

Presumptive Medicaid Eligibility for Homecare in Kentucky (HB 144-Burch):
Helping Our Elderly Obtain Homecare Services Faster Can Greatly Reduce the Medicaid Spend

What is presumptive Medicaid eligibility ("PE") for homecare in Kentucky?

-PE helps family caregivers and patients obtain Medicaid homecare services faster and has been successfully implemented in several states as a means to move away from institutional care. It provides for a simplified eligibility determination within 10 days of a referral for Medicaid homecare services, which is the patient preferred venue for care and cost effective compared to institutional care.

-In its "Supports for Family Caregivers Report,"¹ the LRC recently proposed PE as a means to expand homecare services. PE is also supported by the Kentucky AARP and has proven to significantly reduce the Medicaid spend in other states.

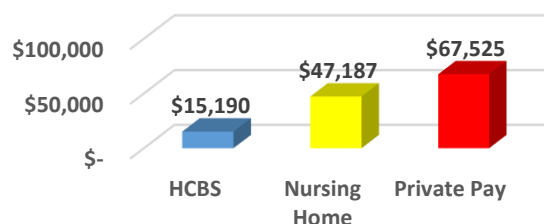
Why do we need PE?

-Medicaid eligible patients in Kentucky can often wait weeks to obtain homecare services burdening family caregivers and resulting in expensive emergency room and hospital visits. States with PE have reduced patient wait time for homecare services often up to 66%.² Proposed PE legislation for Kentucky sets procedures that address patient treatment preferences, patient care goals and family caregiver concerns.

-Homecare with PE can greatly reduce Medicaid expenditures.

The average cost per person for home and community based services in 2012 in Kentucky was \$15,190 compared to \$47,187 for a Medicaid nursing home bed for one year and \$67,525 for a private pay nursing home. States with PE such as Ohio reduced the percentage of its Medicaid budget spent on nursing homes from 60% to 48% and the Ohio Medicaid Director said the state **"will keep pushing to expand homecare services"**.³

Average Annual Cost of 3 Long Term Care Options⁴



-A Deloitte Consulting Report commissioned by the Cabinet called for "the expansion of home health agencies" and greater "rebalancing efforts" to transition away from costly facility care by providing more incentives for homecare. That report stated Kentucky's Medicaid spend on nursing facilities per enrollee is far higher than surrounding states and that these same states spend "in excess of 40% more per enrollee on home health services".

Why PE now?

-In 2014 the AARP, which supports PE, released a major study on elder care which ranked Kentucky LAST, 51 out of 51, in its care for the elder population and placed it 44th in terms of the percentage of its Medicaid dollars used for home and community based services. Now is the time to protect Kentucky seniors and save Medicaid dollars by making PE the law in the Commonwealth.

¹ Legislative Research Commission, "Supports for Family Caregivers of Elders". Research Memorandum No. 517. Dec. 2014.

² The expedited process in Washington State went from 37 days to 17 days. See Robert Mollica, "Expediting Medicaid Financial Eligibility". National Academy for State Health Policy. Jul. 2004, pp. 5.

³ The Columbus Dispatch, "Ohio Reduces Spending on Nursing Homes". Sept. 11, 2014.

⁴ KY Department for Aging and Independent Living PowerPoint Presentation, Apr. 2014.