FAMILY CAREGIVER ALLIANCE®
National Center on Caregiving

# Health Care Reform and Family Caregivers

President Obama made history when he signed health care reform legislation into law on March 23, 2010. The new law, which will expand health insurance coverage to nearly every citizen, is packed with provisions that will impact all Americans. Some of the changes are happening now, while many larger pieces of the law will be implemented in the months and years to come. These changes have promise to impact family caregivers' lives directly, both as consumers of their own health care and as advocates, care coordinators and care providers for relatives and friends. The law makes health care more affordable and accessible, expands access to long-term care services, works to improve the quality of care and care coordination provided to patients—including those suffering from chronic or disabling conditions, and focuses on unmet needs within the health care workforce. Below is an overview of the provisions in health care reform that will have the most direct impact on family caregivers.

## Long-Term Care

With the aging of the population, the prevalence of adults with long-term care needs is rising. The number of adults in the U.S. who need long-term care services—over half of whom are 65 years or older—is expected to increase by over 100% between 2000 and 2050.[1] Most adults with long-term care needs want to remain at home or in the community, rather than go into a nursing home. And while family members are by far the main source of long-term care, they often rely on additional help from in-home care providers, visiting nurses, adult day centers and other home and community-based services. Yet, these services are expensive and are covered by Medicare under very limited and specific circumstances.

This law recognizes the need for home and community-based care and provides incentives and more flexibility for states to provide these services—at least for low-income adults—through Medicaid. For example, the health care reform law:

- Provides states with new options for offering home and community-based services to individuals with incomes up to 300% of the maximum SSI payment through a Medicaid state plan. Currently, states must apply for and receive waivers from the Centers for Medicare and Medicaid Services (CMS) in order to offer those services. This provision goes into effect October 1, 2010.

- Establishes a new Community First Choice Option in Medicaid to provide community-based attendant supports and services to individuals with disabilities who

1 U.S. Department of Health and Human Services & U.S. Department of Labor. (2003, May 14). *Future supply of long-term care workers in relation to the aging baby boom generation* (Report to Congress). Washington, DC: Author.

require an institutional level of care. States would receive enhanced federal matching rates for this program. This provision goes into effect October 1, 2011 and sunsets after five years.

- Extends Money Follows the Person demonstration programs through September 2016. This Medicaid program helps people move out of institutional care by providing financial support for home and community-based services.
- Provides protection for recipients of Medicaid home and community-based services against spousal impoverishment.
- Authorizes $10 million per year for five years, starting in 2010, to continue the Aging and Disability Resource Center (ADRC) initiatives. ADRCs are single points of entry into the long-term care system for older adults and people with disabilities

**CLASS Act:** Considering the ongoing and growing need for long-term care, the law takes a more comprehensive approach to reform by establishing a new national long-term care insurance program. Financed by voluntary payroll deductions, this program—known as the CLASS Act—will allow adults who contribute to the program for at least five years and who become functionally impaired to purchase community living assistance services and supports. Individuals must be 18 years old in order to qualify to receive benefits of between $50 and $100 a day, depending on the level of disability or cognitive impairment. Beneficiaries will be able to use those benefits to purchase services that assist them with daily activities, such as bathing and eating, as well as tasks related to communicating, managing money, housekeeping and taking medications. The government has until October 2012 to present the full rules, and experts expect enrollment to begin in 2013.

## Care Quality and Coordination

Millions of patients and their caregivers suffer needlessly because our health care system fails to provide the care and support they need. Nine in 10 Americans age 65 and older have at least one chronic health condition and 77% have multiple chronic conditions.[2] Our health care system remains best equipped to deal with acute, episodic care,[3] while older adults—and their caregivers—also need a system that can handle an increasing incidence and prevalence of chronic conditions. Older adults with multiple chronic health conditions have numerous medical visits a year with any number of different doctors; often report duplicate tests and procedures, conflicting diagnoses for the same set of symptoms, and contradictory medical information; and are more likely than others to experience avoidable hospitalizations.[4] At the same time, their family caregivers are often responsible for coordinating all this health care, managing medications, dealing with transitions in and out of the hospital, and providing care at home—all with very little assistance or training.

The new law addresses those concerns by making a number of changes to the current health care system which promote higher quality and better coordinated care and focus more on patient outcomes, patient-centeredness, and care coordination. Some of these changes include:

- Realigning our payment system and changing the way physicians and hospitals are paid in order to incentivize health care professionals to provide services critically

2 Campaign for Better Care. (2010) "The Case for Better Care." [Fact Sheet] Washington, DC: Author.

3 Institute of Medicine: Committee on Quality of Health Care in America. (2001, March). *Crossing the quality chasm: A new health system for the 21st century*. Washington, DC: National Academy Press.

4 Campaign for Better Care. (2010) "The Case for Better Care." [Fact Sheet] Washington, DC: Author.

important to patients with chronic conditions, to reduce excess hospital readmissions, and to focus on quality improvement. These changes will go into effect over the next few years.

- Creating a new Independence at Home Medical Practice Pilot Program providing Medicare beneficiaries who have multiple chronic conditions with coordinated, primary care services in their homes from a team of health care professionals. This program is set to begin January 2012.
- Creating a new Community Care Transitions Program to provide transition services to high-risk Medicare beneficiaries following hospital discharge. This program is set to begin January 2011.
- Requiring federally-funded geriatric education centers to offer free or low-cost training to family caregivers.
- Establishing a new office within CMS charged with improving coordination between Medicare and Medicaid for dually eligible beneficiaries in order for these federal and state programs to work better together to meet patients' needs.
- Establishing a Center for Medicare and Medicaid Innovation within CMS to test innovative payment and service delivery models and to replicate and expand those that reduce health care costs and enhance care quality and care coordination.

## Health Insurance Coverage

Millions of Americans lack health insurance, including thousands of family caregivers. In many cases, people decide to leave their paid jobs to provide full-time care to a family member or friend. As a result, not only do they lose their income, but they often lose their health insurance as well. Over time, this new law will provide uninsured individuals who aren't eligible for Medicare with access to affordable health insurance. Family caregivers will benefit greatly from these provisions.

### In the short-term:

A person who has a preexisting condition and has been uninsured at least six months may be eligible to buy coverage through a temporary high-risk program—which limits what they can be charged for out-of-pocket costs. This program starts in July 2010 and ends in 2014 when a new requirement will forbid insurance companies from denying anyone coverage because of a pre-existing condition.

Starting in September 2010, adult children up to age 26 will be allowed to maintain coverage on their parent's insurance plan. This could greatly benefit young adult children who are unable to work because they are caring for a sick parent.

### Staring in 2014:

Starting in 2014, everyone will be required to have health insurance. For those who don't get health insurance through their employer or purchase it on their own and who earn between 133-400% of the federal poverty level, they will be able to purchase coverage from private insurers through state-run exchanges. Purchasing through an exchange should promote group rates, which tend to be lower.

For those who still can't afford coverage on their own, the new law will provide subsidies or tax credits to reduce the cost of buying insurance through a state exchange. This help will be provided on a sliding scale to those whose income is below a certain level. In addition, the law will limit annual out-of-pocket costs—deductibles and copayments—bought through an exchange for people with moderate incomes.

Finally, for very low-income people, the law expands Medicaid to cover all non-Medicare eligible individuals under 65 who are legal residents earning up to 133% of the federal poverty line. Currently, Medicaid tends to be limited to low-income children, adults with disabilities, pregnant women and older adults.

## Health Care Workforce Development

As many patients and caregivers know, finding the right doctor or a well-trained home care worker can be extremely difficult. And as the population ages—and more Americans become insured due to health care reform—the need for primary care doctors, health care professionals who specialize in geriatrics, and well-trained direct-care workers is only going to grow. However, physicians who practice in primary care or geriatrics earn far less than those who choose to specialize, creating adverse incentives steering students away from becoming the very types of doctors we need more of. The new law takes a number of steps to address those concerns:

- Provides grants and other financial incentives to encourage students and health professionals to enter the field of and receive training in geriatrics, chronic care management and long-term care.
- Increases training opportunities and financial support to encourage medical students and nurse practitioners to go into primary care. In addition, it provides increased Medicare reimbursements for primary care practitioners.
- Provides funding for training direct care workers.
- Establishes a National Health Care Workforce Commission to provide objective recommendations for how to meet our unmet health care workforce needs.
- Establishes a Personal Care Attendants Workforce Advisory Panel to examine and advise on direct care workforce issues, including salaries, wages, benefits, and overall numbers of direct care workers, as well as on access to their services.

## References

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