



July 14, 2021

WHAT YOU NEED TO KNOW ABOUT

## Biden's \$400B Plan for Bolstering Long-Term Care

### PRO POINTS

- **As the U.S. population rapidly ages, demand for in-home care is growing despite gaps in the social safety net.**
- **President Joe Biden is pushing for a \$400 billion investment to cover in-home care under Medicaid as part of the “human infrastructure” proposals Democrats are weighing in Congress.**
- **While many details remain to be worked out, the possibility of including the measure in a broad infrastructure package has kickstarted talks to fulfill Biden’s campaign pledge.**

### HOW WE GOT HERE

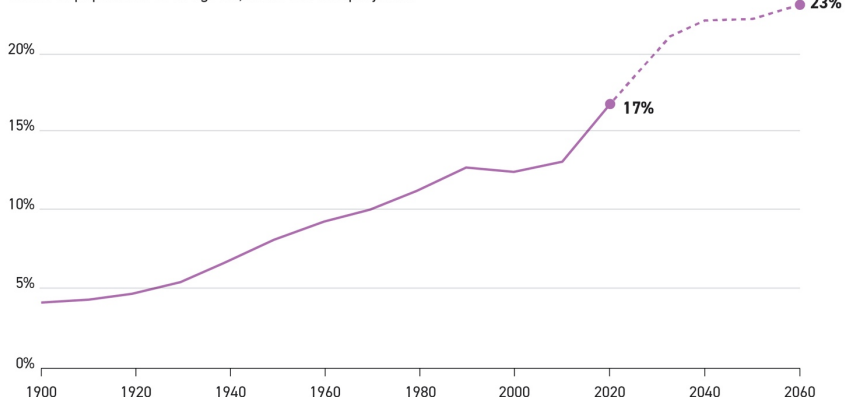
The aging U.S. population is driving up demand for in-home care, but many experts argue the nation’s safety net can’t accommodate the load. According to a recent HHS-funded study, 70 percent of adults who live to age 65 develop long-term care needs, but only 48 percent receive some paid care over their lifetime, and relatively few home care recipients receive Medicaid benefits due to long waiting lists.

Biden’s infrastructure plan included a massive, \$400 billion infusion for covering in-home care under Medicaid — a move aimed at helping end the safety net program’s bias toward institutional care. The sweeping proposal came after the coronavirus pandemic devastated nursing homes, killing over 133,000 residents. That catapulted the nation’s long-simmering debate over caring for the elderly into the spotlight, and has sparked growing momentum to make in-home care for seniors more accessible.

Medicaid funds the majority of home and community-based services, which range from helping older adults and the disabled bathe and eat, to assisting with household activities, like preparing meals or chores. Just how accessible home and community-based services are depends entirely where a resident lives. That’s because states have the option to cover the benefit, and that’s led to a number of challenges for those trying to tap into at-home care. For instance, some states’ programs have lengthy waiting lists or face dire workforce shortages, according to the Kaiser Family Foundation.

### The U.S. population is rapidly aging, driving demand for care

Share of population over age 65, historical and projected



Source: Census Bureau



The issue is a top priority for Biden, who on the campaign trail called for ending HCBS waiting lists in his \$775 billion plan to modernize caregiving. The Covid relief package Congress passed in March included the first federal funding boost to home and community-based services since Obamacare's passage. Medicaid is estimated to spend \$114 billion on HCBS in fiscal 2021 before that increase. The one-year boost in federal funds is projected to increase spending on these services by \$11.4 billion through March 2022.

### WHAT'S NEXT

Biden has made passing \$400 billion for HCBS a central tenet of his "human infrastructure" proposal, which Democrats will likely wind up passing on a party-line vote, with Republicans unanimously opposed. Though it has support from key Democratic leaders, it faces competing priorities as Democrats jostle over which health, child, climate and education policies will likely make it into the bill. The matter could be settled this month, as congressional budget writers finalize the parameters for a package that could pass without Republican votes.

The administration has largely been mum on the policy details, leaving it to Congress to hash out the specifics. In June, Democrats introduced bicameral legislation allocating federal funds toward HCBS, the first step toward making good on Biden's pledge. Under the bill — led by Sen. Bob Casey (D-Pa.), who chairs Congress' aging committee, and Rep. Debbie Dingell (D-Mich.) — states would be able to receive enhanced federal funding on the condition that they also put certain accountability and quality metrics in place. Other provisions are aimed at bolstering the workforce and offering older adults a wider range of services.

#### Many older Americans don't receive the long-term services they need

Share of adults who need or receive long-term care services at some point in their lives after age 65



Source: Richard Johnson, "What is the lifetime risk of needing and receiving long-term services and supports?", Urban Institute via HHS

### POWER PLAYERS

- **CMS Administrator Chiquita Brooks-LaSure:** The head of the federal government's major health care safety net agency within HHS will likely shape the effort, along with her deputy administrator and director of Medicaid and CHIP Daniel Tsai.
- **Senate Special Committee on Aging:** While having no set legislative authority, members of this committee will likely spearhead efforts to shepherd legislation through the upper chamber, along with the Senate Finance Committee.
- **National Association for Home Care & Hospice:** This industry body represents 33,000 home care and hospice organizations, including the nurses, therapists, aides, and other caregivers they employ.
- **Home Care Association of America:** Another industry group focused on home care organizations with membership chapters across 16 states.