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**BEFORE THE ASSEMBLY COMMITTEE ON WAYS AND MEANS
AND THE
SENATE COMMITTEE ON FINANCE
JOINT SUBCOMMITTEE ON K-12/HUMAN RESOURCES**

February 27th, 2003

Comments

**Ernest Nielsen
Washoe County Senior Law Project**

My name is Ernest K. Nielsen. I am an attorney with the Washoe County Senior Law Project. In addition to noting my general support of the Health Care Financing and Policy Division's budget, I wish to express my specific support for the Medicaid budget.

I am most familiar with the Medicaid program as it relates to the two senior citizen related waivers; the CHIP's waiver and the group home waiver. Such waivers enable frail seniors to remain at home while avoiding nursing home placement. This provides two substantial benefits. It saves the state money and it allows an elderly person to age in their homes or at worst in a home like non-institutional community based setting.

This budget supports an increase in available slots for these waiver programs over the next two years, in particular with respect to the group home waiver where the request is to increase the number of group home waiver slots to 301 by the end of the next biennium.

The Division is working with the Division for Aging Services and the Nevada Housing Division to adjust one or both of these senior related waivers to accommodate affordable assisted living. This would bring a substantial benefit to the senior population. The CHIPs waiver cannot provide 24-hour care. However, many seniors who need such 24 hour care may simply need assistance at intermittent times during the day. Such individuals do not need the skilled nursing services that only a high cost nursing home can provide. The waiver programs cost the state much less than if the individual was in a nursing home. Moreover the community based setting is more in keeping with the generally recognized goal: Aging in place.

To effectively develop such housing, the divisions are pursuing a strategy which coordinates a Medicaid waiver (which provides the service costs) with the state's affordable housing program (which subsidizes the housing costs.)

Over the last several decades, assisted living facilities have become an alternative to nursing home care. Such facilities provide some of the assistance that is provided by nursing homes but are more consumer friendly and are less costly on a per bed basis. Though the total cost for such facilities is less than that of nursing homes, generally only

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the wealthy enjoy receiving such assisted living. However, the strategy the divisions are pursuing will bring such assisted living to the Medicaid eligible population

A significant percentage of elderly persons living in nursing homes are Medicaid eligible. Nursing home costs are significant. In Nevada, Medicaid reimbursement for the least expensive patients exceeds \$1500 per month with average Medicaid reimbursement per patient month at \$2,600 per month. Half of such costs fall upon the state. On a per capita basis, a Medicaid waiver program linked to affordable housing funding would cost the state's Medicaid program half of what it costs to maintain the same person in a nursing home.

In Washoe County, though there are 5 large Assisted Living facilities, none are available for those whose incomes is less than \$35,000 year ¹ even though, nationally, lower income frail seniors outnumber higher income seniors 2 to 1.

I commend this budget to you, and support any tax increase necessary to meet this budget.

¹ Bay Area Economics, consultants of the Washoe County HOME Consortium