



March 8, 1985

Sandra Gardebring
Chair, Metropolitan Council
300 Metro Square Building
Saint Paul, MN 55101

Dear Ms. Gardebring:

This letter is the Citizens League response to the Metropolitan Council's draft report, "Reshaping Long-term Care in the Metropolitan Area: Recommendations for Change", which was scheduled for hearing on Thursday, March 7, 1985.

We were unable to be present for that hearing, but we did contact your staff and were informed that the record would open for a few days if we would like to submit written comments.

The draft illustrates that the Council is assuming leadership in a vital area, and that the Council is deeply concerned about the tendency to over-institutionalize dependent populations.

We are puzzled, however, by a comment on page 5-12 of the draft stating: "Separation of housing and service costs is feasible but not separation of housing and service payment."

By itself, the separation of housing and service costs accomplishes only the objective of identifying how much each element costs. But such an action does nothing for cost control. That requires that the reimbursement, or payment, for these items also be separated.

This concept is central to consumer satisfaction and more effective use of limited resources. Let me illustrate: under today's system, a person usually must be institutionalized to receive care. Reimbursement is provided in one lump sum, for the housing, or hotel, function, and for health-related services, the care function. That system is faulty because (1) it requires an individual to be institutionalized to receive reimbursement for the care, (2) it means that the individual may receive more services in the institution than really is needed, and (3) the individual must receive the services from whoever is assigned to provide them at the institution, instead of the individual or individual's legal guardian having the right to choose who provides the services.

Separating the payment for housing and care makes possible a vastly improved system:

--The individual may be able to remain at home and purchase health-care services separately.

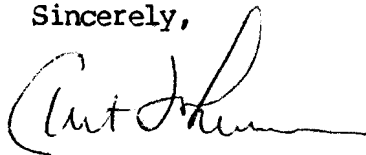
--The individual may be able to choose intermediate living quarters, between the private home and the full-fledged nursing home, and still receive reimbursement.

--The services provided and the level of reimbursement can be tailored to each individual's need.

--The individual can choose who provides the services, and if dissatisfied, can switch vendors at the expiration of any contract period.

We urge that you amend the draft to state that separation of payment for housing and service costs is feasible. Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Curt Johnson".

Curtis W. Johnson
Executive Director