

The Pepper Commission: A Call for Action: Blueprint for Health Care Reform

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Overview

Type of Reform: Creating a New Program

Description:

Proposes mandatory social insurance program for HCBS and the first three months of nursing facility care would be covered for all Americans, regardless of income. Individuals would be required to contribute to the costs of care with subsidies for low-income individuals. For individuals with longer nursing facility stays, up to a higher level of assets would be excluded from consideration for Medicaid eligibility to diminish the risk of impoverishment, and there would be protection of income for spouses and an income allowance for the purposes of establishing Medicaid eligibility.

Sponsoring Organization:

Sponsoring Organization: Congress created the U.S. Bipartisan Commission on Comprehensive Health Care to recommend legislative reform to ensure health and LTC coverage for all Americans. It was later renamed the Pepper Commission in honor of its first chair and creator, Representative Claude Pepper of Florida.

Impact and Action:

The Pepper Commission laid out to Congress and the LTSS policy community the case for a social insurance model to address LTSS needs. Thus, many progressive proposals and bills trace their origins to the Pepper Commission.

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Program Details

Participation Criteria:

Universal and mandatory for individuals who are age 65+ as well as all severely disabled persons regardless of age, underlying disease or disabling condition, would be eligible for public benefits.

Conditions for Receiving Benefits Scope of Services:

Individuals who need one of the following:

- Hands-on or supervisory assistance with three out of five ADLs.
- Constant supervision because of cognitive impairment that impedes ability to function or because of behaviors that are dangerous, disruptive, or difficult to manage.

Scope of Services

- HCBS: home health care; physical occupational, speech and other therapies; personal care services; homemaker chore services; grocery shopping and transportation; medication management; adult day health care; respite care; and cost-effective training for family caregivers.
- Nursing Care: skilled and custodial care in a nursing facility.

Amount of Services

Based on individual care plan developed by care manager and tailored to the needs of the individual, taking into accounts the availability of informal supports.

Benefit Limits:

- HCBS: None cited.
- Nursing Facility Program: 90 days.

Participant Financial Responsibility

HCBS: A 20% copayment, with the federal government subsidizing the coinsurance for persons with incomes below 200% of FPL.

Nursing Care:

- Individuals contribute a 20% copayment, with the federal government subsidizing the coinsurance for persons with incomes below 200% of FPL.
- Individuals also contribute their income towards the cost of care, minus a housing and personal needs allowance. Non-housing assets are protected below \$30,000 for a single person and \$60,000 for a couple.

Elimination Period

Not applicable.

Provider Requirements

Not specified.

Provider Payment Levels

Not specified.

Inflation Adjustments

Not applicable.

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Financing & Implementation

Revenue Source(s)

Not specified.

Total Program Costs

\$42.8 billion (\$24 billion for HCBS and \$18.8 billion for Nursing Care).

Program Administration

- **Federal Role:** Provides financing; contracts with states to administer the program; sets standards and guidelines for administration including assessment criteria for benefit eligibility, determining care manager budgets and participation requirements and provider payment rates. Set standards for tax-qualified private LTC insurance plans.
- **State Role:** Build on current infrastructure to manage and deliver services; design and implement the system; certify providers, establish and benefit eligibility review and appeals process. State and federal government share responsibility for financing the Nursing Facility Program, and for standards and oversight of the private LTC insurance market.

Private Sector Role

Incentive to provide coverage to supplement the new program through clarification of favorable tax treatment (treated similarly to health insurance premiums and benefits).

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