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"The Hidden Cost of Medicaid" and "Palcacochoa"

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Two videos for submission for Sally Schilling:

1. The Hidden Cost of Medicaid

By Sally Schilling

Abstract:

Medicaid is often thought of as free health insurance for the poor, but in fact federal law requires recipients to pay back the costs of their long-term care, after they die. Medicaid bills the patient's estate, which often means passing the burden on to heirs. Special correspondent Sally Schilling reports on how California is debating the rule.

Script:

Home or Your Health:

The hidden cost of Medicaid

Producer: Sally Schilling

Anchor Lede:

Our next story is about Medicaid-the government health insurance program, recently expanded to millions of Americans. It's often thought of as free health insurance for the poor.

But in fact, a federal law requires Medicaid to charge recipients for certain services. Recipients are billed after they die. Medicaid charges the expenses to their leftover assets.

This policy is called estate recovery. It's causing many people to think twice about signing up for Medicaid.

Sally Schilling brings us the story:

The Rollout of the Affordable Care Act and the expansion of Medicaid brought hope to people like Ruth and Rod Morgan, who had gone without health insurance for ten years.

Ruth: "When I heard about the Affordable Care Act, we were very excited. We were finally going to have health coverage."

The Morgans live in Stockton, California. They are in their early sixties and are retired, aside from Rod's occasional construction jobs.

Ruth : "We were pretty much forced into retirement because of the economic downturn. There just wasn't any work."

Rod: "And I mean we don't have much. I mean we're not millionaires. But I would love to give our kids something. I'd like to leave them a little something when we're gone."

In states that have opted to expand Medicaid, like California, anyone making \$16,000 or less per year now qualifies for Medicaid.

But the Morgans were hesitant to sign up for California's Medicaid program, Medi-Cal. They had heard that Medi-Cal would^[P1] bill their estate after they die.

Rod: "The first person I asked when we went to sign up said, 'Oh, we can't possibly charge you like that on an insurance policy that we are forcing you to have.'"

With that reassurance, the Morgans^[P2] signed up.

Ruth: "And then weeks later we got a letter in the mail saying, 'Congratulations, Congratulations! You qualified for Medi-Cal.' And then on the back page this little paragraph says, 'You are subject to estate recovery and do not contact your social worker about this.'"

In 1993, Congress passed a law requiring states to recover the costs of long-term care services spent on Medicaid recipients over age 55 after they die.

The exact burden the couple was hoping to avoid.

Salo: "If you have the resources to pay for your own care, to pay for your own nursing home care, to pay for your own home health care, you should."

Matt Salo is Executive Director of the National Association of Medicaid Directors. Medicaid recovery helps pay back a little for the massive amount spent on nursing homes and longterm care services.

Salo: "Medicaid is the largest payer of long term care in this country. Medicaid should not and cannot sustain itself if it continues to provide all long term care to all people, especially those who have the means of paying for some of it on their own."

Medi^[P3]-Cal's managed care premiums are typically hundreds of dollars per month. But recipients aren't notified of how much money is being spent on them.

Rod says he asked a Medi-Cal representative how much money he was accruing.

Rod: "She said, 'Oh we don't have any idea, we don't figure ^[P4] that out until after you die.'"

Heirs can apply for a hardship waiver if they can show that their parents' Medicaid bill would cause an undue hardship OR that they were a caretaker for their parents in the family home.

Jo Ann Bell lives in Oakland, California, in the home her grandparents purchased in the 1940s. She cared for her mother with Alzheimers in the home.

"Where I went, she went. We had a wonderful time."

Bell put her mother in adult daycare while she went to work. Her mother's care was covered by Medi-Cal. Her mother passed away in 2012.

Bell: "Then I got, BAM!, this letter in the mail from the State of California saying I owe \$54,000. I was like what?!"

Bell applied for a hardship waiver. But because the family home was entrusted to her and her 3 brothers, the state only waived her quarter of the recovery fees. The state now has a lien on the house for \$43,000 at 7 percent interest.

She worries she might have to sell the family home to pay off Medi-Cal.

Bell: and I would never be able to come down Adeline street again because, um,, the memories, it would be too hard, it would really be too hard. "

"Having a home is one of the key factors in being able to escape poverty."

Pat McGinnis, the Executive Director of California Advocates for Nursing Home Reform, says estate recovery hurts the people who need inheritance the most.

Pat McGinnis: "What you're doing is destabilizing low income communities and creating a cycle of poverty that people will never get out."

Salo: "In many cases what we see across this country is people who are trying to have it both ways, trying to say the family home and the family estate are super important to me and I need to pass them on untouched to my children.. But when the time comes to pay for long-term care, that should be government's responsibility. And that's just not a sustainable policy for Medicaid."

Last August, health advocates put forward a bill that would have limited estate recovery in California to the federal minimum requirement; recovering only for long-term care. It also would have eliminated the rule that allows only portions of a claim to be waived—the problem that Bell ran into.

Both houses passed the bill unanimously, but at the advice of his budget staff, Governor Jerry Brown vetoed it.

Brown's office declined an interview request. But in a veto message he said:
"Allowing more estate protection for the next generation may be a reasonable policy goal. The cost of this change, however, needs to be considered ...in the budget process next year."

McGinnis: "The money we collect from the Medi-Cal recovery program is a drop in the bucket. It's absolutely nothing compared to the misery and the burdens that are caused on the economy. Somehow we can't seem to get that through to the finance people for the governor."

So far, three states have scaled back their recovery programs. Washington, Oregon and Connecticut made these changes citing concerns over estate recovery being a barrier to enrollment. California's Dept. of Health Care Services and Estate Recovery department both declined interview requests, but in a statement a spokesperson wrote: "*Estate recovery helps pay for medical care for those in need.*"

Matt Salo says Medicaid has to do estate recovery until we come up with a plan for funding everyone's long-term care.

Salo: "We don't have one right now. And so it is Medicaid that is backing it up, that is picking up all the pieces and that is the safety net."

California will hear a new bill aimed at scaling back estate recovery tomorrow.

For the PBS NewsHour, I'm Sally Schilling in Oakland, California.

Source List:

Ruth and Rod Morgan

Stockton, CA Residents
Medi-Cal Recipients

Jo Ann Bell

Oakland Resident

Malo Salo

Executive Director
National Association of Medicaid Directors

Pat McGinnis

Director
California Advocates for Nursing Home Reform

2. Palcacocha

Produced by Sally Schilling and Andra Cernavskis

Abstract:

The city of Huaraz, Peru– home to about 100,000 people– sits below the gorgeous Andes mountain range, Cordillera Blanca. These mountains hold massive glaciers that feed into rivers serving high mountain communities. Because of increased temperatures in these high mountains, the white ranges are turning black. Glaciers in tropical regions like Peru are melting at an increasing rate, pooling into high mountain lakes that are held up by natural dams, or moraines.

Lake Palcacocha, which sits 12 miles above Huaraz, is growing rapidly. A recent study by The Mountain Institute and University of Austin, Texas, shows that if a large avalanche were to occur, hurling blocks of ice into the lake, the resulting wave would cause the moraine to collapse. A huge volume of water would flow down and cause massive devastation to Huaraz.

Script:

Tucked in the Peruvian Andes mountains at 11,000 feet is the city of Huaraz.
Bernardo Lliuya has lived in the city’s Nueva Florida neighborhood for 12 years.
Bernardo: <i>“I am 50 years old and I am a laborer.”</i>
Bernardo: <i>“I came down closer to the city for my daughters, because it’s easier to educate them.”</i>
Bernardo outside: <i>“This is the river Paria, that’s what we call it. It’s the river that comes down from Lake Palcacocha.”</i>
Bernardo: <i>I have always heard that the Palcacocha would come down eventually...</i>
PALCACOCHA SITS BELOW a hanging glacier that is rapidly melting. IF THERE’S A LARGE AVALANCHE, PALCACOCHA COULD OVERFLOW, FLOODING THE CITY BELOW.
<i>BERNARDO: “I only have this house and this land. But I would lose everything in a second. My family..”</i>
TITLE: PALCACOCHA
With rising global temperatures, Peru is grappling with the increasing danger of bursting lakes.

Something that's becoming a growing threat to mountain communities around the world.

Palcacocha is one of the most dangerous lakes in Peru.

A large piece of ice could break off the glacier, crashing into the water below.

JORGE: "it will be something like a 40 m high wave, you know, topping over the moraine, and just hitting the city.."

Jorge: "think of 20, 30 thousand people killed in the area of the flood. it could be just a tragedy without another way to describe it, no?"

Locals know the flood potential is real. If it happens, it won't be the first time. Palcacocha burst and flooded Huaraz in 1941.

Estaquio Charqui REMEMBERS...

Estaquio: That year I was six and a half. I heard a noise.

Estaquio: the water, the flood passed through knocking down all the trees.

Estaquio: I've seen Victorino's mom [MY AUNT] that was running uphill carrying one of her children.

Estaquio: "Now it's Judgment Day", she said, "It's the end of the world."

Estaquio: "By then the water was knocking down my grandparents house and corn was coming with the water."

Estaquio: And the dead below like ants. All of the people it knocked down there.
PAUSE

Estaquio: And from there, from across my dad says he had come like crazy, "now I have nothing", and he wanted to fall into the river.

An estimated 5,000 people died in the flood.

Today, authorities are scrambling to come up with a solid emergency plan.

Carlos Pareda is in charge disaster risk management for the regional government's civil defense department.

<i>CARLOS: “On 2012 we realized that the volume of water had grown enormously.. causing alarm in the population, no?”</i>
<i>CARLOS: “...we have an early warning system that for the time being it’s a little rudimentary...”</i>
<i>SOUND UP: of Carlos’ colleague Alejandro on the radio</i>
<i>SOUND UP RADIO.. Juan on radio: “Alejandro, Alejandro. Calling here from Palcacocha. Over [silencio]”</i>
<i>Alejandro: Palcacocha, Palcacocha. Central here. Do you copy?”</i>
<i>Juan on RADIO: “Alejandro, here I give you the report of the day. Everything is operative. The ten lines are working. Weather at the moment, the light snow already calmed, the fluvial precipitation is now calm. The avalanche is at minimum at the moment. We can’t see it. Over.”</i>
<i>Juan: “My name is Juan Morales Moreno.”</i>
<i>The city of Huaraz is concerned about the lake. And it’s for that reason that the region hired us and we’re working here.”</i>
<i>JUAN: “Pemanently watching the lake so that any mishap, any occurrence we are able to communicate by radio.</i>
<i>CARLOS: In case of a problem, immediately we’re in communication, we give the alert through Serenazgo, national police and the firemen.</i>
<i>“We’re seeing the siphoning, yes all the lines are working and yes all the equipment is in operation</i>
<i>Alejandro on RADIO: Understood, understood, Victor. In regards to the operation of the siphoning could you give me an overview? Over.</i>
<i>JUAN ON RADIO: In regards to the operation of the siphoning everything is in working order. The ten lines, the ten siphons are in operation, they’re working well. All the equipment we have in Palcacocha is in operation, they’re good. Over.</i>
<i>Juan: “an avalanche is normal. It’s normal for the minimum to fall in the morning, then regular from there, a little continuous.”</i>
<i>Juan: “Perhaps like in 1941, a vast amount of mass can come down and dump the water. There would only be danger at times like those. But now the lake is very quiet.”</i>
<i>Jorge: “A huge wave hitting that lake and the people with the radios would not even have the time to realize that they're gone. That system is not really real in my opinion. that's absolutely out of proportion for what is needed.”</i>
The situation at Palcacocha is nothing new to the Peruvians.

The federal government's former Glaciology Unit was in charge of monitoring these lakes and carrying out projects to lower the volumes of lakes to make them safer in the event of a flood.

But now, instead of the federal government being in charge of the addressing these risks, it's up to regional governments.

Jorge: "regional govt. is the only one that can implement this activity and they've just been now siphoning water for 3 plus years, more. it's cosmetic what they're doing with the lake."

Experts say the way to lessen the impacts of a wave is to lower the lake level by one third.

The regional government does not currently have a project of this type for Lake Palcacocho.

And until they have a plan, the people in Nueva Florida remain particularly vulnerable.

Jorge: "Mayors for political reasons they gave away, or authorized people to build in that area. People who didn't have the resources, the money to buy land anywhere else and so you have hundreds and hundreds of house built right there."

BERNARDO: we are outraged because they have never been here to conduct a simulation or prepare for the possibility of evacuation. Yes, they have put up more signage for a potential evacuation, but there is not [EVEN??] a bridge-

Carlos; Look, with much shame I'll tell you that it's not very fluid.

"There are more than 70,000 lives throughout the alluvial cone that we have to bring safety/security to that population.

BERNARDO: Local, regional or national governments must attend to this problem because it has to do with the safety of people. There are many families who may be affected, not just a few people.

Source List:

Jorge Recharte, Director of the Andes Program for The Mountain Institute

Lonnie Thompson, Professor in the School of Earth Sciences at The Ohio State University

Cesar Portocarrero, Peruvian glaciologist

Carlos Pareda, Assistant Manager of Risk Management for the Regional Government of Ancash's Civil Defense unit

Rachel Chisolm, PhD student in Environmental and Water Resources Engineering at the University of Texas at Austin

Steven Wegner, local archaeologist and librarian in Huaraz

Juan Morales Moreno, Regional Government of Ancash employee

Estaquio Charqui, 1941 flood survivor

Bernardo Lliuya, local cook and potential victim