



## Weekly Checkup

# Assessing the Biden Plan for Long-Term Care

CHRISTOPHER HOLT | APRIL 2, 2021

**This week President Biden rolled out his American Jobs Plan (AJP), following on the heels of his American Rescue Plan (ARP), and in advance of his forthcoming American Families Plan (AFP). Biden’s plan for American health care will be most fully tackled in the yet to be unveiled AFP. But the AJP released this week does allocate \$400 billion for health care, specifically for [Home and Community-Based Services \(HCBS\)](#). What are HCBS, and what exactly is Biden proposing? Let’s discuss.**

**HCBS are one component of the nation’s drastically underfunded long-term care (LTC) system, and while \$400 billion is a significant increase in funding for HCBS—which cost Medicaid \$92 billion in 2018—it’s well below the total combined annual cost of paid and unpaid LTC.** AAF’s Tara O’Neill Hayes and coauthor Sara Kurtovic [estimated](#) last year that the total cost of LTC in 2018 was between \$758 billion and \$1.4 trillion. The bulk of that care, however, was provided by uncompensated family members. Only around \$295 billion of that total was paid care.

**Under federal law, states can receive waivers to develop programs that provide Medicaid beneficiaries LTC in either their home or a community-based setting rather than being institutionalized in a LTC facility.** These HCBS waivers give states flexibility in determining financial eligibility, capping total enrollment, and the services offered. According to Hayes and Kurtovic, [roughly](#) 4.3 million people received care through an HCBS waiver program in 2018, while 707,000 individuals were on state waiting lists in 2017.

**Biden’s proposal can be generously described as vague on how exactly the \$400 billion will be infused into the HCBS waiver program.** Summary documents specifically name check the [Money Follows the Person](#) demonstration program, which provides grants to states to transition people from LTC facilities into their own homes. Biden says only that he will extend the program, which is a block grant funded at \$425 million annually. **Congress extended funding for the block grant in December for three years, so Biden may be proposing to make the program permanent, which—unless he intends to also increase the amount of funding provided annually—would cost \$4.25 billion over 10 years, leaving only \$395.75 billion unaccounted for.**

**The White House [summary](#) of the proposal mostly focuses on HCBS workers, who the White House says are underpaid and predominantly women of color.** The summary states that “the HCBS expansion under Medicaid *can* support well-paying caregiving jobs that include benefits and the ability to collectively bargain, building state infrastructure to improve the quality of services and to support workers. This will improve wages and quality of life for essential home health workers and yield significant economic benefits for low-income communities and communities of color” (emphasis added).

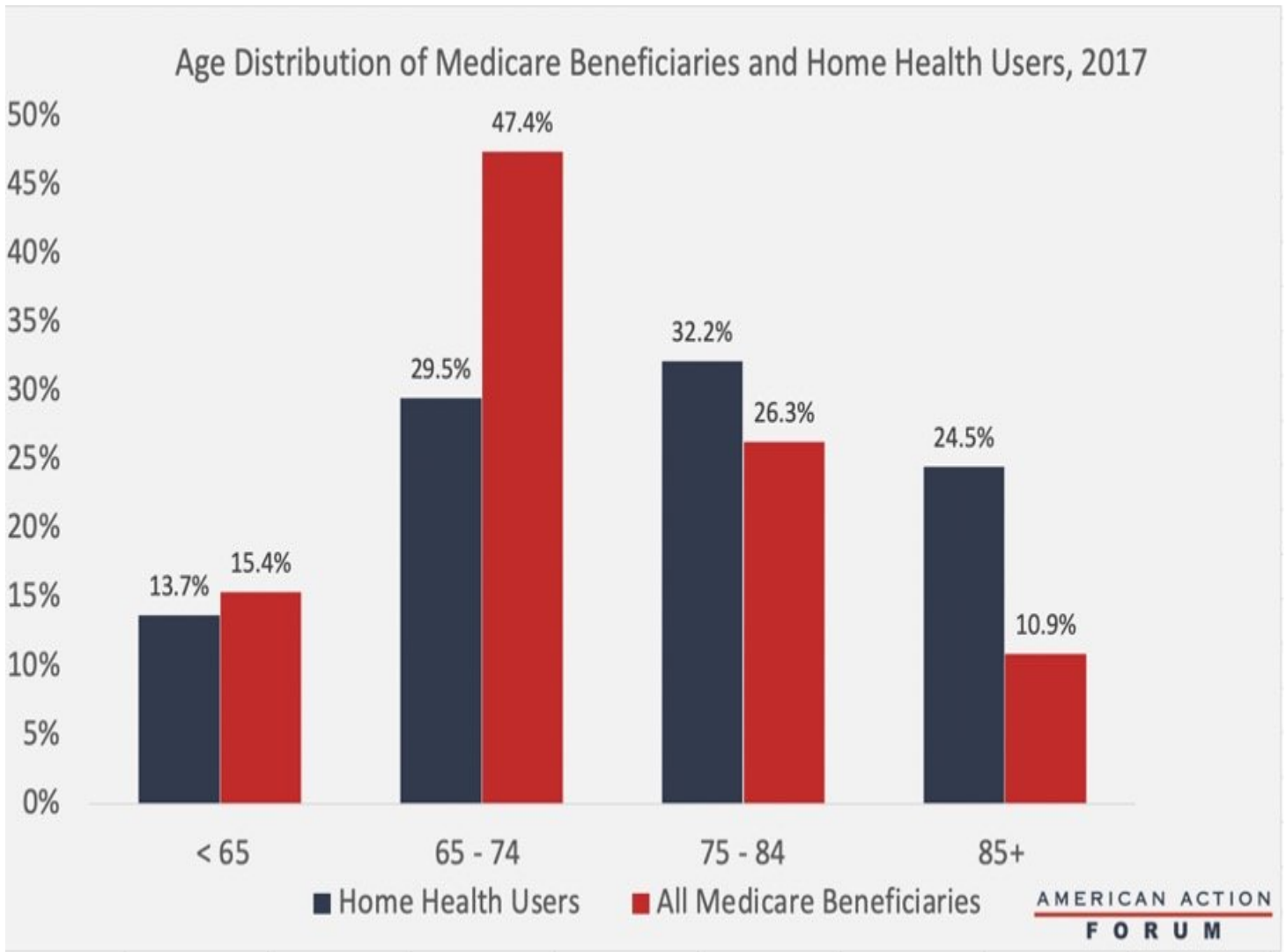
Again, **the plan provides no details** on how the new spending *will* increase workers’ salaries or enhance collective bargaining opportunities, only saying that it *can*. Biden could intend to mandate specific salary and benefit levels for home health providers as a condition of participation in the Medicaid program, though mandating unionization seems legally fraught. **If Biden doesn’t intend to be quite so heavy handed, he could simply be banking on the economic theory that increasing reimbursement will cause revenue-flush home health companies to increase worker compensation**

, similar to the way that lowering corporate taxes leads to increased employee compensation and job creation.

## HOME HEALTH USE BY MEDICARE BENEFICIARIES

Madeline VanHorn, Human Welfare and Health Care Policy Intern

With nursing homes seeing around [40 percent](#) of COVID-19 related deaths, the United States has seen an increase in demand for home health services, which allow the elderly to receive care in their homes and communities instead of in a health care facility. In February, the National Association of Home Care and Hospice reported that demand for home health aides had increased by [125 percent](#) since March of 2020. The trend toward home health care is not new; national spending on home health has grown by at least [5 percent annually](#) since 2015. President Biden's [new infrastructure plan](#) proposes to expand Medicaid coverage of home care services. As the chart below shows, home health care utilization rises with age. Using data from the Medicare Current Beneficiary Study (2017), [Avalere Health found](#) that while most Medicare beneficiaries are in the 65-74 age range, these beneficiaries only make up 29.5 percent of the Medicare beneficiaries who use home health. While the 85+ age range only included 10.9 percent of Medicare beneficiaries, this group accounted for 24.5 percent of home health use. These figures suggest that as life expectancy increases, the demand for home health care services will likely rise as well.



Source: [Avalere Health](#)

## TRACKING COVID-19 CASES AND VACCINATIONS

Ashley Brooks, Health Care Policy Intern

To track the progress in vaccinations, the Weekly Checkup will compile the most relevant statistics for the week, with the seven-day period ending on the Wednesday of each week.

Week Ending:	<u>New COVID-19 Cases:</u> <u>7-day average</u>	<u>Newly Fully Vaccinated:</u> <u>7-Day Average</u>	<u>Daily Deaths:</u> <u>7-Day Average</u>
March 31, 2021	62,167	942,221	879

March 24, 2021	57,343	882,119	952
March 17, 2021	53,440	952,744	1,032
March 10, 2021	55,022	904,169	1,478
March 3, 2021	62,188	873,425	1,820
Feb. 24, 2021	66,721	812,327	2,063
Feb. 17, 2021	76,994	717,081	2,151
Feb. 10, 2021	104,063	672,839	2,795
Feb. 3, 2021	134,815	464,912	3,015
Jan. 27, 2021	162,358	323,365	3,298

Sources: Centers for Disease Control and Prevention [Trends in COVID-19 Cases and Deaths in the US](#), and [Trends in COVID-19 Vaccinations in the US](#)

Note: The U.S. population is 330,173,799.

## WORTH A LOOK

[The Hill](#): Will vaccine passports be biggest campaign issue of 2022?

[Kaiser Health News](#): Backed by Millions in Public and Private Cash, Rapid Covid Tests Are Coming to Stores Near You