

S. 1257/H.R. 2852 Summary

Project 2020: Building on the Promise of Home and Community-Based Services

Purpose:

Project 2020 drives savings to Medicaid and Medicare while:

- improving the way consumers from all walks of life (age, disability, income) access information on long-term care;
- providing evidence-based, cost-effective health promotion and chronic disease management programs in every community to keep older adults healthier and thus save Medicare dollars; and
- preventing people from spending their life's savings to qualify for Medicaid nursing home eligibility by offering those most at-risk of spend-down a range of home and community-based services to help keep them off Medicaid in their own homes for as long as possible.

Background:

Building on the Aging Services Network infrastructure and the charge placed by Congress in the Older Americans Act reauthorization of 2006, the bill takes three proven approaches to scale. These approaches have been field tested via demonstrations funded by the U.S. Administration on Aging (AoA) and the Centers for Medicare and Medicaid Services (CMS) for several years.

Overview of Legislation:

Funding will be administered by AoA through disciplined, performance-based grants that will have conditions of participation to ensure they are implemented in ways that have been proven to work. The three core components of the bill are:

1. Single Entry Point System: Takes to scale nationally the AoA demonstration project on Single Entry Point Systems (e.g., Aging and Disability Resource Centers). The Single Entry Point Systems (SEP) provide person-centered access to information for all individuals interested in learning about available long-term care services and supports. The information provided to consumers will include both private and public sector information. All states would receive funding but would have a set of performance criteria that they would have to meet. The states would be required to provide a 25 percent match on this component.

National Impact: Serves nearly 105 million Americans over 10 years. The estimate of federal outlays for this section is \$600 million. Net federal savings to Medicare and Medicaid are estimated at \$1.1 billion over 10 years.

2. Evidence-Based Health Promotion and Disease Prevention Programs: Takes to scale nationally the AoA demonstration project on evidence-based health promotion and disease prevention programs (e.g., chronic disease self-management programs and falls prevention programs). The programs included in this section of the bill must meet the rigorous test by the CDC guidelines as being evidence-based and have a demonstrated effectiveness. There are currently 26 CDC-recommended programs. All states would receive funding for this component of the bill but would have to meet a set

of performance criteria. The states would be required to provide a 15 percent match under this section, as the quantifiable savings from this portion would accrue to Medicare.

National Impact: The estimate of federal outlays for this section is approximately \$848 million. The savings from this program all accrue to the Medicare program. The net federal savings are \$665.8 million over 10 years. The program would serve more than 4 million Americans over 10 years.

3. Nursing Home Diversion Program: This portion builds upon the successful AoA and CMS nursing home diversion demonstration programs that help those consumers most at risk of spend down into Medicaid. This component provides for a consumer-directed option that allows the consumer to purchase services and supports that help them to remain independent longer such as homemaker services, assistive technology or minor adaptive and rehabilitative home repairs. This phase would roll out over a three-year time frame to allow states to build necessary infrastructure. A third of the states would receive funding the first year, an additional third the second year, and in the final third year all of the states would be receiving grants. The funding provided to states under this provision differs to provide an incentive to states to choose the option, while at the same time ensure that no state would be better off choosing the more expensive option of placing the consumer in the Medicaid program. States would receive a capped grant based on a formula of the estimated number of eligible recipients multiplied by the state's FMAP +5.

National Impact: Over a 10-year period, all of the states would have expanded home and community-based services and supports for non-Medicaid consumers, thereby allowing them to remain in their homes and communities. The estimate of federal outlays for this section is \$7.8 billion and the net federal savings for this program are \$618 million while serving approximately 170,000 Americans.

4. Evaluation and Technical Assistance Provisions: As the aging network has piloted these initiatives, it has collected data and reported outcomes back to AoA. Transparency and accountability are built into this initiative from the process of applying for the funding through regular reporting to Congress on achieving the performance goals. Further, accountability is achieved through a complete national evaluation of all components and conducted by AoA to ensure that the established performance goals are met. This section spells out the funding to the area agencies on aging, the state agencies and AoA for administration of the three components, evaluation and technical assistance.