



July 17, 2017

FSSA Division on Aging
RE: Commentary on Home and Community-Based Services
402 W. Washington, Room W454
Indianapolis, IN 46204

To Whom It May Concern:

Please accept this letter as support from Leading Age Indiana and our 250-long term care community members. LeadingAge Indiana is an association representing not-for-profit services and facilities for the elderly. Members are non-profit organizations, providing high quality health care, services and housing for over 25,000 seniors throughout Indiana. Our members are sponsored by or affiliated with religious, fraternal, governmental, and community organizations.

Together with the Indiana Health Care Association and Hoosier Owners and Providers for the Elderly, we supported the significant changes and ideas contained in HB 1493 authored by Rep. Tim Brown, M.D. The three organizations, have partnered with the Indiana Family and Social Services Administration in recent years to propose a significant initiative to positively change the Medicaid program for Indiana's aging population.

Our Rebalancing Plan as proposed in HB 1493 planned:

1. Investment in Home and Community Based Services (HCBS)
2. Increasing nursing facility efficiencies by controlling current nursing home capacity
3. Leading the nation in incentivizing quality improvement
4. Would have reduced Medicaid program expenditure growth as compared to the status quo

It is well documented that the need for care for Indiana's aging population will need to increase as the "baby boomers" age, but we do not foresee increasing nursing facility utilization for at least another 8 years. The current cost to care, in the communities and in nursing facilities, is increasing as more complex levels of care are required. LeadingAge Indiana is committed to being a partner to the state and other providers in the continuum of care to help manage this cost and patient experience in a positive manner.

A shift in how and where care is delivered to the aged and disabled is well underway. This shift focuses on improving the continuum of care by enhancing home and community based services and improving quality and efficiency in the highest level of the continuum – skilled care in nursing facilities. These changes are driven by consumers, providers, and governments and are based on individuals' preferences and the need for predictability in financing.



This movement does not mean that nursing facility services are not needed or are always more expensive than community based care, quite the contrary. Individuals are living longer and maintaining independence until later in life, and once care is needed, people are opting to receive care at home. This results in nursing facility being a critical part of the continuum of care as nursing facility residents require the highest levels of care.

To prepare for the increase in the aging population that will utilize HCBS and Long Term Supports and Services the focus must remain in three key areas. They are as follows:

- A. Invest in Home and Community Based Services
- B. Prevent Risk Based Managed Care and Incentivize Quality Improvement
- C. Improve Current Nursing Home Capacity

Contrary to thought, nursing facilities are not a free market. The government controls 85% of payments to facilities, determines qualifications to access facility care, and dictates daily operations with hundreds of pages of regulatory requirements. This combination leaves no room for a free market in long term care to exist.

We believe that the rebalancing plan adopted in HEA 1493 combined with provisions in HEA 1001 will begin the process of allowing Hoosiers the freedom to maintain independent living longer, financially preparing Indiana for future nursing home care, and promote quality care, however, more needs to be done to address the increase in the aging population to position the State of Indiana as leading the way when caring for aging and disabled Hoosiers.

Thank you for the opportunity to share our support for change in the existing HCBS system to better serve older adults and persons with disabilities of all ages who encounter the HCBS system.

Sincerely,

A handwritten signature in black ink that reads "Mike Rinebold".

Mike Rinebold
President/CEO
LeadingAge Indiana