

Long Term Care: Keeping the Promise, Today and Tomorrow

Save to myBoK

by Charles H. Roadman II, MD

As we prepare to address the challenges and opportunities ahead, providing compassionate, quality care to residents in long term care settings must remain our top priority. The 21st century is an opportunity for the long term care community to work on behalf of elderly and disabled citizens to address needed health policy changes. These changes include ensuring that restored Medicare funds are used for skilled nursing care, updating the prospective payment system market basket to reflect the cost to care for today's Medicare beneficiaries, and reforming our nation's current long term care financing system.

Keep the Promise

"What's past is prologue," Shakespeare tells us, and we learn from what we have already seen. The ongoing government funding inadequacies of the Medicare and Medicaid programs require the long term care industry to be ever vigilant so that we can meet the needs of residents today and tomorrow. Recently, the industry has worked to identify shortfalls precipitated by Medicare funding cuts under the Balanced Budget Act of 1997 and to fix problems created by the new prospective payment system (PPS).

Those caught in this financial morass are long term care providers, some of whom have filed for Chapter 11 bankruptcy protection, and skilled nursing facility residents. The financial landscape is beset with limited resources, shadowed by dwindling state and federal government commitments to fund quality care and an increasingly punitive and inflexible regulatory system. In this setting, long term care providers are examining not only whether to participate in the Medicare program, but if they should remain in long term care.

Medicare beneficiaries who need intense medical services and high-level rehabilitative therapy face caps on physical, occupational, and speech therapy. Stroke victims who need speech therapy to learn to swallow and talk again, physical therapy to walk again, and occupational therapy to dress themselves often fall into this category. Many of these patients quickly run into the arbitrary government caps on all therapy before they have fully recovered. The Omnibus Budget Reconciliation Act promises to restore \$2.7 billion over the next three years for long term care and places a two-year moratorium on therapy caps. This, however, is a temporary fix. It is to be hoped that the government will work to keep its promise that Medicare funding for nursing home care will always be there.

Reality Check for PPS

The next step is to ensure that seniors have continued access to quality care through adjustment of the new PPS market basket or inflation adjuster, used to determine Medicare payments for skilled nursing facilities.

The current market basket fails to reflect the actual cost of services because it is based on 1995 data. Residents of long term care facilities today are frailer and sicker. Many of them are higher-acuity level patients who require treatment and services that are far above those represented by the 1995 base period.

Meeting the Needs of an Aging Nation

Our nation needs to continue to debate reforming the current long term care financing system. According to a 1999 survey commissioned by the association, 68 percent of baby boomers say they are not financially prepared for long term care. Many of the remaining 32 percent mistakenly think that they are prepared and have long term care insurance; the reality is that only 2 percent are actually covered.

Other baby boomers mistakenly believe that their long term care needs are met under a health insurance policy or that Medicare is the primary payer. But Medicare pays for only short-period nursing home stays. A rising tide of aging baby boomers will overwhelm the Medicaid system, on which two out of three nursing home residents rely to pay for their care. In 1994, 7.3 million Americans needed long term care services. In 2000, that number is expected to rise to 9 million, and by 2060 it will have skyrocketed to about 24 million.

Medicaid, by default, has become our nation's long term care financing system. And to qualify for Medicaid, the elderly must spend most of their assets until they meet the state-determined poverty level. Thus, the need for long term care forces the middle-class elderly onto welfare to receive care. Our nation must begin to address reforming the long term financing system now to ensure that future generations receive the care they require. The 2000 presidential elections, for example, are an opportunity to raise the issue.

The years ahead hold the potential for both challenge and opportunity. The long term care community and its dedicated workers stand ready to care for our nation's elderly and disabled with a sustained commitment to quality. But we do not operate in a vacuum. As a society, we must decide what we want in terms of professional care and commit to fund it.

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Article Citation:

Roadman, Charles H., II. "Long Term Care: Keeping the Promise, Today and Tomorrow." *Journal of AHIMA* 71, no. 5 (2000): 37-38.

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