

Senator Larry Craig
**"Long-Term Care: States Confront Increasing Demands and
Rising Costs"**
July 18, 2001

I am pleased to be here today for the second in a three-part series of Aging Committee hearings on long-term care. Our first hearing provided an overview of the challenges ahead. Today, we will be examining some of the remarkable innovations many of the states have undertaken in this area, as well as the serious obstacles they continue to face.

Over the past decade, dozens of states have sought and received waivers from the federal Medicaid program to creatively tackle long-term care challenges. In particular, the federal Medicaid waivers have given states flexibility to provide seniors the option of receiving services in home- and community-based settings, rather than in nursing homes.

Nevertheless, much remains to be done. First, the Medicaid waiver program remains just that - a waiver program. States must prepare and file detailed applications to the federal government each time they seek to depart from Washington's standard approach. Secretary Thompson is making great strides in speeding up this process, but still, must the road to state innovation remain cluttered with so many roadblocks of federal approval?

Second, despite the progress in many states to shift the focus of long-term care toward home and community-based care, institutional nursing home care still consumes three times as many Medicaid dollars as home- and community based services - an unfortunate and troubling imbalance.

As we all know, the Baby Boomers will begin retiring in just 10 short years -- placing tremendous pressure on our current fractured patchwork of care and services. We owe it to them, as well as to our current seniors, our children, and our grandchildren, to tackle the hard problems now, while we still have time. Thank you.