

Special Audio Report Transcript

Headline: Little Hoover Commission Considers Ways To Optimize California's Long-Term Care Services

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I'm Pat McConahay with a look at the Little Hoover Commission's study of long-term care in California. This is a special report for *California Healthline*, a daily news service from the California HealthCare Foundation.

Some are calling it a "silver tsunami," a burgeoning number of aging baby boomers living longer and needing more services like long-term care. How can we provide those services in the most efficient way and at the least cost, especially during an economic downturn? Earlier this year, the Little Hoover Commission launched its second study on long-term care in California in less than a decade. Executive Director Stuart Drown says there are several reasons for this latest effort. One is that after focusing attention on the In-Home Supportive Services System, IHSS, people in the field felt that there was a need to look at the broader spectrum of programs. This, says Drown, is against the backdrop of a state budget crisis that's threatening the existence of many services, including IHSS.

(Drown): "So we're interested in finding out what programs add the most value and how do we ensure that the most needy people are served? We can't make the budget call. But we can try to develop a structure or recommendations for a structure."

Drown says currently services are too fragmented from city to city and county to county. Following the commission's 1996 study, it recommended consolidating long-term care programs into a single state agency. Is that recommendation on the table today?

(Drown): "You know, that recommendation stands. I think that would be a long-term goal to move to a single agency. We are taking seriously hurdles we see to that and although that's something the commission believes would serve the state and the beneficiaries of these programs long term, clearly that hasn't worked. Nobody's rushed to implement that."

There is something similar to the one-stop concept in several Bay Area counties, which have implemented the "PACE" model, Program of All-Inclusive Care for the Elderly. In July, members of the Little Hoover

Commission toured the first of these programs in San Francisco. It was founded in the 1970s by community leaders who formed a nonprofit corporation, On Lok Senior Health Services, to provide medical, social and long-term care services for several immigrant groups with chronic care needs, including the Chinese. Most participants are allowed to live at home while receiving services. Eileen Kunz, PACE director of policy and government relations, says one of the program's values is that it uses resources as efficiently as possible.

(Kunz): "I think that looking at the future we need to look at those kinds of cost-effective programs. I think one of the challenges, of course, is at this point there's no financing for long-term care. It's an expensive service when people need a lot of services in the home."

The average cost for the program is \$4,000 to \$4,500 a month. Most beneficiaries receive coverage through Medicare or Medi-Cal, California's Medicaid program. Kunz says we have to find some way of financing long-term care insurance.

Stephen Moses, president of the Center for Long-Term Care Reform in Seattle, Washington, says how we pay for long-term care is the overriding issue. Moses is conducting a study for the Pacific Research Project, a San Francisco-based conservative think tank. He argues that we need to encourage private financing as an alternative to Medicaid dependency for most Americans, and that means tightening up Medi-Cal eligibility requirements.

(Moses): "California has an extremely generous Medi-Cal eligibility system that makes government financing of long-term care available to practically everyone without significant asset spend down."

Moses says most Americans have been told for decades not to worry about paying for long-term care -- that public programs will do it. But, in reality, he says, the money isn't there and people need to plan ahead.

Gary Passmore, of the Congress of California Seniors, agrees that most Americans don't understand long-term care and almost no one prepares for it.

(Passmore): "A recent study by the SCAN Foundation found that a single digit number of people in California had purchased long-term care insurance. The vast majority of people, over 70%, assume Medicare takes care of long term care and it doesn't."

Passmore adds that we have to look at what it means to be elderly and how people can age with dignity.

The Little Hoover Commission, meanwhile, will continue taking public comment, looking at the experiences of other states to come up with the right combination of services at the least cost. The commission expects to issue its recommendations in about a year.

This has been a special report from *California Healthline*, a daily news service from the California HealthCare Foundation. If you have feedback or issues you'd like to have addressed, please email us at CHL@CHCF.org. I'm Pat McConahay. Thanks for listening.