

# Long-Term Care System Reform: The Role of Infrastructure Development Grants

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# Long-Term Care Reform

- Federal LTC reform options focus on financing
- Since 2001, competitive federal grants for infrastructure development have been a major strategy for reforming state LTC systems

# Long-Term Care Reform (cont.)

## **Advantages of using infrastructure development grants:**

- Can be applied to many different areas needing systems improvement
- Provides federal leverage to bring about systems change without requiring new legislation or dramatically increasing funding

# Long-Term Care Reform

## **Grant programs are administered by**

- Centers for Medicare & Medicaid Services
- Administration on Aging
- Substance Abuse and Mental Health Services Administration

**Grant programs have not gotten much attention because funding for each is small.**

# Infrastructure Development Grant Programs

## **Aging and Disability Resource Center Grants (AoA and CMS)**

To develop integrated points-of-entry to the LTC system.

## **Nursing Home Diversion Modernization Grants Program (AoA)**

To modernize and transform non-Medicaid funding into consumer-directed service dollars to support nursing home diversion projects.

## **Alzheimer's Disease Demonstration Grants (AoA)**

To expand availability of diagnostic and support services for persons with Alzheimer's disease/dementia.

# Infrastructure Development Grant Programs

## **Mental Health Transformation State Incentive Grants (SAMHSA)**

To develop state infrastructure to increase the availability and improve the effectiveness of mental health services.

## **Medicaid Infrastructure Grants (CMS)**

To enhance employment options for people with disabilities (e.g., developing a Medicaid buy-in).

# Infrastructure Development Grant Programs

## **Systems Change Grants for Community Living**

To enable individuals of all ages who have a disability or long-term illness to live in the most integrated community setting appropriate to their individual support requirements and preferences, by

- Improving access to and the availability and quality of HCBS, and
- Improving participants' satisfaction by increasing their choice of and control over HCBS.

# Selected Types of Systems Change Grants

- Real choice
- Nursing facility transition
- Money follows the person
- Mental health systems transformation
- Community-integrated personal assistance services and supports
- Independence Plus
- Quality assurance and quality improvement in HCBS
- Integrating long-term supports with affordable housing

# Systems Change Grants

## Largest of the grants programs

- From FY 2001 to FY 2009: \$302 million
- Every State and Territory received grants
- Two to seven grants per state over five years
- Funding per state from 2001-2005:  
\$1.45 million (WY) to \$10.5 million (WI)

# Systems Change Grants

## **Infrastructure developed to bring about systems improvements in multiple areas:**

- Increased knowledge of / access to current HCBS
- New and expanded HCBS
- Improvements in existing HCBS
- New / expanded consumer-directed services
- New policies and procedures to enhance personal assistance services and supports

# Systems Change Grants

**Infrastructure developed to bring about systems improvements in multiple areas:**

- Direct care workforce
- HCBS service models
- Quality assurance and improvement
- Collaboration/coordination in service provision
- Accessible housing and transportation

# Nursing Facility Transition

## Grant Outcomes

- New funding for transition expenses
- Increased state and Independent Living Center transition capacity
- Increased waiver slots for people transitioning
- New policies to facilitate transition/ diversion
- Increased access to affordable and accessible housing

# Nursing Facility Transition

## Limitations of NFT Infrastructure Grants

Lack of resources to address other factors that determine the ability to transition:

- Lack of affordable and accessible housing
- Lack of HCBS /waiting lists for HCBS waivers
- Different Medicaid financial eligibility criteria for HCBS
- Lack of coverage for case management /transition expenses
- Administrative and bureaucratic barriers
- Provider and family resistance to transition

# Consumer-Directed Services

- States developed infrastructure for new participant-direction options
- Time and work required to develop new participant-directed services is significant and states lack staff time and financial resources
- Some states used several grants over multiple years to develop new programs: West Virginia, New Mexico, and Michigan

# Consumer-Directed Services

## Grant Outcomes

- New information, education, training materials
- New or revised policies, procedures, or entities to enable or facilitate consumer-directed services
- New infrastructure for Consumer-Direction programs
- New or expanded consumer-directed services option

# Consumer-Directed Services

## Limitations of CD Infrastructure Grants

- Workers compensation insurance issues
- Need for state budget neutrality:  
pre-CD service underutilization / discounting
- Lack of support /opposition to consumer direction

# Infrastructure Grant Issues

- Given limited funds, should federal agencies give a large number of small grants or a small number of large grants?
- Should grant funds go only to the best proposals even if that means always giving the money to the same states?
- How to provide incentives to states that are lagging behind?
- How to encourage states to move from a few pilot areas to statewide systems?

# Infrastructure Grant Issues (continued)

- How to get around state bureaucratic barriers—contracting, hiring personnel, outdated computer systems?
- How to evaluate infrastructure development initiatives?