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Wrong reform

Medicaid provisions hurt the elderly

If members of Congress all were doctors, "First, do no harm" presumably would be a brighter guiding light in making public policy.

That's obviously not the case, and provisions to reform Medicaid that will be before U.S. House members on Tuesday do anything but no harm - particularly with regard to middle-income elderly people in need of long-term care for certain conditions.

Instead of making life easier for middle-class people when they are afflicted with such diseases as Alzheimer's, multiple sclerosis or Parkinson's, proposed reforms to the federal-state health-care program for the poor greatly increase the likelihood that they will become destitute in the months or years before they die.

That's in part because federal regulations discriminate based on the nature of a person's health problem. If you have a heart attack or cancer, for example, Medicare provides comprehensive coverage. But for chronic conditions that require long-term nursing home care, government is out of the picture unless you're poor.

The Catch-22: Middle-income people who've scrimped and saved their whole lives and lived comfortably if not extravagantly can quickly lose everything because of devastating diseases like Alzheimer's, which aren't covered by Medicare.

Penalizing the vulnerable

There's already a financial penalty assessed against people who try to qualify for Medicaid but have given away some of their wealth within the past three years - for example, to help a grandchild pay for college. It doesn't matter if the gift was given before the illness began; the current formula still has the effect of penalizing the giver based on the amount of the gift and when it was given.

The new regulations - opposed by North Florida U.S. Rep. Allen Boyd, D-Monticello, but expected to become law - will make it even worse, advocates for the elderly say. They extend the so-called "look-back" period to five years instead of three. They also will require that the eligibility clock for those who gave away some of their assets will begin ticking only when someone is in a nursing home instead of when a gift was made.

The effect will be that middle-income people whose chronic conditions already have devastated their bodies will be financially ruined as well.

The new provisions aren't designed to do harm. Their laudable goal is to save money and curb abuses, and they accomplish both. A net savings of \$4.8 billion is projected, and it would be harder for children of people with chronic conditions to unfairly manipulate their parent's estate so Mom or Dad can qualify for Medicaid.

Still, the unintended consequences will be devastating to people who, in many cases, did everything right: saved money, lived modestly and were generous or charitable. Hardship waivers, elder-law attorneys say, are difficult to obtain and rarely granted.

"Our health-care system penalizes people who have pursued the American dream, saved for retirement, and then get the wrong disease," said Vincent J. Russo, a former president of the National Academy of Elder Law Attorneys, in congressional testimony last July.

"Making asset transfer penalties more punitive will mainly hurt seniors who are faced with horrific health and income security choices and who are acting in good faith."

If these new Medicaid provisions become law, Congress may well do more harm than good.
