

Increase Medicaid Patient Access to Memory Care

The Problem

People with dementia, including Alzheimer's disease, are living in hospitals because they cannot transition to appropriate post-acute care settings. One of the top reasons is dementia patients with Medicaid coverage cannot access specialized memory care. The Medicaid payment rate for memory care services is extremely low. This means many Medicaid patients living with dementia are stuck in hospitals and not getting the right care in the right place.

The state's specialized dementia care program through the Department of Social and Health Services (DSHS) offers long-term care services for Medicaid patients, generally in assisted living facilities. However, the program's payment rate is inadequate and only a small number of post-acute care facilities accept Medicaid patients with specialized dementia needs.

Proposed Solution

We support increasing Medicaid specialized dementia rates to support increased community capacity to care for Medicaid patients needing specialized care. A similar rate increase was included in the Governor's 2019 request as part of statewide behavioral health reform related to patients in state psychiatric hospitals needing memory care. In 2020, WSHA requested a targeted dementia rate increase for patients who are living in our community hospitals. In the 2020 supplemental budget, the legislature funded a \$10 per day rate increase for specialized dementia patients, but the Governor vetoed this funding as part of his efforts to mitigate broader budget cuts due to the economic impact of the pandemic. We support the reinstatement of the \$10 per day rate increase in addition to the larger, targeted rate increase noted below that is necessary to address complex patients that are stuck in acute care hospitals.

The state has made positive steps to begin to fund critical programs for patients needing post-acute care. Early in the COVID-19 pandemic, DSHS instituted a temporary \$60 per day rate increase as part of the spring surge to move patients out of acute care hospitals. This rate increase was effective in allowing more patients to be discharged to specialized dementia programs rather than remain in hospitals. Unfortunately, the surge funding ended after three and a half months and the rate increase is no longer in place. As a result, more memory care patients are stuck in hospitals. Acute care beds are needed for acute care patients. This is especially true as the pandemic continues in our state.

Budget Ask

\$5.25 million general fund-state (\$10.5 million total) to increase rates for Medicaid patients being discharged from acute care hospitals to specialized dementia facilities, including enhanced adult residential care settings. This would result in a \$60 per day per patient rate increase for dementia patients.

Funding assumptions: Increase specialized dementia rate from approximately \$120 to \$180 per day for patients being discharged from acute care hospitals. This increase would cover approximately 120 client slots per year.

Medicaid daily rate increase requested	Estimated number of client slots per year	Total state funds per fiscal year	Total state funds per biennium	Total federal funds per biennium
\$60	120	\$2,627,000	\$5,254,000	\$5,254,000

Key Messages

- Based on recent Washington State hospital data, the need for memory care was one of the top five barriers preventing patients from leaving an acute care hospital. Patients needing memory care often had additional barriers such as combativeness, low or inadequate funding, and the need for a guardian. Patients needing memory care had an average of 90 avoidable days (days the patient was in an acute care hospital but did not need to be there).
- As dementia progresses, patients lose cognitive function and can no longer live at home. They need to be placed in residential care to remain safe. Without sufficient specialized dementia care in the community, Medicaid patients who need memory care are often stuck in acute care hospitals.
- Acute care hospital beds are a finite, expensive resource. Patients who need acute care need access to these beds, especially in critical time like the current COVID-19 pandemic or during future flu seasons. Patients who need post-acute care should be discharged to appropriate community settings.

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