



MODERNIZE MEDICARE FOR COST AVOIDANCE

Policymakers agree that, as the number of beneficiaries increase, Medicare must be adjusted to contain costs into the future. Because policymakers cannot diminish the increasing numbers of aging individuals, patches, such as changing the age of entitlement, only postpone the cost impact and proposals to decrease Medicare services continue to be politically unacceptable to a majority of Congress and to the public as a solution to decrease costs.

Modernizing Medicare options is one proposal that can result in immediate per-beneficiary service cost reduction and program future cost avoidance.

Post-Acute Care and nursing home care are expensive cost driving services. Private sector reports from the insurance industry have stated consistently that Adult Day Services are more cost effective vis-à-vis nursing home placement for consumers in need of this level of clinical care.*

Modernizing Medicare to permit beneficiaries qualified for nursing home care to choose Adult Day Services in lieu of nursing home admission will reduce the immediate per-beneficiary cost of service for nursing home clinically eligible individuals and will achieve program future cost avoidance as increased numbers of beneficiaries require this level of care.

NADSA respectfully requests Members of Congress to co-sponsor H.R. 3334 and Senators to introduce a similar version offering their view. We further ask both the House and Senate to request the Congressional Budget Office to score this proposal as soon as possible.

*MetLife Mature Market Institute 2012, 2011 Market Survey of Long-Term Care Costs:
<https://www.metlife.com/assets/cao/mmi/publications/highlights/mmi-market-survey-long-term-care-costs-highlights.pdf>

*Genworth 2013 Cost of Care Survey:
https://www.genworth.com/dam/Americas/US/PDFs/Consumer/corporate/130568_032213_Cost%20of%20Care_Final_nonsecure.pdf