sup> Home or community-based care is more cost-effective, and most patients would prefer care in these settings to institutional care.

In recent years, Congress has taken some steps to reform the long-term care system. The Deficit Reduction Act of 2005 provided new flexibility for states to offer home and community-based long-term care services in Medicaid.<sup>72</sup> Despite this progress, the program maintains a strong bias toward institutional care due to payment and access rules. Congress has considered innovative, alternative

approaches to institutional care, but reform has remained elusive due to a lack of consensus on both policy and financing.

Home and Community Based Services (HCBS) have become a popular way to support individuals who want to remain in their own homes and communities. HCBS options are generally provided through Medicaid waivers, but beneficiaries must have a significant level of disability to qualify. And even those who qualify often have difficulty accessing care; by 2005 there was a waiting list of more than 207,000 Medicaid beneficiaries for HCBS waiver services.

The Baucus plan would consider options to further expand access to HCBS in Medicaid.

These options include providing states with new tools and incentives to make them more available to more beneficiaries and exploring options to better coordinate care for dual-eligible individuals under Medicare and Medicaid.

The plan would also encourage states to explore new options that improve access to long-term care services and supports to prevent the progression of disability and to help individuals remain in their own homes. By intervening earlier with targeted assistance, states can help prevent or delay costly institutionalizations and provide a more patient-centered benefit. In addition, exploring inefficiencies and conflicting incentives within Medicare and Medicaid could improve the quality of care and decrease costs.

Providing support for family caregivers should also be an important part of any reform plan. The plan would provide assistance to individuals, families and caregivers in navigating the complex and fractured long-term care services and supports system. With this help, individuals in need of care and their families would be better able to make the most appropriate care choice.

Family caregivers cannot be expected to fill all the gaps in our current system. Long-term care reform should include options to recruit, train, and retain a robust workforce that can ensure

high-quality care. One concept that has been put forward to address these shortages is providing educational and training opportunities to adults who are participating in the Temporary Assistance for Needy Families (TANF) program, who represent a pool of more than 900,000 individuals who could provide an important resource in meeting our nation's workforce needs.

Institutional or residential care is appropriate in some cases; however, it should be a choice for individuals and families. This plan would pilot new models of institutional care, such as the Green House model, that has shown promise for both improving the quality of life and care in these settings. In addition, this plan incorporates several options to reform the delivery system to provide better care coordination and chronic disease management. Others may include investment in aging and disability resource centers (ADRCs) and programs that limit secondary disabilities by promoting nutrition, exercise and fall prevention. Because almost 25 percent of deaths occur in long-term care settings, ways to provide the best quality care at the end of life should be considered.

In the long run, fundamental reform of the long-term care system will be necessary.

Achieving ultimate success will require both public and private solutions. While we consider options to improve the care in our public programs, we should also explore policies that make quality long-term care insurance products more affordable and accessible.

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Tamie Hopp

**REFERRAL/MEMBERSHIP/CONTRIBUTION  
FORM**

**THREE EASY WAYS TO SUPPORT VOR**

**REFER, CONTRIBUTE OR JOIN**

**THANK YOU FOR YOUR SUPPORT!**

**TO JOIN OR CONTRIBUTE:** \$25 per individual, \$150 per family organization, or \$200 per provider/professional organization. Extra donations are welcome!

You may pay by credit card or check.

**TO REFER SOMEONE TO VOR:** Use the form below, including the additional sections for referrals.

Mail the completed form (if joining or contributing) with payment to:

Voice of the Retarded

836 S. Arlington Heights Rd., #351

Elk Grove Village, IL 60007

847-253-0675 fax (for referrals or credit card payments)

Tamie327@hotmail.com (for referrals or credit card payments)

FOR REFERRALS: \_\_\_\_ The contact information provided is for someone I think would consider membership with VOR.

FOR REFERRALS: \_\_\_\_ You may use my name in any correspondence with this individual. My name is \_\_\_\_\_.

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Name

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Address (if paying by credit card, use billing address). All forms must include complete address including zip code)

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VOR accepts Master Card and Visa. If paying by credit card, please provide the following information:

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amount

\_\_\_ Mastercard

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Card Number: \_\_\_\_\_

Expiration Date: \_\_\_\_\_

Cardholder's Signature: \_\_\_\_\_