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# WHY NEW YORK'S NEW MEDICAID MANAGED LONG TERM CARE (MLTC) IS DOOMED TO FAIL

When Bill Amos, 74, a retired White Plains police officer, fell on his front steps, he awoke to find himself quadriplegic. Once vigorous, Bill now required assistance in eating, bathing, changing, and all other aspects of daily life. Emily, his wife, also 74, was unable to provide this care. The couple's need for 24 hour home care -- and their lack of a means to pay for it -- brought them to my elder law practice. The Amos' had retirement income, savings, and owned a home in Mount Vernon outright, but the costs of Bill's care would bankrupt them in just a few years. The best course, we decided, was to transfer's Bill's assets to allow him to apply for Medicaid – the only insurance other than prohibitively costly long term care insurance that might pay for his needs. Once Bill qualified, he was assessed by a Managed Long Term Care (MLTC) company, created under Governor Cuomo's Medicaid Redesign, for the level of care they would provide. Bill was allowed 7 hours of home care per day. At $20 an hour for a private duty home health aide, the other 17 hours would cost $340 per day, or $10,540 per month, a sum Bill and Emily could not afford.

Bill, elderly and disabled, is a so-called "dual eligible." Medicare insures his medical needs, while his "custodial" or long term care needs, such as home care, are covered by Medicaid. The Medicaid Redesign team, having assessed this population as in need of extensive services, created MLTCs to reduce costs. Prior to Medicaid Redesign, dual eligibles needing home care were assessed by a nurse from the county Department of Social Services to determine the number of hours they required. The state then paid a home care agency to provide the care – up to 24 hours a day. Now, families have to hunt down whichever MLTCs will provide the most care. MLTCs are paid a flat capitated rate per enrollee, which hovers around $3000. In addition to providing custodial care, the MLTC must pay for dental, audiology, podiatry, ophthalmology and transportation costs. It is not difficult to understand why the battle for home care is so difficult.

When the MLTC program began, those who work with the elderly were skeptical. Most elders do not apply for custodial services until they require full time help. How would MLTCs make money – or even break even -- when every client needed extensive services? Initially, perhaps in an effort to attract enrollees, MLTCs generously financed services. Now 3 years later, our skepticism has proved well founded. Nurses performing assessments are making comments – at best misleading and at worst outright lies -- such as, "We don't give 24 hour care anymore," or "Other states don't provide 24 hour care, so why should we?"

If New York's lawmakers have decided to eliminate Medicaid-funded home care for the elderly and disabled, they should say so, and let constituents respond at the ballot box. Instead, they have authorized MLTCs to eviscerate Medicaid-funded home care services without having to confront the resulting political fallout. If, on the other hand, their intent is to allow Medicaid to cover these costs, the MLTC system needs to be revised. Capitation for the provision of services to high consumers of care like frail elders and the disabled is certain to fail, as there are no healthy enrolls to offset costs. A recent scandal, in which VNSNY's MLTC recruited healthy low need elders, was simply a rational attempt to offset the costs of their higher need patients.

Are there better ways to finance the custodial care needs of our aging population? Certainly. One idea is to institute a payroll deduction to cover custodial care while people are still young, just as we do for Medicare. The current system creates disincentives to provide the very care it was intended to cover. Why not create a straightforward income stream? This idea is both extremely rational and extremely unlikely in today's political climate. Another option is for Congress to expand Medicare home health coverage to chronically ill individuals. Currently only 9.5 percent of Medicare beneficiaries receive any sort of home health benefit, because Medicare only pays for home healthcare for homebound individuals who need skilled care.

For now, for those who do not have long term care insurance or lack the resources to cover monthly costs in excess of $6000 to $8000 per month for home care – like Bill and Emily Amos -- Medicaid is the only option and badly in need of "redesign." It is unethical and irrational for New York State to provide Medicaid funded home, yet give such parsimonious coverage that recipients like Bill Amos cannot remain at home.

In the meantime, we will shop around for an MLTC that offers the most generous plan of care for Bill, and then appeal the decision hoping for an award of a 24 hour live in aid. For now, the couple is paying for his uncovered needs out of pocket, compounding the stress of the already terrible tragedy that has befallen the entire Amos family. It's time for New York State to stop hiding behind MLTCs and provide the care our most vulnerable populations are still legally entitled to.

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