

Vera Institute of Justice

Criminal Justice Issues and Prisoners' Rights

<https://www.vera.org/blog/a-just-and-cost-effective-legal-guardianship-approach>

Public Facing Advocacy Writing

It's too soon to know how Governor Cuomo's mandatory managed care plan enacted last year and scheduled for implementation in April will affect the ability of older, indigent adults and people with disabilities to remain in their communities. But state officials ought to take steps now to ensure that the new policy doesn't force people into institutions when they could otherwise continue living safely at home with dignity and services.

The governor is right to look for solutions to the state's budget woes. As people age or suffer the effects of a protracted illness or disability, the cost of their care can skyrocket. For those with limited resources, the state's Medicaid program typically steps in as the fiscally responsible party. According to [a recent report](#) issued by the Citizens Budget Commission, older adults and people with disabilities comprise 24 percent of New York's Medicaid population but account for 72 percent of the state's Medicaid spending.

This statistical skew is attributable, in part, to the fact that some institutionalized residents are kept in nursing homes and hospitals unnecessarily. Sadly, some are often simply waiting for a responsible party to plan a discharge home, fix a leaky roof, arrange home care, or secure a reverse mortgage. The average annual cost to Medicaid to keep an indigent, incapacitated person in a nursing home in New York City in 2010 was \$112,000, and in at least one New York inpatient psychiatric facility, the price tag for one year was a whopping \$316,404.

For a portion of those who would be affected by the new state plan, those whose inability to care for themselves has led them to be placed under court-ordered guardianship, there is an alternative. [Effective guardianship services](#) can enable many elderly adults and people with disabilities to continue living in their homes. But in many cases, the availability of Medicaid home care is an essential component of this equation. Over the past six years, [Vera's Guardianship Project](#) has successfully moved nearly a third of its clients out of hospitals and nursing homes, maintaining them at roughly half the cost in less restrictive environments, including, in many cases, the communities in which they have resided for decades.

This humane approach has real benefits for taxpayers too. A move out of institutional nursing care in New York City to 24-hour Medicaid home care, for example, can save roughly \$31,000 a year, and a move from an inpatient psychiatric facility can save Medicaid an even greater amount as much as \$200,000 per year. Moreover, we have found that people in our care who live at home can wait twice as long before they need access to Medicaid compared to those in nursing homes.

As a result, we calculate having saved approximately 2.5 million Medicaid dollars last year alone, serving about 100 clients. If the project were replicated or scaled to serve 2,000 clients, the cost savings could be as much as \$43 million per year.

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