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The Mercer Report on the State of Connecticut Medicaid Long Term Care Demand Projection

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The Department of Social Services (DSS) presented its plan on rebalancing today with the unveiling of the much anticipated Mercer report on the State of Connecticut Medicaid Long Term Care Demand Projection.

[Official Mercer Report Released >>](#)

The report addresses the anticipated long-term projections for long-term care utilization in 2015, 2020 and 2025 in the State along with the potential service providers that can meet those needs. The report was completed on a state and town basis, and this data is expected to be updated every six months. The two key elements of the plan are personal choice of consumers to choose the location to receive long-term care and to provide that care to Medicaid-eligible individuals in the most economical way possible.

The Mercer model forecasts an increase of 9,800 individuals using Medicaid long-term care services between 2010 and 2025 resulting in 48,600 individuals using these services in 2025. It also states that 0.5 to 0.75% of individuals are currently moving from nursing facilities to home- and community based care per year and that, without other state initiatives, this would result in 57.6% of individuals being home- and community-based and 42.4% in nursing facilities by 2025. With other state initiatives such as *Money Follows the Person*, the Mercer model forecasts 75.7% of individuals being home- and community based and 24.3% of individuals being in nursing facilities by 2025. These assumed changes would result in an excess of nursing facility beds by 2025 when accounting for current state initiatives.

DSS is promoting that nursing home operators can look to this as an opportunity to re-invent the way they provide care in the future.

The Governor announced three additional items of related funding which will be part of his biennial budget proposal on February 6:

- \$20 million for nursing home rebalancing
- \$2 million for transition of *Money Follows the Person*
- \$2 million for low-cost loans for adult family homes

This potential funding, along with the anticipated DSS \$13 million request for proposal related to nursing home rightsizing, represent an opportunity to change the landscape of long-term care in Connecticut.

This Connecticut initiative is being viewed by the Centers for Medicare and Medicaid Services (CMS) and Housing and Urban Development (HUD) as a model for potential long-term care reform across the country. If this is successfully implemented, it could result in additional federal funding to Connecticut and adoption of similar initiatives in other states.

It will take years to determine if the plan presented today will be operationally and fiscally achievable, but now, more than ever, you should review your own business and strategic plan to determine where it will fit in the proposed new world of long-term care.

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