



The American
Occupational Therapy
Association, Inc.

*Occupational Therapy:
Skills for the Job of Living*

**STATEMENT OF THE
AMERICAN OCCUPATIONAL THERAPY ASSOCIATION
SUBMITTED TO THE SUBCOMMITTEE ON HEALTH,
U.S. HOUSE OF REPRESENTATIVES COMMITTEE
ON ENERGY AND COMMERCE
FOR THE HEARING
“Long-Term Care and Medicaid: Spiraling Costs and the Need for Reform”
April 27, 2005**

The American Occupational Therapy Association (AOTA) submits this statement for the record of the April 27, 2005 hearing. We appreciate the opportunity to provide this information regarding the use of occupational therapy in long-term care and Medicaid. With the aging of the baby-boom generation, the United States’ elderly population is expected to grow rapidly over the next several decades. The boost in the number of seniors will increase the number of people with impairments and, in turn, the demand for long-term services. Occupational therapists and therapy assistants work in Medicaid long term care settings, including home and community based settings, to increase the independence and quality of life of their patients.

AOTA is the nationally recognized professional association of 35,000 occupational therapists, occupational therapy assistants, and students of occupational therapy. Occupational therapy is a health, wellness, and rehabilitation profession working with people experiencing stroke, spinal cord injuries, cancer, congenital conditions, developmental delay, mental illness, and other conditions. It helps people regain, develop, and build skills that are essential for independent functioning, health, and well-being. Occupational therapy is provided in a wide range of settings including day care, schools, hospitals, skilled nursing facilities, home health, outpatient rehabilitation clinics, psychiatric facilities, and community programs.

Occupational therapy professionals assist those with traumatic injuries—young and old alike—to return to active, satisfying lives by showing survivors new ways to perform activities of daily living, including how to dress, eat, bathe, cook, do laundry, drive, and work. It helps older people with common problems like stroke, arthritis, hip fractures and replacements, and cognitive problems like dementia. In addition, occupational therapists work with individuals with chronic disabilities including mental retardation, cerebral palsy, and mental illness to assist them to live productive lives. By providing strategies for doing work and home tasks, maintaining mobility, and continuing self-care, occupational therapy professionals can improve quality of life, speed healing, reduce the chance of further injury, and promote productivity and community participation for Medicaid beneficiaries.

Medicaid is the nation’s major source of financing for long-term care services, covering services for both elderly and non-elderly persons in institutional settings and in homes and other community-based settings. The United States is in need of a comprehensive long-term care policy in order to provide for the 10 million people needing long-term care today and the millions more that will need care in the next decades. Medicaid is the largest payer of long-term care services, accounting for nearly 40% of payments in 2003.



Still, Medicaid is in need of reform. Currently, long-term care in the Medicaid program is expensive, inadequate, disorganized, and contains a bias toward institutional services over home and community based care. Every state that receives Medicaid funding must provide nursing home services, but community based services are optional. Seventy-five percent of Medicaid long-term care dollars pay for institutional services, while the remaining 25% covers all the community based waivers and optional programs.

There are alternative proposals by advocates and policy makers for those who need long-term care and want to receive it in home and community based settings. Listed below are a few options that AOTA believes should be considered while debating a need for reform to long-term care and Medicaid.

Managed Care

Managed care organizations specifically providing long term health and rehabilitation services to Medicaid beneficiaries could provide needed flexibility to meet a patient's needs in the most cost-effective way. Managed care approaches could enhance the home and community based care available to the elderly and disabled. By transitioning to a non-institutionalized care setting, beneficiaries will be able to be more independent and live a much higher quality of life. Based on multidisciplinary assessments and the involvement of the participant and his or her caregivers, the team can develop care plans that use a broad range of services tailored and coordinated to support specific team and participant objectives.

Money Follows the Person

AOTA supports the President's New Freedom Initiative as a nationwide effort to remove barriers to community living for the 54 million Americans living with disabilities, and the nearly 10 million that rely on Medicaid for long-term care. Policymakers have debated long term care initiatives like Money Follows the Person (S. 528) since it was introduced by Newt Gingrich in 1997. The legislation encourages states to allow the money to follow the person, so people who are living in nursing homes or other institutions could have the money "follow them" as they move out into the community using home and community based services. Consumers will have more choice for services, be able to pick the setting in which they receive their services, and ultimately be able to live more independent and meaningful lives.

Medicaid Community Attendant Services and Supports Act of 2005

The Medicaid Community Attendant Services and Supports Act of 2005 (S. 401/H.R. 910), also known as MiCASSA, is a bill that would allow Medicaid recipients to choose in-home services instead of being forced into nursing homes or other institutions. By amending Title XIX of the Social Security Act, it creates an alternative service called 'Community Attendant Services and Supports.' MiCASSA allows individuals eligible for Nursing Facility Services or Intermediate Care Facility Services for the Mentally Retarded (ICF-MR) the choice to use their Medicaid



dollars for ‘Community Attendant Services and Supports.’ The services included within this legislation are assisting with activities of daily living (eating, toileting, grooming, dressing, bathing, transferring) instrumental activities of daily living (meal planning and preparation, managing finances, shopping, household chores, phoning, participating in the community), and health-related functions. Ultimately, the services are to be provided in the most integrated setting appropriate for the needs of the individual.

Finally, there are two main elements driving the debate of reforming long-term care in Medicaid. First, there are the constraints of the budget and the need to curtail costs in the Medicaid system. Second, there is the increasing desire by the elderly, disabled, and their caregivers to transition from long-term care services typically rendered in institutional settings to home and community based settings. Most policy makers agree that we need to reform the Medicaid long-term care system so that all Medicaid beneficiaries have the option of receiving long-term services in their homes and communities.

Studies show that by reforming long-term care to enhance home and community based services, there will be an improvement in the access and quality of care, while decreasing overall cost. For instance, home and community based waivers used by many states today have demonstrated that it is possible to increase personal control while promoting better decision-making about supports and services. In short, AOTA supports the elderly and persons with disabilities who want to be free from institutional life and welcomed into society as valued, responsible, and productive citizens. We encourage you to carefully consider these options.

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