

A MEMORIAL

REQUESTING THAT THE AGING AND LONG-TERM SERVICES DEPARTMENT LEAD A STUDY ON THE FINANCIAL IMPACT OF FACILITY-BASED CARE ON THE MEDICAID BUDGET AND IDENTIFY ALTERNATIVE MODELS OF FINANCING LONG-TERM CARE.

WHEREAS, the population of New Mexico over the age of sixty-five is growing and will double by the year 2025 and, due to medical advances, people are living longer, but not necessarily healthier, lives; and

WHEREAS, the population of people over the age of eighty-five is growing twice as fast as that of people over sixty-five and these individuals are the most frail of the elderly; and

WHEREAS, a large and growing number of aging people are suffering from the ravages of Alzheimer's disease and are unable to care for themselves; and

WHEREAS, the medicaid program in New Mexico covers the cost of nursing home care and home- and community-based services for the elderly and disabled and provides in excess of two hundred twenty-one million dollars (\$221,000,000) in combined state and federal funding for these services; and

WHEREAS, the cost of private nursing home care is unaffordable for most people in need of nursing home care and, therefore, most families have come to rely on medicaid to fund

this type of care for their elderly relatives; and

WHEREAS, people are finding that qualifying for medicaid long-term services is relatively easy, despite seemingly restrictive eligibility rules, and that this relaxed access has resulted in an entitlement mentality regarding financing of long-term care services, and use of private, out-of-pocket and insurance financing for long-term services has languished while medicaid costs have skyrocketed; and

WHEREAS, long-term care insurance, home equity conversion and other alternative mechanisms of private financing have been little used;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the aging and long-term services department be requested to conduct a study, in cooperation with the human services department and the appropriate statewide organizations representing aging and long-term services, on the financial impact of facility-based and home- and community-based long-term care on the medicaid budget and identify alternative models of financing long-term care; and

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BE IT FURTHER RESOLVED that the study identify appropriate incentives to encourage self-care and the use of insurance, explore potential ways to limit asset identification and asset transfer and promote maximum medicaid estate recovery; and

BE IT FURTHER RESOLVED that the aging and long-term services department be requested to support the efforts of a statewide organization representing the needs of people with Alzheimer's disease, and other organizations as appropriate, to hold a conference exploring alternative models of financing long-term care services; and

BE IT FURTHER RESOLVED that the aging and long-term services department be requested to develop recommendations on implementation of alternative mechanisms of financing long-term care services and report the findings and recommendations to the legislative health and human services committee in October 2006; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the secretaries of aging and long-term services and human services.