

October 6, 2009

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives

The Honorable Henry Waxman
Chairman, Committee on Energy & Commerce
U.S. House of Representatives

The Honorable Charles Rangel
Chairman, Committee on Ways & Means
U.S. House of Representatives

The Honorable George Miller
Chairman, Committee on Education & Labor
U.S. House of Representatives

Dear Madame Speaker, Chairman Waxman, Chairman Rangel, and Chairman Miller:

The undersigned national organizations representing older adults, people with disabilities, and those who serve them strongly urge that improved coverage for long-term services and supports be included in health care reform. While our members experience first-hand the need for greater federal leadership in improving access to and affordability of home and community based services (HCBS) generally, this view is widely shared. In June of this year, the SCAN Foundation released survey findings showing that 8 of 10 people surveyed would be more likely to support health reform if it improved coverage of home and community-based long-term care services.

As you work to finalize the House health care reform bill, we specifically urge that the CLASS plan be included, as well as provisions similar to those included in the Senate Finance Committee health reform proposal to improve access to Medicaid home and community-based services (HCBS).

The Community Living Assistance Services and Supports (CLASS) proposal (sponsored by Representatives Pallone and Dingell and Senator Kennedy) is currently included in the Senate HELP Committee bill, and a shell of the proposal is included in the Energy and Commerce Committee bill (the full proposal was not included due to jurisdictional issues). In addition to support from President Obama and over 100 national organizations, the provision received bipartisan support in both committees. The voluntary CLASS proposal will promote independence, choice, dignity and personal responsibility.

As Health and Human Services Secretary Sebelius stated in a July 6 letter to Senator Kennedy: "[President Obama] believes it is appropriate to include the CLASS Act as part of health reform." We were also pleased to see the following statement in the new report from the Administration entitled *Health Insurance Reform and Medicare: Making Medicare Stronger for America's Seniors*: "Health insurance reform will create a new voluntary long-term care services insurance program, which will provide a cash benefit to help seniors and people with disabilities obtain services and supports that will enable them to remain in their homes and communities."

The Congressional Budget Office has found that the CLASS proposal would reduce the deficit by \$57.8 billion over ten years, including reductions in total Medicaid spending of \$4.4 billion (\$2.5b federal and \$1.9b state).

As you finalize the House bill, we also believe that it is critically important to address the institutional bias of the Medicaid program. Nationally, we spend approximately 73% of Medicaid long term care resources devoted to older people and adults with physical disabilities on

institutional services, even though most beneficiaries prefer the less expensive and more cost-effective HCBS. Faced with a growing population of baby-boomers that will need long term supports and services over the coming decades, the current system puts states on a course for a financial train wreck and leaves many consumers unable to get the services and supports they need to live at home.

Several important improvements to expand access to Medicaid HCBS in the Senate Finance Committee Chairman's mark include:

- The Community First Choice program, which would create a state plan option for certain HCBS to individuals with disabilities who require an institutional level of care. States would be eligible for an enhanced federal match rate of an additional six percentage points for reimbursable program expenses.
- Reforms to temporarily increase the federal matching rate for HCBS for states that undertake structural reforms to increase diversion from institutions (including nursing homes and intermediate care facilities for people with intellectual and developmental disabilities) and expand the number of people receiving HCBS under Medicaid. Based on the core elements of S. 1256, the Home and Community Balanced Incentives Act, states could balance their Medicaid programs by using best practices to bend the cost curve. States could offer HCBS through a waiver or state plan amendment (SPA), with those choosing a SPA allowed to include individuals with incomes up to 300% of SSI.
- A provision to apply to spouses of individuals receiving Medicaid HCBS the same protections against impoverishment that are currently provided to the spouses of nursing home residents under Medicaid.

Our nation has too long ignored the urgent need to address in a fiscally responsible manner the emerging crisis facing older adults, younger persons with disabilities and their families. While these provisions do not address all the long-term services and supports reforms that are needed at the federal level, inclusion of the provisions discussed above will strengthen support for health reform, promote choice and independence, and help to address what is likely the greatest and most expensive unmet care need for millions of vulnerable Americans.

Thank you for your leadership on these and other urgent health care issues. We look forward to continuing to work with you to pass a strong health reform bill this year that significantly improves our health care system for all Americans, and work together in future years on more comprehensive long-term services and supports reforms.

Sincerely,

AARP

Alzheimer's Association

American Association on Intellectual & Developmental Disabilities

Americans Association of Homes and Services for the Aging

American Association of People with Disabilities

American Association on Health and Disability (AAHD)

American Network of Community Options and Resources (ANCOR)
Association of University Centers on Disability
Autism Society
Bazelon Center for Mental Health Law
Brain Injury Association of America
Disability Rights Education and Defense Fund
Easter Seals
Epilepsy Foundation
Families USA
Family Voices
Lutheran Services in America
National Academy of Elder Law Attorneys
National Association for Home Care and Hospice
National Association of Social Workers
National Association of State Head Injury Administrators
National Committee to Preserve Social Security and Medicare
National Council on Aging
National Council on Independent Living
National Disability Rights Network
National Down Syndrome Congress
National Multiple Sclerosis Society
National Respite Coalition
National Spinal Cord Injury Association
NCCNHR, The National Consumer Voice for Quality Long-Term Care
Paralyzed Veterans of America
Research Institute for Independent Living
Service Employees International Union
The Arc of the United States
United Cerebral Palsy
United Jewish Communities
United Spinal Association
Volunteers of America
World Institute on Disability

cc:

The Honorable Steny Hoyer
The Honorable James Clyburn
The Honorable Frank Pallone
The Honorable Pete Stark
The Honorable Robert Andrews
The Honorable John Larson
The Honorable Xavier Becerra
The Honorable Chris Van Hollen