Medicaid's shift from nursing facilities to home settings may not benefit patients

July 2 2019

Credit: AI-generated image (disclaimer)

New research from University of Chicago scholars provides compelling evidence that Medicaid's push to shift long-term care from nursing homes and other medical institutions to home and community-based services may be detrimental to patients, particularly those from racial and ethnic groups and sicker patients.

The research, published July 1 in the journal *Health Affairs*, underscores that little is known about the outcomes of home and community services—especially for racial and ethnic minority groups, whose members tend to use the services more than whites, as well as people with dementia who may need high-intensity care.

"While Medicaid's trend to shift long-term care from institutions to the community is intuitively appealing, it is not clear that the health outcomes are better in home settings than in nursing facilities," said the study's leader author Rebecca Gorges, a Ph.D. candidate in the Harris School of Public Policy. "Our findings suggest that home and community-based services need to be carefully targeted to avoid adverse outcomes, and that the racial and ethnic disparities in access to high-quality, institutional, long-term care are also present in home and community settings."

Gorges conducted the research along with Prachi Sanghavi, an assistant professor in the University of Chicago Department of Public Health Sciences; and R. Tamara Konetzka, a professor in UChicago's Department of Public Health Sciences and the Department of Medicine.

Using national Medicaid claims data on older adults enrolled in both Medicare and Medicaid, the authors found that:

- The challenges of home and community services (HCBS) may have particularly large implications for members of racial/ethnic minority groups, who are disproportionally represented among Medicaid long-term care users. Given these differences in use and quality, policies emphasizing home and community services may exacerbate differences in outcomes by race/ethnicity, especially if the intensity of care in home and community settings is lower than what is needed.
- Among sicker people—those with dementia—home and

community-based services had worse outcomes than nursing facility care.
- Blacks had the highest rates of hospitalizations, including potentially avoidable hospitalizations, followed by non-Hispanic whites and Hispanics, and Asians/Pacific Islanders. These patterns held across beneficiaries both with and without dementia.

Because hospitalization costs among HCBS users are not insignificant, calculations of the cost-effectiveness of home and community services programs should consider Medicare hospital spending, rather than just Medicaid spending. Accounting for the full social costs of these programs also must include costs to caregivers and care recipients for adverse outcomes.

Additionally, the high rates of nursing home use among elderly, dual-eligible beneficiaries with dementia suggest that institutional care may be required or preferred by some beneficiaries and their families because of high needs for intensive long-term care that might not be met in a home setting. Even as HCBS options are expanded, the need for access to high-quality nursing facilities should be on the agenda as policymakers consider ways to improve the long-term care options available to Medicaid beneficiaries.

"Policymakers must consider the full cost and benefits of shifting care from nursing facilities to home and community settings and the potential implications for equity before passing legislation," Gorges added.

Provided by University of Chicago

nursing-facilities-home.html