



Statement by John Cardwell, Director, The Generations Project, Regarding the Implications of the Project's Moving Forward Report for Indiana's Medicaid Funding and Long Term Care Services Crisis, February 8, 2005

The Generations Project was founded over three years ago to address the critical imbalances in Indiana's system of long term care for the elderly and persons with physical disabilities.

These imbalances mean 84 percent of our public Medicaid dollars are spent on nursing home care and only 16 percent of our public Medicaid and CHOICE program dollars are spent on home and community based care.

These imbalances in Indiana's long term care system continue to result in needless and unacceptable outcomes for Hoosiers. 1) Taxpayers are paying more and getting less care than they should be through Indiana's Medicaid program. 2) Tens of thousands of people languish on waiting lists for home and community based care. 3) Family members are stretched to their financial, professional, and personal breaking points to provide home care. 4) Death and nursing home placement remain the leading means for leaving the waiting lists for home and community based care.

In 2002 and 2003, The Generations Project published in its booklets *Home Care for Hoosiers* data that clearly demonstrated Indiana is using its Medicaid dollars disproportionately and inappropriately for nursing home care. In 2003 the project also published *A Business Issue: Caregiving & Long Term Care* that clearly demonstrated a direct link between a loss of productivity in the business sector with a lack of available home and community based care. In short, every time a Hoosier misses work, quits a job, or gets sick trying to work and maintain home care for a loved one there is an economic consequence for everyone in lost productivity, lost tax revenues, and lower overall economic vitality in our state.

Now, after a year's investment in time and expert analyses the project's comprehensive *Moving Forward* report on the implementation of Senate Enrolled Act 493 and the state's long term care system demonstrates without a doubt the following:

- a. The failure to implement 2003's SEA 493 is resulting in the wasteful expenditure of hundreds of millions of Medicaid dollars.
- b. Death and nursing home placement will continue to be the primary and unconscionable means for getting people off waiting lists for home and community based care as long as SEA 493 is not implemented.
- c. SEA 493 can still be fully implemented and if that happens Indiana's can move to the forefront of states that: 1) provide high quality home and community based services, 2) expand

home and community based services while holding the line on, and even reducing, Medicaid costs, and 3) that improve the overall quality of life.

Simply consider the cost of Medicaid funded nursing home care in Indiana. Currently, the state is spending nearly \$900 million in state and federal funds on nursing homes. The Generations Project maintains that Indiana, through the full and aggressive implementation of SEA 493, can reduce its nursing residential census by fifty percent in as little as five years. With this action, hundreds of millions of dollars can become available for home care community based care under the provisions of the 2003 act. That represents a huge opportunity for state budget managers, state policy makers, business and industry, and most importantly individuals and their families throughout Indiana that need care. The implications for the current public debate on how to resolve Indiana's Medicaid spending and services crisis are enormous.

With the publication of the *Moving Forward* study, the evidence of its viability and the knowledge for implementing SEA 493 are now at hand. With this study the concerned public, private sector leaders, and state officials now have available the knowledge base they need to move forward with the re-balancing of Indiana's long term care system.

The Moving Forward study was underwritten by a grant from the Nina Mason Pulliam Charitable Trust. The publication of the report was jointly underwritten by the CICOA Foundation and AARP Indiana. The primary author of the report was Judith E. Becherer, an independent contractor to The Generations Project, who worked with assistance from colleagues and other experts in the field of long term care. Ms. Becherer formerly served as the director of long term care for the state of Indiana. The report's chief editor was John Cardwell, director of the project and chair of the Indiana Home Care Task Force. The report's design and production editor was William L. Phillips, assistant director of The Generations Project.

The organizations that are members of the project are: AARP Indiana, CICOA Aging and In-Home Services, Citizens Action Coalition Education Fund, Alzheimer's Association, Indiana Association of Area Agencies on Aging, Indiana Alliance for Retired Americans, Indiana Minority Health Coalition, Mental Health Association in Indiana, Council of Volunteer Organizations for Hoosiers with Disabilities, The ARC of Indiana, and United Senior Action of Indiana.

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