



**AREA AGENCIES ON AGING ASSOCIATION OF MICHIGAN**  
**ADVOCACY ALERT**  
April 25, 2008

**PUSH NEEDED FOR MORE HOME-BASED SERVICES IN 2009**

Governor Granholm is recommending a \$27 million increase in the MI Choice Medicaid Waiver to serve people in assisted living and on the waiting list. The increased home-based care is expected to reduce nursing home use, so funds are shifted from the nursing home line-item to MI Choice. But the Senate has passed a very different proposal that accepts the projected savings while drastically cutting the investment in home-based care! The Senate version increased MI Choice by \$640,000 as a phase-in. In other words, the Senate budget expects to save \$27 million in nursing home utilization by investing \$640,000 in MI Choice.

Meanwhile, services funded through the Older Michigianians Act (OMA) have not seen increases for 8-10 years. While the Governor recommended continuation funding, the Senate approved a \$690,000 in care management through the OMA. No increases were recommended for home-delivered meals or in-home services through the OMA, in fact, meals could see a small cut.

The budget is now in the House of Representatives, in the Community Health Subcommittee chaired by Rep. Gary McDowell (D-Rudyard). We want the House to approve a budget with more funding for home-based care through MI Choice and the Older Michigianians Act.

**WHAT YOU CAN DO:**

Contact members of the House Community Health Subcommittee and **ask them to approve the Governor's \$27 million increase for MI Choice, along with more funding for the Older Michigianians Act.** If you know a legislator on the subcommittee – contact him/her. If you don't know a legislator on the subcommittee, direct your messages to the Chair, Gary McDowell.

Here are some talking points:

- Home care is more cost-effective than nursing home care. The average annual cost of a MI Choice consumer is \$10,900 compared with the \$54,000 average cost of a nursing home resident.
- Without a significant investment in home care, costs will explode for nursing homes. Between 2000 and 2005, nursing homes costs in Michigan grew by 45%. The aging of the baby boomers will add to the problem.
- While most Michigan citizens want to receive long term care in their own homes, the state spends most of its long term care dollars on nursing homes. Michigan Medicaid spends \$2 billion on long term care, with 80% of that spent on nursing homes and only 20% spent on home care.
- People in assisted living facilities should be allowed to use MI Choice when they need more help, and avoid a transfer to a nursing home.

- There are 3,700 people on the MI Choice waiting list.
- There are 1,300 people waiting for home-delivered meals and 3,100 waiting for in-home services through the Older Michigianians Act.

## **CONTACT INFORMATION:**

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