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Testimony to Senate Special Committee on Medicaid Reform

Provided by the Institute on Public Policy for People with Disabilities
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Thank you Chairpersons Righter and Steans for the opportunity to present testimony on the need for Medicaid reform in Illinois for people with developmental disabilities.

The New Freedom Initiative (NFI) is a nationwide effort to remove barriers to community living for people of all ages with disabilities. It represents an important step in working to ensure that all Americans have the opportunity to learn and develop skills, engage in productive work, choose where they live and participate in community life. This Initiative supports states' efforts to meet the goals of the Olmstead decision that requires states to administer services, programs and activities "in the most integrated setting appropriate to the needs of qualified individuals with disabilities.

In addition, CMS provides opportunities for funding to assist implementing systemic change to better serve individuals with disabilities in the setting of their choosing. Money Follows the Person demonstration grants are part of a comprehensive, coordinated strategy . . . to make widespread changes to long-term care support systems. This could assist Illinois in our efforts to reduce the reliance on institutional care while developing community-based long-term care opportunities, enabling the elderly and people with disabilities to fully participate in their communities. Real Choice Systems Change Grants support infrastructure changes that will result in effective and enduring improvements in community long-term support systems.

In addition to this information, CMS created the "Rebalancing Long-term Care Initiative". This initiative allowed 8 states to explore various management techniques and programmatic features that states have put into place to rebalance their long-term care systems and their investments in long-term support services toward community care. Rebalancing is defined as "reaching more equitable balance between proportion of total Medicaid long-term support expenditures used for institutional services (nursing facilities (NF) and intermediate care facilities for the mentally retarded (ICF-DD), and those used for community-based supports under its state plan and waiver options. Additionally a balanced long-term care system offers individuals a reasonable array of balanced options, particularly adequate choices of community and institutional options.

New Options for Long-Term Supports and Services

The federal government is extending the successful **Money Follows the Person Program** through 2016 with an additional \$2.25 billion in funding. Illinois needs to actively participate to rebalance our long-term care systems. It will allow us to improve Medicaid Home-and-Community-Based Services (HCBS) options.

Illinois should participate in the newly created Community First Choice Program: Effective October 1, 2011, a new Medicaid State Plan option called Community First Choice will launch, giving states a 6% enhanced match so that they can offer community-based attendant services and supports. Community First Choice will require states to make services and supports available to individuals under a person-centered plan of care to assist them in accomplishing activities of daily living, instrumental activities of daily living, and health-related tasks.

There will be incentives for states to offer Home and Community-Based Services as a Long-Term Care Alternative to Institutions and Nursing Homes: Effective October 2011, \$3 billion in enhanced Medicaid matches will be available to states that now fund less than 50% of long-term services in home and community based settings. Illinois needs to make this a priority.

Assuring Accessible, Quality, Affordable Health Care for People with Disabilities. Illinois should invest in preventive care for better health to encourage innovations in health care that prevent illness and disease before they require more costly treatment.

Illinois should also invest in innovations such as medical homes and care coordination demonstrations in Medicare and Medicaid for health care. These tools can significantly enhance the lives of children and adults with disabilities.

However, this should be targeted to health care, not person centered supports in long term care.

Managed Care. Illinois should move forward with supporting innovative options to improve Medicaid funded health care. Community based long term care for adults with developmental disabilities must be carved out from the managed care pilot.