

Ohio reaches milestone in elderly care

More Medicaid dollars going to home- and community-based care.

By Catherine Candisky
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With demand for long-term-care services exploding as Ohioans are living longer, the state has hit a milestone in giving the elderly and disabled more choices in the care they receive while reining in costs.

Ohio has surpassed a goal of using at least 50 percent of its Medicaid long-term-care budget on home- and community-based services as the percentage of spending on nursing homes and institutional care has fallen to new lows.

State Medicaid officials say they met the mark a year ahead of a Sept. 30, 2015, federal deadline.

Last year, Ohio received \$169 million from the federal government to help keep seniors

and those with disabilities in their homes and out of more expensive and usually less-preferred nursing homes. Ohio was one of 16 states awarded funding through the Affordable Care Act's Balancing Incentive Program.

State officials said Wednesday that the 2011 budget crisis – which made legislators more open to creative solutions – Gov. John Kasich's determination to overcome Ohio's nursing-home lobby and other factors helped the state reach the long-sought mark sooner than expected.

"The key is the governor has been fearless on a few things that honestly for years folks knew were the right thing to do. That's been the most frustrating process, where you've got these obvious things and there is a consensus on what's right to do but there is either a political problem or fiscal challenge that makes it difficult to do," said Greg Moody, director of

the Governor's Office of Health Transformation.

For decades, Ohio has relied on nursing homes to care for its senior and disabled populations, a system that proved difficult to change.

"Going back to the 1970s, states thought they were doing the right thing by having an institutional response for people who needed long-term care," said Robert A. Applebaum, director of the Ohio Long-Term Care Research Project at Miami University's Scripps Gerontology Center.

"We ended up with a system where we were spending the vast majority of our resources on institutional care. In the late 1980s, we started to reconsider, but we'd already built all these nursing homes and they'd become popular and a strong lobby."

Applebaum estimated that two decades ago, 95 percent or more of Ohio's long-term-care budget was spent on nursing-

home care. Ohio, which was at 61 percent two years ago, and other states have been trying to get closer to 50 percent.

Why? Because states that spend higher portions of their long-term-care budgets on home- and community-based care tend to spend less overall on long-term care. In Ohio, nursing-home care costs on average about \$64,000 a year while home-based services run half that amount or less.

"Between now and 2040, we will double the size of our elderly population," Applebaum said. "If we institutionalize the same portion as we do now, we'll be in big trouble."

Ohio's total long-term-care spending currently is about \$6.9 billion, roughly a third of the overall Medicaid budget.

"From a policy perspective, it's kind of a no-brainer," said Howard Fleeter, a Columbus-based economist. "Everyone understands that if you can tilt that balance and keep people

in their homes longer, it would keep people happy and save money."

Ohio Department of Aging Director Bonnie K. Burman stressed that rebalancing long-term-care spending also has given the elderly and disabled added choices about the care they receive.

For instance, there no longer are waiting lists for in-home services such as Ohio's popular PASSPORT program, and in recent years the state has helped move more than 5,000 people from nursing homes back into their own homes.

Ohio Medicaid Director John McCarthy said the state will keep pushing to expand home-care services while making nursing-home care available to those who need it.

McCarthy said Ohio may not reduce its overall long-term spending, but considering a growing elderly population, such efforts are certain to lower the rate of growth.