

ALS Alzheimer's Proposal
By Jesse Petrea

Recommendation: Save DCH funds by providing Medicaid waived memory care units.

Huge sums of money are spent nationwide privately and publicly to discover a cure for Alzheimer's disease. These are dollars well spent, because this is a terrible disease we need to prevent. Meanwhile, 5.4 million people already have Alzheimer's disease and millions more are responsible for providing their care. In Georgia alone, over 120,000 suffer with the disease. Unfortunately in Georgia, we spend very little to provide such care to middle and low income people who have Alzheimer's. Georgia needs to fund and build capacity to serve this growing population.

Although assisted living memory care units for Alzheimer's disease and related dementias have become very popular with consumers in the private sector, there currently exists no framework to support such services in the public sector. This is unfortunate for Georgia's middle class and low income senior populations who have no alternative to institutional placement when needing memory care services. However, this is also unfortunate for Georgia taxpayers who end up supporting these populations in the most expensive environment.

In Georgia today there exists a limited option of providing assisted living in licensed personal care homes for individuals on Medicaid known as Alternative Living Services, or ALS. Although poorly funded at \$35.04 per day, this service provides an alternative to skilled nursing facility placement for thousands of Georgians. However, the low rate does not support the care required for special populations such as Alzheimer's disease. The rate is flat and not tiered based on level of care. Memory Care units are more expensive to operate. They require special construction and higher staff ratios. Most importantly, they require specially trained staff who are experienced, understand behaviors, hazards and wander risks. Staff must be adept at noticing signs and symptoms of changes in condition. Accordingly, the flat ALS rate does not support services to the memory care population. In fact currently in Georgia, there is not one Medicaid eligible assisted living memory care unit.

We propose a new ALS tier for memory care which would incentivize ALS providers to build homes to support this most vulnerable population. A rate of \$100 per day should be adequate to invite the private sector to provide quality services. The average cost nationally to provide assisted living in a special unit is \$4,619 per month according to the Alzheimer's association. This \$100 per day rate would still be \$43 per day less than current institutional Medicaid costs! Thus, Georgia's budget is impacted positively as people are served for less. Meanwhile, people have a choice that they do not have today. This proposal is a win-win for taxpayers and for middle and low income Georgians.

In summary, government efforts to control costs by diverting persons from nursing home placements are severely hindered if limited service options are available. Assisted living has tremendous potential to reduce the need for institutional care in Georgia. Indeed, over the last 10 years in Georgia, the Medicaid census in SNF's has declined by 10% from 83% to 73%. However, the current low ALS flat rate limits the availability of options for persons with Alzheimer's and related dementias who would choose to remain in the community or return to the community from an institution.