



## Daily News

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# Long-Term Care Commission Considers Medicare Long-Term Care Benefit

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Posted: Aug. 05, 2013

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Long-Term Care Commission members last week discussed adding a long-term care benefit to Medicare to avoid inefficient spending, though some health experts testified that doing so would increase costs. Medicaid currently pays much of the cost for dually eligible beneficiaries' long-term care needs after beneficiaries "spend down" their income and become eligible

The fiscal cliff law created the commission to advise Congress on how to establish and finance a comprehensive and sustainable long-term care system after the law ended the Community Living Assistance Services and Supports (CLASS) Act because it was viewed as too expensive.

Marilyn Moon, a fellow at the American Institutes for Research, who testified before the commission about ways to strengthen Medicare, told commissioners that there would be issues to deal with in advance of creating a "comprehensive program using Medicare, but this approach would be preferable to the muddling-through philosophy that is popular today."

Moon testified that it's not a good idea to turn responsibility for dually eligible beneficiaries over to the states as "rapid movement in this area, with payment cuts up front, are similarly more budget-driven than solution-driven." She also said evidence shows few Medicare Advantage programs do much to coordinate care or hold down costs. Moon did not say the Program of All-Inclusive Care for the Elderly should be the model for Medicare, but she pointed to PACE as evidence that care can be improved and costs reduced through better coordination between acute and long-term care services, although she agreed improving the long-term care system would increase spending.

"No real improvements are possible without a decision to commit serious resources to the effort," Moon testified.

Joseph Antos, of the American Enterprise Institute, said creating a Medicare long-term benefit would be very expensive unless costs are controlled. Commissioner Judy Stein, a beneficiary advocate with the Center for Medicare Advocacy, noted that providing care necessarily comes with increased costs as "there's no free lunch and there's no free care."

**Moon said there are multiple ways such a program could be financed.** Medicare could run a separate long-term care program that people would pay into through a tax, similar to the current Medicare income tax, while they were working. This could be supplemented with an income-related deductible or copay, similar to the structure of the Part B system. The CLASS Act had similar downfalls as private insurance, she said, because it was voluntary and by the time people needed and bought it, it was too expensive.

Moon said moving responsibility for long-term care payments from the Medicaid system could create a mess by making winners and losers out of different states. Commissioner Judy Feder, though, said states could continue to contribute funding for long term care, but would simply no longer be responsible for coordinating it.

Antos said if you expand long-term care and provide a subsidy through a Medicare benefit, inevitably the subsidy will take the place of some resources currently in the system, including money out of beneficiaries' pockets and family help. Feder disagreed. She said studies show that would not be the case with family help, but Antos said if subsidies were available, more people would use them.

Stein wondered what would happen to those under 65 with less than 24 months of disability if Medicare becomes the home for long term care. Moon said the notion should be to coordinate it well to make sure you don't have two inadequate systems of care, for those under and over age 65, with one system more inadequate than the other.

Moon said she wasn't sure creating a long term care Medicare benefit was "in the cards," but testified that "short of more sweeping changes, this will remain a major disjuncture in our health care system." -- Michelle M. Stein ( [mstein@iwpress.com](mailto:mstein@iwpress.com) )

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