September 13, 2024

Alison Barkoff
Administrator and Assistant Secretary for Aging
Administration for Community Living
330 C St SW
Washington, DC 20201

Dear Administrator Barkoff,

On behalf of the nation's Medicaid Directors, the National Association of Medicaid Directors (NAMD) is writing in response to the Interagency Coordinating Committee on Healthy Aging and Age-Friendly Communities' (ICC) report, Aging in the United States: A Strategic Framework for a National Plan on Aging.

As the single largest payer for long-term services and supports (LTSS), Medicaid plays an essential role in providing access to care for older adults. Over the past several decades, Medicaid agencies and the federal government have worked to increase access to home and community-based services (HCBS), which allow individuals to remain in their home or community instead of going to institutions for care. As the United States' population ages, demands on the long-term care system will continue to grow. The administration and Congress must take action to develop a coordinated, comprehensive system of care that meets the health care and supportive service needs of older adults.

NAMD is a professional community of state and territory leaders who provide health insurance to more than 80 million individuals and families through Medicaid and the Children's Health Insurance Program in each of the 50 states, the District of Columbia and the U.S. territories. NAMD elevates thought leadership on core and emerging policy matters, amplifies the experience and expertise of Medicaid and CHIP directors, supports state programs in continuous improvement and innovation, and optimizes federal-state partnerships to help millions live their healthiest lives.

Core Principles

As the Interagency Coordinating Committee on Healthy Aging and Age-Friendly Communities (ICC) develops a National Plan on Aging, NAMD recommends that the following core principles guide your work:

- **The federal government should move towards a comprehensive approach to funding long-term services and supports (LTSS):** Medicaid is the largest payer of LTSS in the United States, but eligibility is tied to income and level of care needs. Although Medicare provides health coverage for older adults, it plays a limited role in funding LTSS. The federal government should consider multi-payer approaches to expand access to LTSS, such as creating a full-cost buy-in

option for Medicaid HCBS for those who do not otherwise meet financial eligibility criteria and incorporating more robust LTSS benefits into Medicare. These steps would help ensure that LTSS is accessible to individuals who do not qualify for Medicaid.

- **The federal government must address workforce shortages:** Access to LTSS is ultimately reliant on the workers – including direct care workers like personal care aides, home health aides, and nursing assistants; direct support professionals; and independent providers employed through self-direction – who care for individuals. Serious workforce shortages threaten the ability of Medicaid agencies to provide access to LTSS; in a 2022 survey, all responding Medicaid agencies indicated they were experiencing shortages of direct care workers. Federal agencies should partner to promote a comprehensive, integrated campaign that uses multiple strategies (workforce pipelines; federal investment in wages and benefits; strategies to increase the supply of workers) to address direct care workforce shortages. This strategy should also support ongoing training of the direct care workforce to respond to changing needs among older adults, including memory care.
- **The federal government should create sustainable and flexible funding mechanisms to support infrastructure costs:** Many LTSS providers need fiscal support and technical assistance to modernize their IT systems. Without this support, providers experience barriers to claiming for services, leading to long-term sustainability challenges. Through Section 9817 of the American Rescue Plan Act, Medicaid agencies have invested in technological improvements, including grants for IT infrastructure and monitoring systems. However, these investments are time-limited, with most states expending the Section 9817 funds by March 2025. The federal government should create long-term funding mechanisms, including through Medicare, to support infrastructure costs.
- **Medicaid agencies must retain the flexibility to tailor their programs to meet local needs:** Medicaid agencies operate in vastly different contexts. States and territories must retain the flexibility to design their long-term care programs to best serve their local communities and navigate resource constraints. By giving Medicaid agencies the option to fund housing supports and other services that address health-related social needs, states can help transition individuals from inpatient facilities to community-based services – or prevent individuals from needing an institutional level of care at all. The federal government should also support pre-Medicaid eligibility diversion activities that delay an individual's need for full Medicaid benefits. These interventions may improve health outcomes for older adults and reduce overall costs for states/territories and the federal government.

- **Health coverage must complement other services:** Older adults may benefit from a variety of services, including health care services, transportation, nutrition supports, family caregiver supports, community service employment, and housing supports (including transition and tenancy-sustaining supports). Many of these services are delivered by programs funded by the Older Americans Act, including state and territory Units on Aging (SUAs), Area Agencies on Aging (AAAs), and Tribal organizations. These programs are a crucial complement to Medicaid-funded services and should be sustainably funded.

Policy Recommendations

In addition to the Core Principles outlined above, NAMD recommends that the Interagency Coordinating Committee consider the following policy changes. These policy recommendations are discussed in more detail in NAMD's April 2021 comments on the proposed Home and Community-Based Services Act and September 2022 comments in response to the House Energy & Commerce Committee's request for information on disability policy.

- **Correct the institutional bias in Medicaid:** NAMD supports the correction of the institutional bias in Medicaid statute, which would make HCBS a mandatory benefit in the program. This would bring parity to Medicaid long-term care structures and clearly signal the federal government's commitment to advancing HCBS. However, to implement a mandatory HCBS benefit, Medicaid agencies would need significant federal support, including a long-term and stable funding stream. Medicaid agencies would also need additional flexibilities, including the ability to tailor HCBS services to meet local needs, navigate resource constraints, and cover certain health-related social needs.
- **Increase access to care navigation:** It is often difficult for individuals to navigate the variety of health and social service programs that may help meet their needs. Options counseling and care coordination are essential to ensuring that people make informed choices about their care and have a full understanding of the available options. The federal government should support and promote means of Medicaid administrative claiming for State Health Insurance Assistance Programs (SHIPs) and Aging and Disability Resource Centers (ADRCs).
- **Make the Money Follows the Person program and HCBS spousal impoverishment rules permanent:** NAMD strongly supports permanent authorization of the Money Follows the Person (MFP) program and the permanent application of Medicaid spousal impoverishment rules to HCBS. Money Follows the Person has consistently demonstrated the value of funding services to help individuals transition from institutional care to HCBS; Medicaid agencies should be allowed to permanently fund these services. Similarly,

Medicaid spousal impoverishment rules allow individuals who qualify for an institutional level of care to instead receive Medicaid-funded HCBS without impacting the financial security of their spouse. These protections will expire in September 2027 unless Congress takes action.

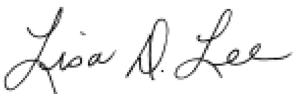
- **Allow Medicaid payment for room and board in HCBS:** Medicaid agencies inherently pay for room and board for individuals who are receiving institutional care but are prohibited from paying for room and board for HCBS. Medicaid agencies report that many individuals cannot access HCBS due to challenges finding stable and affordable housing. The federal government should allow, at state option, Medicaid payment for room and board in HCBS, and more broadly work to increase the supply of affordable housing.
- **Reduce administrative barriers associated with HCBS waivers:** The majority of HCBS spending and services are delivered through waivers, including Section 1915(c) waivers and Section 1115 waivers. Waiver application and renewal processes can be time consuming and administratively burdensome for states. The federal government should consider measures to reduce the administrative burden associated with offering HCBS.
- **Allow presumptive eligibility for HCBS:** The federal government should allow presumptive eligibility for older adults and people with disabilities to receive HCBS. This would allow states to expedite delivery of HCBS, which can help prevent institutionalization (e.g., in the case of a hospital discharge) or increase transitions out of institutional settings (e.g., by covering home modifications for an individual leaving a nursing facility).
- **Update the Ticket to Work program to allow those who have not reached full retirement age to participate:** The Ticket to Work program allows people with disabilities to maintain employment and have higher income without losing Medicaid eligibility. The federal government should consider updating the Ticket to Work program to allow those who have not reached their full retirement age to participate, even if they are over 65. The federal government should also invest in outreach and education about the program to address concerns among current service recipients that working would negatively impact their Medicaid eligibility.
- **Simplify asset limits:** Asset limits for Medicaid eligibility are complex. Definitions of assets and specific asset limits vary across programs and eligibility groups, and asset limits interact with other eligibility considerations. This creates confusion among individuals who are seeking long-term care and makes it challenging for states to administer these services. The federal government should consider changes to simplify asset limits, including simplifying Supplemental Security Income (SSI) eligibility criteria and making US Department of Veterans Affairs income non-countable for non-MAGI eligibility. The federal government should also expand access to ABLE accounts, which

allow people with disabilities to save money to pay for disability-related expenses without impacting Medicaid eligibility. Specifically, the federal government should allow people whose disabilities began after age 26 to qualify for ABLE accounts and revise the age range for ABLE accounts to be ages 18 through 64.

- **Increase access to caregiver supports:** In 2020, approximately 53 million people provided care to a family member or friend. NAMD supports broader family caregiver and guardian supports, including increased respite services, training resources, care planning resources, housekeeping services, assistive technology, equipment and supplies, and peer supports. States should be given flexibility to support both family caregivers who choose to enter a paid employer/employee relationship with a state Medicaid agency and family caregivers who choose to remain unpaid.
- **Allow Medicaid to cover assistive technology that has other uses as a state plan service:** Medicaid agencies should be allowed to reimburse, at state option, the cost of assistive technologies that may have secondary purposes, such as iPads or computers. In some cases, these technologies drive improved outcomes for members but are unaffordable without Medicaid coverage. These services should be approvable as a state plan service.
- **Increase access to companion care:** Companion care provides older adults with intellectual engagement, social support, and assistance with day-to-day tasks like cooking and grocery shopping. In contrast to personal care aides or home health aides, companions do not provide health care or personal care like bathing and grooming. The federal government should explore pathways to covering companion care, including through Medicare. This would help ensure that older adults are receiving the appropriate level of care, and may support older adults in staying in their homes.

Thank you for the opportunity to provide comments on the Strategic Framework for a National Plan on Aging. NAMD looks forward to continuing to work with the Administration for Community Living and the Interagency Coordinating Committee on Healthy Aging and Age-Friendly Communities to improve care for older adults.

Sincerely,



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