

# Moving People and Dollars from Nursing Homes

A pilot program shifts Medicaid funds away from live-in facilities to home care

By Thomas Gaudio

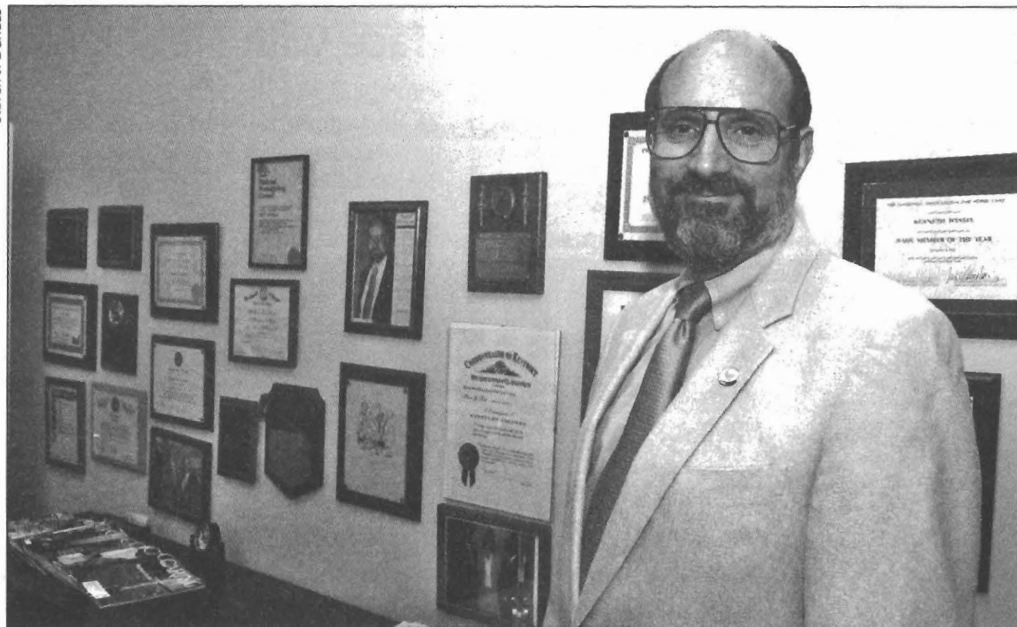
A NEW FEDERAL PROGRAM could squeeze nursing homes in the Garden State while helping home-care service providers.

Under a pilot program from the Centers for Medicare & Medicaid Services (CMS), the state will receive a total of \$30.3 million to move nearly 600 New Jersey Medicaid recipients from long-term care facilities to private residences, and provide care for them through 2011.

CMS last month awarded New Jersey, 12 other states and the District of Columbia about \$16.4 million in a second round of funding for the project. The Garden State received \$230,000 for this year.

The money is part of a \$1.8 billion program to help more than 14,000 individuals in 13 states and Washington, D.C., leave nursing homes and institutions for the developmentally disabled. Medicaid, funded by the federal and state governments, provides health care services for people with low-to-moderate incomes. There are about 1 million Medicaid recipients in New Jersey, according to the state's Department of

Steven J. Dundas



Wessel cautions that the funds for home health care may not be enough to pay for professional help.

Human Services, which administers Medicaid in New Jersey.

Debra Lipson, senior researcher with Mathematica Policy Research Inc., a Princeton-based firm

hired by CMS to evaluate the program, calls it part of a shift away from large institutions to small group or individual homes and assisted-living facilities.

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"It may be the case that with an aging population, you're still going to need nursing homes," she says. "But the people in the industry who I've talked to see the writing on the wall. Individuals do not want to go into those institutions unless there's literally no other available option."

However, most people in nursing homes require around-the-clock care, says Paul Langevin, president of the Hamilton-based Health Care Association of New Jer-

sey, a nonprofit trade group representing nursing homes and assisted-living facilities in the state.

The average resident of a nursing home is 85 years old and very frail, says Langevin. While people should stay at home as long as possible, once they enter a long-term care facility, there is an "incredible amount of work and scheduling" that goes into caring for most of them, he says.

At the same time, he adds, there is a

shortage of home health-care aides, nurses and nurses' aides to help patients living in private residences.

While the seven institutions for developmental disability patients in New Jersey are run by the state, the 43 nursing homes based here are largely private entities. Nursing homes affected by the pilot program include Inglemoor Rehabilitation & Care Center in Livingston and Lakeview Subacute Care Center in Wayne.

The New Jersey Medicaid participants in the program represent about 1.3 percent of the more than 46,000 Medicaid patients housed in institutions in the state, about 43,000 of whom

reside in nursing homes. Individuals must have lived in a nursing home or facility for the developmentally disabled for at least six months to be eligible, says Lipson.

The pilot project was created by the Deficit Reduction Act of 2005, which set the goal of slashing \$5 billion from the federal Medicaid budget by 2011. Suzanne Esterman, spokeswoman for the state Department of Human Services, says some of the program's \$1.8 billion will go toward renting or building residences and installing equipment like bathroom rails for patients. Funds can also be used by patients to hire anyone from professional caregivers to friends and family members.

But Ken Wessel, executive director of Paterson-based HomeCare Options, a nonprofit company that provides health and

**Critics say the program won't provide the level of service seniors get in nursing homes.**

social services to the elderly, says the funds are likely to be inadequate to allow patients to hire professional help. "If the state only gives the person enough money to buy her nephew's time for 12 hours, and that's not enough money to pay for even five hours of care from a professional agency, that's not much of a choice," he says.

Wessel likens the program to the de-institutionalization of psychiatric patients that followed the exposure of inhumane conditions at Willowbrook Developmental Center on Staten Island during the 1970s. "Those are the people that we deal with on the streets now because [the state] didn't provide the same amount of resources to take care of them in the community that they were spending for the facilities," Wessel says. "I'm afraid that that same general thing might happen again."

Lipson says the de-institutionalization movement began in 1999. At that time, a U.S. Supreme Court verdict known as the Olmstead decision rejected the state of Georgia's appeal to require mentally disabled people to be institutionalized.

Today, she notes, "throughout the country people struggle with paying assistants and aides enough. All states are going to have to struggle with how they put together a package of services and payment rates that are adequate to not only have enough of these people available but [to ensure] that they're not constantly turning over. Long-term care work force issues will be one of the project's big challenges."

Lipson says Mathematica's five-year, \$4.6 million grant will consider whether the program can provide the same level of services as institutional care for less money. She says the project may be expanded if that proves to be the case.

Esterman agrees that more people could be moved from long-term care facilities if the project meets its goals. But the total number of people may be limited, she says, because patients needing constant care may find that the "people living with or helping those clients" outside of institutions "may not be equipped, whether emotionally or physically, to take care of them." ♦

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