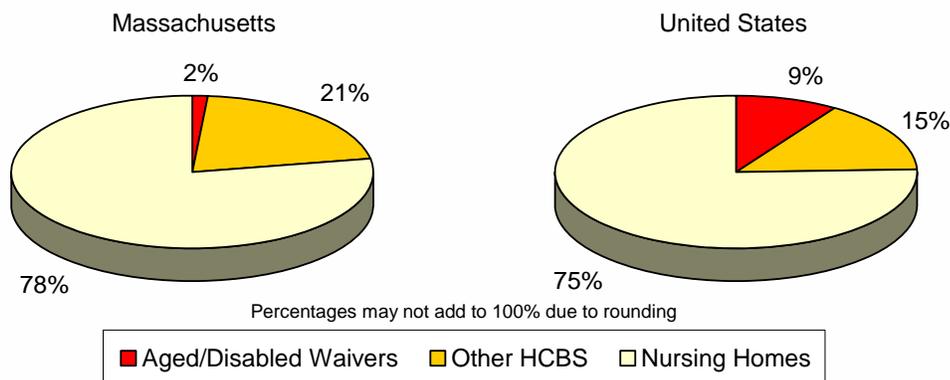


State Long-Term Care Reform in  
**MASSACHUSETTS**

**Medicaid Long-Term Care Spending for Older People and Adults with Physical Disabilities in Massachusetts and the U.S., 2006**



Similar to the U.S. average, Massachusetts allocates a greater percentage (78 percent) of its Medicaid long-term care (LTC) spending for older people and adults with physical disabilities to nursing homes, even though most people prefer to remain in their own homes and communities. In FY 2006, Massachusetts spent 2 percent on waiver services and 21 percent on personal care services (PCS).

Type of Service	Medicaid Participants <sup>1</sup>			Expenditures (millions)		
	1999	2004	Change	2001	2006	Change
HCBS	8,850	17,715	+8,865	\$249	\$475	+\$226
Nursing Homes	60,044	60,273	+229	\$1,423	\$1,673	+\$249

Although Massachusetts has yet to achieve an overall balanced LTC system for older people and adults with physical disabilities, there has been some progress in recent years. Although many more Medicaid participants receive nursing home services than receive home and community-based services (HCBS), the number of participants receiving HCBS doubled from 1999 to 2004, while the number in nursing homes remained relatively constant (specifically, there was a substantial increase in personal care beneficiaries and a small increase in waiver beneficiaries). From FY 2001 to FY 2006, Medicaid spending on both

<sup>1</sup> This analysis separates Medicaid participation and spending data for older people and adults with physical disabilities from the population with mental retardation/development disabilities (MR/DD) and other LTC populations. Participants and expenditures for HCBS include all 1915(c) waivers for older people and adults with physical disabilities, and the personal care services option, if the state offers it. All participants and expenditures for nursing homes are included, regardless of the participants' type of disability or reason for admission. Excluded are participants and expenditures for intermediate care facilities for mental retardation (ICF/MR), HCBS waivers for other populations such as MR/DD, home health, and individuals receiving LTC services through managed care programs. Participant numbers include all persons receiving services during the year, not the average number on a given day; the number of nursing home participants is greater than the number of nursing home beds in each state. The average number of Medicaid nursing home residents on any given day for each state appears in the *Tables* tab at the end of the full report *A Balancing Act: State Long-Term Care Reform (#2008-10)*. Note: Adult Foster Care and Group Adult Foster Care (assisted living) are services in the state Medicaid plan and are not included in the HCBS expenditures.

HCBS and nursing homes increased. The state also provides home care services to more than 33,000 persons age 60 and older through the state-funded Elder Home Care Program. The state allocated \$252 million dollars in 2008 to support this program.

## Major Initiative

In 2003, Massachusetts established a “Community First” policy that emphasizes community-based supports and services to enable eligible older persons and adults with disabilities to remain in community settings. Massachusetts submitted its “Community First” demonstration proposal (“strategic plan”) to the Center for Medicare &

Medicaid Services (CMS) in December 2006 to prevent or delay admission to nursing homes or to enable certain nursing home residents to return to the community. Under the demonstration, the state proposes an array of supports to help consumers stay in the community as long as possible and divert or delay Medicaid-covered nursing facility stays. Another major feature of the demonstration raises income limits for Medicaid eligibility for specific individuals at risk of institutionalization to 300 percent of Supplemental Security Income (from \$816 a month to \$1,715) and asset limits from \$2,000 to \$10,000.

**“Community First”**  
*Community First allows individuals to remain in their communities to receive LTC services and support. This demonstration project will also allow individuals to direct their own care and transition nursing home residents back into the community.*

Another goal of the demonstration is to facilitate the growth of a more flexible community-based supports delivery system by allowing participants to direct their own benefits. Also, some nursing home residents would have the opportunity to return to the community using transition funds.

The plan covers three categories of potential participants: the Imminent Risk group (persons who need nursing home level of care); the Prevention group (whose clinical and functional profile puts them on a trajectory for nursing home care within 9 to 12 months); and the Transition group, people who wish to leave a nursing home but need assistance to return to the community. The state proposed caps on the enrollment of each group, with the largest number (10,600) for the Imminent Risk category; 4,000 for the Prevention group, and 1,000 for transitioning persons (500 for persons age 65+ and 500 for the under-65 age group).

## Other Developments

**Equal Choices.** Legislation enacted in 2006, “Equal Choices,” stipulates that persons eligible for publicly funded LTC services should be given “the choice of care setting that is the least restrictive and most appropriate” for their needs. The aim of the legislation is broader access to publicly funded community-based supports for low-income older persons and people with disabilities, particularly through broader income and asset financial eligibility standards.

The legislation directed MassHealth (the state’s Medicaid program) to submit an 1115 research and demonstration waiver to CMS to expand MassHealth income and asset financial eligibility rules to enable low-income people at risk of nursing home care to choose community supports instead.