

IN THE SENATE FINANCE COMMITTEE
FROM
THE MD/DC CHAPTER OF THE NATIONAL ACADEMY OF ELDER LAW ATTORNEYS
IN SUPPORT OF SB642
HOME AND COMMUNITY BASED WAIVER SERVICES-ALTERATION AND TASK FORCE
March 3, 2020

The Maryland/DC Chapter of the National Academy of Elder Law Attorneys wholeheartedly supports SB642 for the following reasons.

Forcing people into institutions to receive basic health care is a violation of Constitutionally guaranteed civil rights. See *Olmstead v. L.C.* 527 US 581 (1999). Yet, Maryland policy does that every single day. There are over 20,000 people on a waiting list to receive home-based services through the Home and Community- Based Options Waiver program. They can expect to wait 8 years. The only viable option for their care is institutionalization. Maryland can and must do better.

Maryland is below the national average of providing home-based care and well below the states that spend between 70 – 80% of their Medicaid long-term care dollars on home -based services. The collective experience of other states is that it is cost-effective to encourage home- based care. It is cheaper and actually saves the state money in the long run. According to H. Steven Kaye, Adjunct Professor at the Institute for Health and Aging and the Department of Social and Behavioral Sciences, U.CA at San Francisco:

“States are shifting Medicaid spending on long-term services and supports from institutional to home and community-based services, a process known as rebalancing. Using fifteen years of state expenditure data, a statistical model was developed to assess the effect of rebalancing on overall spending for long-term services and supports. The model indicates that spending is affected by the way rebalancing is implemented: Gradual rebalancing, by roughly two percentage points annually, can reduce spending by about 15 percent over ten years. More rapid rebalancing can save money, break even, or increase spending, depending on the pace and program specifics. Cuts to home and community-based services that hinder rebalancing are likely to increase, not decrease, overall spending on long-term services and supports as people who were receiving these services shift into nursing homes. Because many states continue to experience budget crises, policy makers must think carefully before altering spending patterns for long-term services and supports and adopt strategies that particular states have used to successfully reduce overall spending, such as gradually shifting expenditures toward home and community-based waiver programs.” “Gradual Rebalancing of Medicaid Long-Term Services ad Supports Saves Money and Serves More People, Statistical Model Shows”, *Health Affairs*, 31, no.6 (2012) 1195-1203.

This potential was recognized in Maryland by both Hilltop and the Maryland Department of Aging. The Hilltop Institute found the “[o]verall,... Medicaid costs declined after individuals transitioned to the community”. The Maryland Department of Aging found that community-based services were cost

effective because they allowed people to avoid the more expensive nursing home services. These are cited in “State Studies Find Home and Community-Based Services to be Cost-Effective” *Spotlight 2*, AARP Public Policy Institute, March 2013.

Notwithstanding our own well-documented experience with cost-savings and the experience of other states, we continue to severely limit and to underfund our Home and Community-Based Waiver slots. Most recently, the Department of Health actually reduced the number of available slots for home-based services. As recognized by H Stephen Kaye, cuts to home-based services are likely to increase and not decrease overall spending for long term care.

The State is at a particularly good time to undertake a restructuring of how it delivers long-term care. According to the State Plan on Aging, our population of older adults is dramatically increasing. We can expect to see a corresponding increase in demand for long-term support services. It is incumbent upon us now, at this time, to do the planning required so we can meet the needs of our aging population easily and without a budgetary crisis.

For these reasons we urge a favorable report on SB642.

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