

LeadingAge[®] Nebraska

Good Afternoon, Senator Ricketts, fellow testifiers, and members of the public. My name is Kierstin Reed and I serve as the President & CEO for LeadingAge Nebraska. Thank you for allowing me to testify today. We appreciate Senator Ricketts bringing this hearing to Nebraska. LeadingAge Nebraska is a statewide membership association that provides advocacy and education for providers of long-term care services in our state. We represent 80 providers across the state and work with our national partner LeadingAge, to provide support to over 5,000 long term care providers across the US.

Since the inception of the Medicare system in 1965, there have been numerous developments and changes to the system that now covers over 63 million beneficiaries across the US, with 300,000 of them being in Nebraska. The most recent change to the system is the addition of Medicare Advantage, also known as Part C as a private plan option, replacing the traditional Part A and B benefits. The Medicare selection process can be a daunting task for beneficiaries and supporters because the number of options has increased. The amount of information they need to wade through to try to understand the benefits available to them can be overwhelming. The number of services claiming to help seniors select a Medicare plan seems to be never ending and it is difficult for seniors to find a reputable, trusted source to support them in the decision making process.

LeadingAge Nebraska works with many nursing homes and home health providers across the state supporting older adults. When older adults find themselves in need of nursing care, either short term or long term, they have generally already been enrolled in a Medicare plan. It is often at this point in time that a professional is explaining the fine print of the plan they have selected to them and what services are available to them.

When you find yourself or a loved one in need of long-term care services, it can be difficult for anyone to understand the entire process. We find that beneficiaries and their family members may not fully understand what is covered under their Medicare plan. Many beneficiaries are under the belief that because they have Medicare, their long-term care services will be completely covered without out-of-pocket expenses and will last until they no longer need the services.

Beneficiaries are often surprised by the limitations on the services they receive and the overall cost of the services they need. For those needing skilled medical services, Medicare will pay for a portion of their stay if they are approved for this level of care for a period of time. If they no longer meet the criteria for skilled care, or have used their maximum benefit, Medicare no longer covers their need for these services. The average cost of nursing home services in Nebraska is \$7,500 per month for custodial care, which is not covered by Medicare. As people are living longer and have more complex health conditions, we find that beneficiaries are often outliving their personal resources for care, even with their Medicare benefits. Currently, 60% of nursing home residents in Nebraska rely on Medicaid as their payor source because they no longer have funds to pay for services.

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The expansion of the Medicare Advantage program has increased the confusion for beneficiaries when they are selecting a plan. There are numerous Advantage plans available, which can muddy an already complicated system. There are now 46%% of beneficiaries nationally enrolled in a Medicare Advantage option. For Nebraska, this is closer to 30%, however this number continues to rise. These plans entice beneficiaries with many benefits that are not available in the traditional Medicare model, however beneficiaries may find that these plans are not widely accepted at every medical provider, limiting their options for care. Beneficiaries may also find that the services they would expect from Medicare are not the same that they anticipated compared to traditional Medicare due to authorization denials and limitations of services.

The intent of these plans is to provide equitable coverage in Part A and B, in addition to providing other benefits, such as vision and dental. Today, there is evidence that Medicare Advantage plans are denying coverage for Medicare services and in other cases, terminating care before the beneficiary is ready to go home. We need to assure that beneficiaries are receiving equitable care, regardless of the plan the choose.

In order for our health care system to work efficiently and effectively, there needs to be a focus on provider payment adequacy for services covered by Medicare. Traditionally, programs like Medicaid and Medicare have paid at a lower reimbursement than private insurance. The introduction of Medicare Advantage continued this trend at a deeper level. Some advantage contract to providers is equal to the state Medicaid rates, which experts agreed don't begin to cover the cost of custodial care, let alone the more intense skilled care provided when a beneficiary has significant health care needs.

If the concerns with Medicare, particularly with Advantage plans continues, it will cause erosion in the health care system. Providers of long-term care services are already closing at an alarming rate due to the rising cost of care, staffing shortages, and an inadequate reimbursement system. Patients are waiting for weeks to months on average in Nebraska hospitals for a placement in long term care. Nebraska has lost 17% of our nursing homes since 2017 and we are at risk for losing more in the coming years.

In closing, LeadingAge Nebraska wants to assure that older adults receive fair and equitable Medicare services. We want to assure they understand the benefits they are receiving and that they have a clear understanding of the choices they make when selecting a plan and the long-term impact those choices may have for their health care coverage. We also want to assure that the services they need are available to them when they need them. There are improvements that need to be made to address the access to benefits that meet the needs of beneficiaries.

Thank you for providing me the opportunity to testify today.