

Executive Summary
Citizens Hearing and Panel Discussion on the Topic of
Home and Community Based Services
March 29, 2007

On March 29, 2007 the Tying Nashville Together HealthCare Action Team hosted the Citizens Hearing and Panel Discussion on the topic of Home and Community Based Services ("HCBS"). Key findings of the 4 panel discussions include:

1. HCBS services are under-utilized in Tennessee.
2. Underutilization of HCBS stems in part from the current system of delivering of services, which makes it easier for an individual to receive institutional care, and in part from unawareness by potential service recipients as to the availability and range of services.
3. Increasing utilization of HCBS and other less costly long-term care alternatives requires a change from the current medical (i.e. institutional) focus to one consistent with delivery of non-medical services.
4. The current medical model for long-term care (Medicaid Waiver) results, among other things in:
 - a. disjointed interactions among state and local agencies.
 - b. often excessive and avoidable costs to the state through delivery of long-term care services through institutions (i.e. nursing homes) rather than allowing qualified people to live in their home and receive Home and Community Based Services.
 - c. under enrollment in state programs relative to the number of openings available for state services (Medicaid Waiver).
 - d. a complex eligibility process that creates a barrier to receiving timely services.
5. The current long-term cost-basis reimbursement system discourages institutional providers from developing and delivering long-term care that is cost-effective to the state.

6. Little support for choice, which would enable those in nursing homes, who would prefer an opportunity to receive care at home, to receive that care in the most integrated setting for that person.
7. The Governor and his executive agencies have the authority to make many changes necessary to efficient and cost-effective provision of HCBS. Other changes will require legislative support and approval of the federal government.

Problems of cost-effective broad long-term care largely stem from the state's model for delivery of services. Currently the state operates under a so-called "medical model." This model requires a potential recipient of state long-term care services to be medically eligible for residency in a nursing home. This model ends up paying for persons often unnecessarily sent to nursing homes because alternatives to nursing home care such as home and community based services are quite limited. Further, the medical model pays to sustain the *availability* of full medical services rather than actual delivery of tailored services for persons in state funded care. The vast majority of persons in state-funded care are sub-acute, that is, they do not need the institutional care for which the state is paying. These persons require much less long-term care and can be properly served in their home through home and community based services. The net result of the current model is that the state of Tennessee pays to support a network of full service institutional providers rather than paying for services needed or rendered.

This system financially discourages nursing homes from offering expanded less-costly services tailored to the actual need of the sub-acute client. Nursing homes are presently reimbursed based on the cost of running the institution, rather than the acuity level of the patients, or services provided. Nursing homes, then, find themselves housing many persons not needing the full menu of services available, and the state is paying for empty beds.

The alternative to the medical model, which mainly looks at functional deficit, is to provide services tailored to the need of the recipient and financial well being of the state. In this so-called "social" or "support" model, long-term care is provided to aid sub-acute persons to function within society. These persons have needs often marginally related to medical need. This support model allows many more persons to qualify for long-term care services and avoids unnecessary and expensive institutionalizing of persons who otherwise could function well outside long-term care institutions. States that have done this have seen their nursing home populations decrease, and their long-term care institutional expenses decrease.

Further, under the support model costs to the state are based upon tailored services delivered for at home long-term care. This model does not require more state money. Instead the state would rebalance its allocation of state long-term funds to provide less institutional care, when appropriate, and more home care, when appropriate. In most cases home and community based services are per capita much less costly to the state, benefit many more persons, and encourage institutional and other providers to expand their services into other less costly alternatives, specifically HCBS.

Institutional long-term care absorbs the vast majority of state long-term care funds. The residual funding available for less costly, broader, and, often times, more beneficial alternatives is so inadequate that a potential HCBS provider cannot financially afford to make services available. The results include a limited and undependable HCBS delivery infrastructure and a large population needing but not receiving HCBS.

The Governor and his executive agencies, foremost TennCare, have the legal authority and technical skills to solve most of the problems flowing from the current system. Other support will come from the legislature and waivers from the federal government. Together these forces will recreate the current system in favor of fostering a more efficient, cost-effective, and user-friendly system of long-term care within Tennessee. These solutions range from a simple disclosure to persons seeking long-term care that they have HCBS as an option to global budgeting of long-term care dollars to encourage development of alternatives to institutional care.

Disclaimer: Tying Nashville Together (TNT) has made every effort to accurately summarize statements made by panelists and others at the Citizens Hearing and Panel Discussion on the Topic of Home and Community Based Services, March 29, 2007. However, TNT does not guarantee the truth of statements made by panelists, individually or collectively.