Oregon Department of Human Services

Seniors and People with Disabilities Division

Joint Ways and Means Committee Presentation

2007 Legislative Session

DHS Core Values

Integrity • Stewardship • Responsibility • Respect • Professionalism

Seniors and People with Disabilities Division

Mission

The mission of the Seniors and People with Disabilities Division (SPD) is to assist seniors, and people with disabilities of all ages, to achieve well-being through opportunities for community living, employment, family support and services that promote independence, choice and dignity.

Goals

The goals of SPD are to:

- Help seniors and people with disabilities to remain as independent as possible.
- Help sustain seniors and people with disabilities with the supports they need to maintain quality lives in their home communities.
- Honor choices made by seniors and people with disabilities about their own lives.
- Promote value-driven commitments in statute and policy.
- Partner with advocacy groups, commissions and councils, local government partners, and community service organizations.

History

States traditionally have provided services to seniors, people with physical disabilities and people with developmental disabilities in institutional settings such as nursing facilities and intermediate care facilities for the mentally retarded. The Fairview Training Center was opened in 1908, providing the first state-funded services to people with developmental disabilities. Oregon's first nursing facility opened in the 1940s. With the passage of the federal statute creating Medicaid, the state began to pay for nursing facility services for eligible individuals in the 1960s. During the 1970s federal Medicaid funds became available for operation of "Intermediate Care Facilities for the Mentally Retarded" (ICF/MR) programs such as Fairview.

About this same time, professional standards and public thinking about how to best serve people with disabilities began to change. Life in the community became more accessible. People with disabilities gained civil rights including the right to a public education. More of society became available to individuals with disabilities as structural accessibility increased and society began to accept people with disabilities as part of the community. Families had the ability to remain intact and to keep their loved ones – child, adult or elder with disability – at home.

Federal dollars using Medicaid waivers first became available in 1981 for "Home and Community-Based Services." That same year the Oregon Legislative Assembly updated its policies around disabilities and found that significant numbers of people with disabilities lived in institutions because adequate community services did not exist. The Legislature mandated that the state work to empower people with disabilities, keep them as independent as possible, and develop service settings that were alternatives to institutionalization. The 1981 Legislature also created the Senior Services Division and a strong statutory mandate to support seniors in their own homes and community settings outside of institutions.

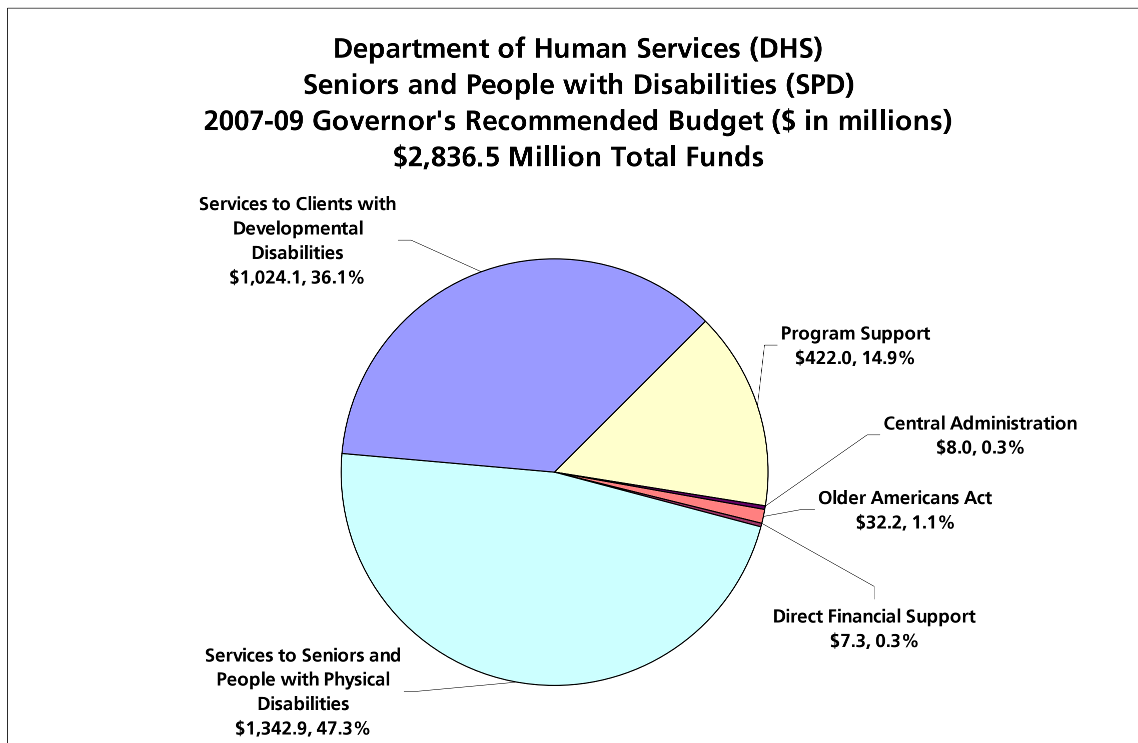
In response to that mandate Oregon applied for, and received, the first home and community-based waiver that allowed the state to use Medicaid funds to provide Medicaid long-term services outside an institution. Throughout the 1980s and 1990s Oregon received waivers that allowed services for unique groups of people, including children with developmental disabilities. For Medicaid-eligible seniors and people with disabilities in Oregon this has meant that the provision of long-term care has, in large measure, shifted away from nursing facilities and training centers to in-home services, assisted living facilities, adult foster homes, and group homes. Fairview Training Center closed in February 2000. This was part of a long-term plan to develop community placements and supports for its residents, improve wages for direct care staff in community homes, and expand community-based services for other developmentally disabled people. Services for people with developmental disabilities are now delivered almost exclusively through regional and local partnerships, with the Eastern Oregon Training Center (EOTC) in Pendleton remaining as the only state institution for people with developmental disabilities. For seniors and people with physical disabilities, the development of a vast network of community-based alternatives has propelled Oregon to the top ranking among the 50 states in percentatges of dollars expended for, and people served in, settings other than nursing facilities.

Oregon's population growth and legal rulings concerning services have significantly affected SPD during the past 10 years. Population growth means more people are likely to need developmental disability (DD) services. DD services in Oregon historically have not been provided on an entitlement basis. Court decisions in the U.S. Supreme Court support people's right to receive services "in the most integrated setting appropriate to the needs of qualified individuals with disabilities" (*Olmstead v. L.C.,* 1999 U.S. Supreme Court decision). When the state settled the *Staley v. Kitzhaber* lawsuit in February 2000, it agreed to a phase-in of community services for adults with developmental disabilities, guaranteeing access for thousands of individuals. The original settlement agreement would have ended June 30, 2007, at which time all eligible people with developmental disabilities would have been entitled to services. In light of the state budget situation, however, the settlement agreement was

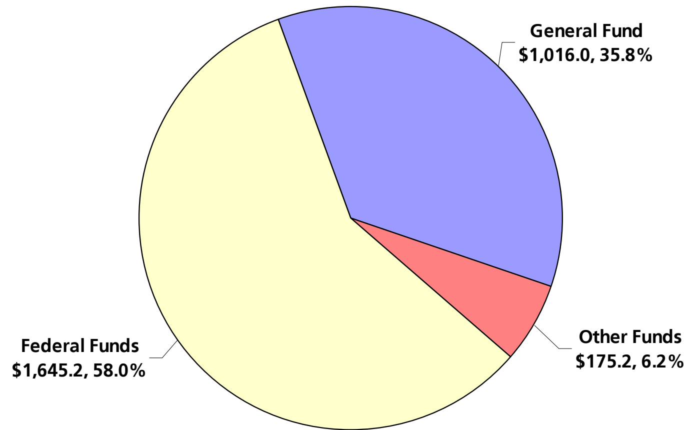
renegotiated in spring 2003 to phase in services at a slower rate than the original agreement. The renegotiated agreement extends the settlement until June 30, 2011.

After years of expanding caseloads, the department was forced in 2002 and 2003 to eliminate programs and services to selected groups of people. In 2003, to balance the state's budget, the Legislature approved eliminating services to approximately 4,900 seniors and people with physical disabilities who did not meet more limited eligibility criteria. The General Assistance and Oregon Project Independence programs also were reduced. (The 2005 Legislature eventually eliminated funding for the General Assistance program.) At the same time, however, the 2003 Legislature adopted a nursing facility provider tax that provided a significant increase to Medicaid nursing facility reimbursement. Also in 2003, in response to a ballot measure, the Legislature funded a wage increase, medical insurance, and worker's compensation insurance for home care workers who provide in-home services to people eligible for Medicaid long-term services.

2007-2009 Budget Summary



Department of Human Services (DHS)
Seniors and People with Disabilities (SPD)
2007-09 Governor's Recommended Budget ($ in millions)
$2,836.5 million Total Funds



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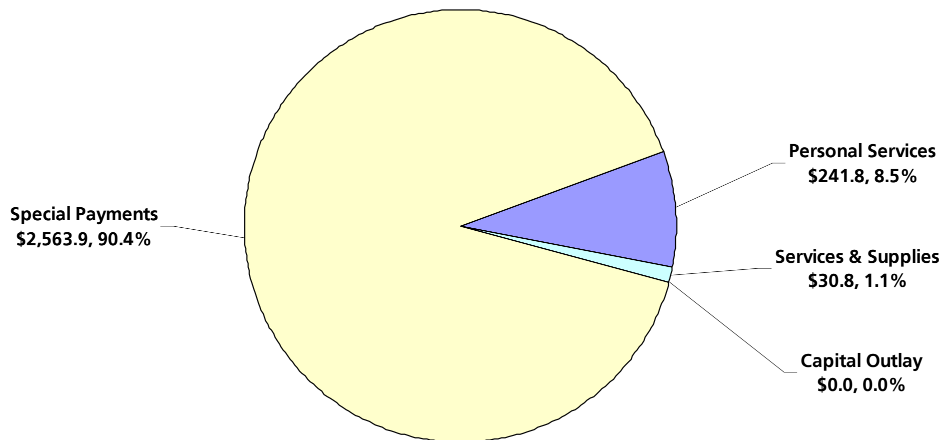


Services

During 2006 SPD provided the following services to Oregonians:

- 3,400 people age 60 and older maintained their independence through services provided under Oregon Project Independence.
- 28,000 seniors and people with physical disabilities received long-term services paid through Medicaid.
- Almost 16,000 people with developmental disabilities were assisted through support services, 24-hour programs or case management services.
- Older Americans Act services, developed to meet the needs of local seniors, were used by 231,500 people.
- 68,500 Oregonians made use of Direct Financial support services.

SPD employees and Area Agency on Aging Employees throughout Oregon are responsible for direct client services in programs administered within SPD that serve seniors and people with physical disabilities through a network of local offices. Employees also determine eligibility of seniors and people with disabilities for programs provided through the Division of Medical Assistance Programs (DMAP), and conduct adult protective services investigations. Responsibility for programs for direct client services for people with developmental disabilities is delegated to counties or regions.

SPD employees located in the Salem central office make eligibility determinations under Title II and Title XVI of the Social Security Act for individuals who claim they are unable to work due to a disability. Central office SPD staff also coordinate licensing and regulation of all long-term care facilities serving seniors, people with disabilities and people with developmental disabilities, and manage programs for seniors and adults with physical disabilities, and adults and children with developmental disabilities.

Programs

SPD has four primary program areas: Services to Seniors and People with Physical Disabilities, Services to People with Developmental Disabilities, Older Americans Act Services, and Direct Financial Support.

Services to Seniors and People with Physical Disabilities

This program area includes:

- Oregon Project Independence
- In-home services
  - Home care workers
  - Independent choices
  - Adult day services
  - In-home agency providers
  - Home-delivered meals
  - Personal care
- Community-based care facilities
  - Adult foster homes
  - Residential care
  - Enhanced care
  - Specialized living
  - Assisted living
  - Providence Elder Place
- Nursing facilities

Services to People with Developmental Disabilities

This program area includes:

- Comprehensive services
  - Adult residential group homes
  - Children's residential
  - Children's intensive in-home services
  - Supported living services
  - Non-relative foster care
  - Vocational services

    - Diversion/crisis services
    - Nursing facility specialized services
    - Transportation services
    - State-operated community program
- Support services
    - Adult support services
    - Family support services
- Institutional care
    - Eastern Oregon Training Center

Older Americans Act Services

This program area includes:

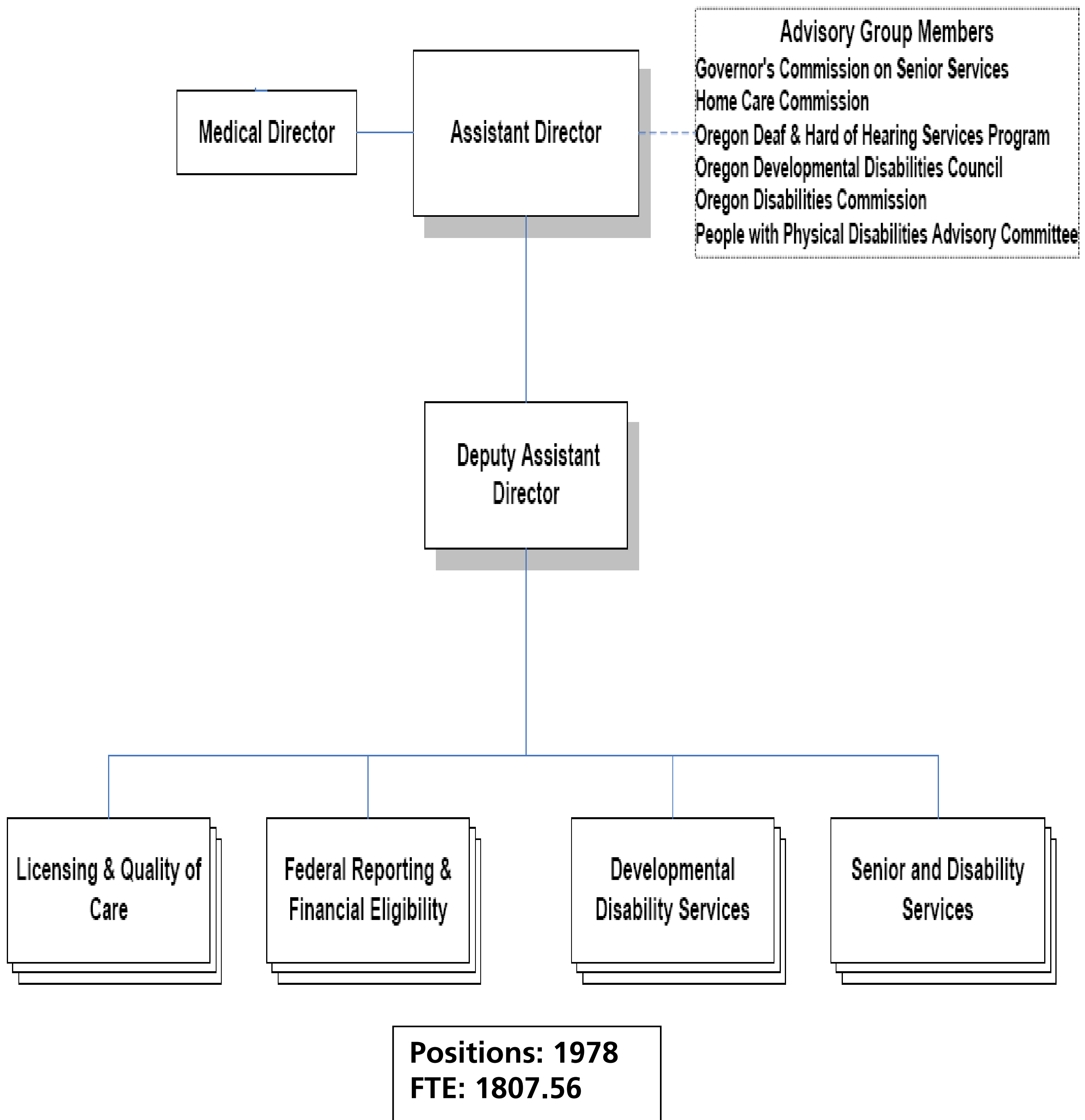
- Support Services
- Family Caregiver Support
- Nutrition Management
- Senior Employment
- Legal Services
- Elder Abuse Prevention

Direct Financial Support

This program area includes:

- Oregon Supplemental Income Program
- Employed Persons with Disabilities Program
- Special Needs Payments
- Medicare Buy-In Programs

Organizational structure



Positions: 1978
FTE: 1807.56

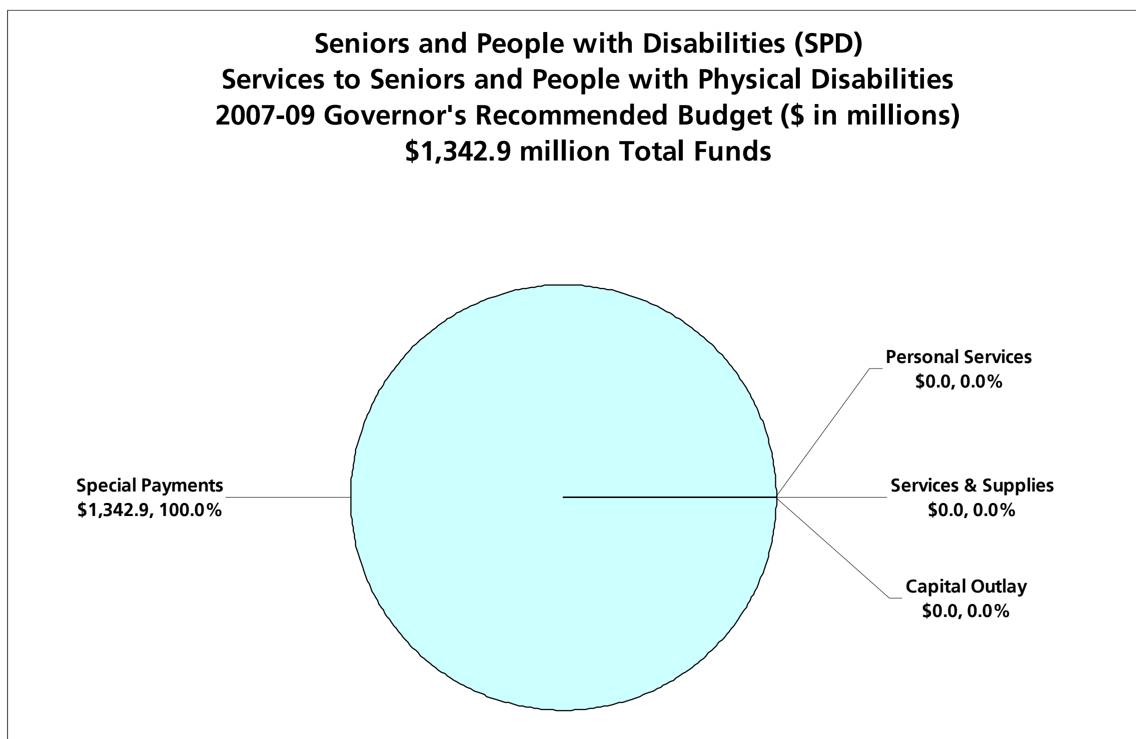
Services to seniors and people with physical disabilities

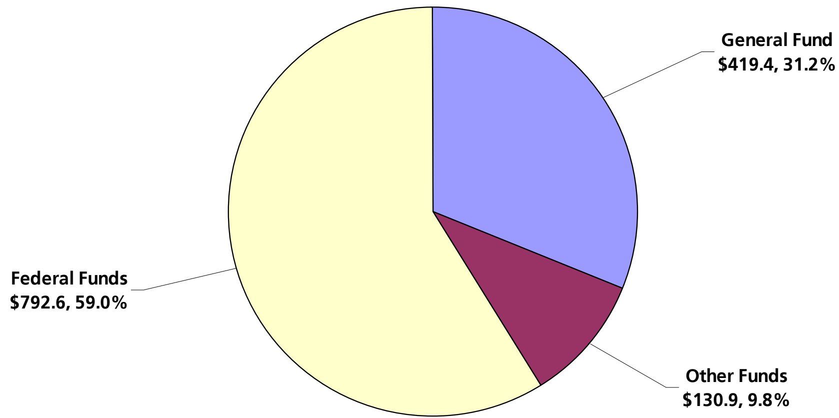
Key programs

Services to seniors and people with physical disabilities focus on supporting peoples' needs to meet fundamental activities of daily living (ADL) such as bathing, dressing, mobility, cognition, eating and personal hygiene. Long-term services ensure that the person is living in a safe and healthy environment that promotes choice, independence and dignity. Services can be provided in nursing facilities, in community settings such as residential care facilities and foster homes, or in the person's own home.

2007-2009 Budget Summary

The Governor's Recommended Budget for Services to Seniors and People with Physical Disabilities is $1,342.9 million (47 percent of the SPD budget).




Seniors and People with Disabilities (SPD)
Services to Seniors and People with Physical Disabilities
2007-09 Governor's Recommended Budget ($ in millions)
$1,342.9 million Total Funds
General Fund
$419.4, 31.2%
Federal Funds
$792.6, 59.0%
Other Funds
$130.9, 9.8%

Oregon Project Independence

Services provided

Oregon Project Independence (OPI) participants need long-term services (as defined by state rule), but may not be receiving most Medicaid services. Clients with net incomes between 100 percent and 200 percent of the Federal Poverty Level (FPL) are expected to pay a fee toward their service on a sliding fee schedule. Those with net incomes above 200 percent of FPL pay the full hourly rate of the service provided. OPI services are provided statewide through Area Agencies on Aging (AAAs). Allowable services include personal care, homemaker/home services, chore services, assisted transportation, adult day services, respite services, case management, registered nursing services and home-delivered meals. Until 2005 OPI served individuals who are 60 years of age or older or who had been diagnosed with Alzheimer's disease or a related disorder. The 2005 Legislature approved expansion of OPI to younger people with disabilities. DHS is in the process of implementing this expansion.

Where service recipients are located

OPI services are provided statewide through local AAAs.

Who receives services

Approximately 3,400 Oregonians use OPI services each month.

How services are delivered

Eligibility and case management services are delivered by AAA staff located throughout Oregon.

Why these services are significant to Oregonians

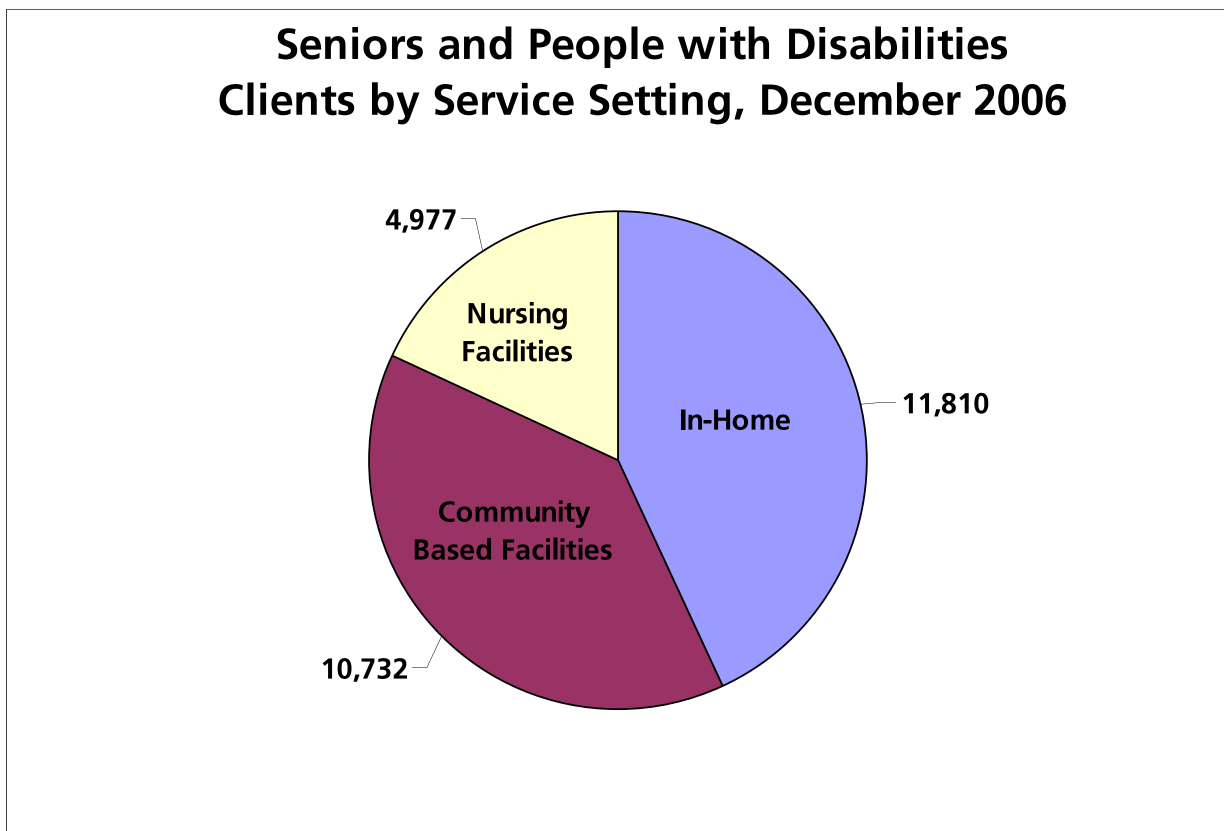
Many people maintain their homes and meet their service needs with minimal amounts of service through OPI for a significant amount of time. In a 2006 study of more than 300 OPI clients, the average length of OPI services was 41 months. Just 25 percent of the clients studied eventually received Medicaid Title XIX services, suggesting that OPI has the potential to defer entry into Medicaid long-term services and save significant state resources.

The Governor's Recommended Budget increases funding for OPI to $16.6 million, all funded with revenue from the senior property tax deferral account.

Long-term services

Services provided

For many seniors or people with physical disabilities, the ability to live in their own homes is compromised by the need for support in daily living activities. Historically, the only way to meet those needs was in a nursing facility. For more than 25 years Oregon has created options to meet people's needs in their own homes. All options are funded with support of the Medicaid program through Home and Community-Based waivers. Oregon has been able to create cost-effective programs that meet people's needs in their homes and other community settings using these waivers.



In-home services

Home care workers

Care providers, hired directly by the client, provide many of the services Medicaid clients need to remain in their own homes. The care provider is referred to as a Home Care Worker (HCW). The client hires the HCW as an employee. The HCW must be qualified to provide services and must pass a criminal record check. The client, as the employer, outlines job duties, trains and supervises the HCW and maintains employee records. SPD develops the service plans, processes the necessary forms for the

providers, completes the criminal records check, and approves and makes provider payments on behalf of the client. Approximately 12,000 clients are expected to receive services in 2007-2009 supplied by HCWs. Service Employees' International Union (SEIU) Local 503, OPEU represents approximately 10,000 HCWs serving seniors and people with physical disabilities.

- **Home care workers hourly provider** – A client may hire an hourly HCW to assist them in meeting their ADL needs and other common tasks.
- **Home care worker live-in provider** – Clients also may hire a live-in HCW to provide 24-hour care.
- **Spousal providers** – Clients may choose to have their services provided by their spouse if the spouse is able to provide the level of care the client needs.

Independent Choices

The Independent Choices program offers clients more choices in the way they receive in-home services and moves clients toward further self-direction. Participants receive a cash benefit, based on their assessed need, which allows them the flexibility to create and fund their own service plans. Clients are responsible for locating the services they need, paying their employees and withholding and paying necessary taxes. Oregon's original five-year demonstration waiver from the federal government expired November 30, 2006, and has been renewed for limited time periods as SPD and the federal Centers for Medicare and Medicaid Services (CMS) complete the actions needed to allow statewide expansion of the program.

Other in-home services

Other support strategies provide in-home services beyond the HCW program. Some programs use private agencies to provide additional in-home or day services.

- **Adult day services** – Adult day services provide supervision and care for adults with functional or cognitive impairments. Services may be provided for part or most of the day and are provided in stand-alone centers as well as hospitals, senior centers and licensed care facilities.
- **In-home agency provider** – As an alternative to a client hiring an HCW directly, in-home agencies are contracted to recruit, train and hire staff for the client. The agency will ensure all hours are covered for the client. In-home care agencies are licensed through DHS.
- **Meals** – Home-delivered meals are provided for clients who are homebound and unable to go to congregate sites such as senior centers for meals. This program provides midday meals arranged by local AAAs.

- **Personal care** – These services are available to people who are Medicaid-eligible but not eligible for waivered services. Services are limited to no more than 20 hours a month. Personal care can be used only for activities of daily living related tasks.

Community-based facilities

Community-based facilities include a variety of 24-hour care settings and services for seniors and people with physical disabilities that provide an alternative to nursing facilities. Services include assistance with activities of daily living, medication oversight, and social activities. Services can include nursing and behavioral supports to meet complex needs. Along with client-specific care programs, non-institutional settings must meet extensive state and federal guidelines related to health and safety.

Service settings include:

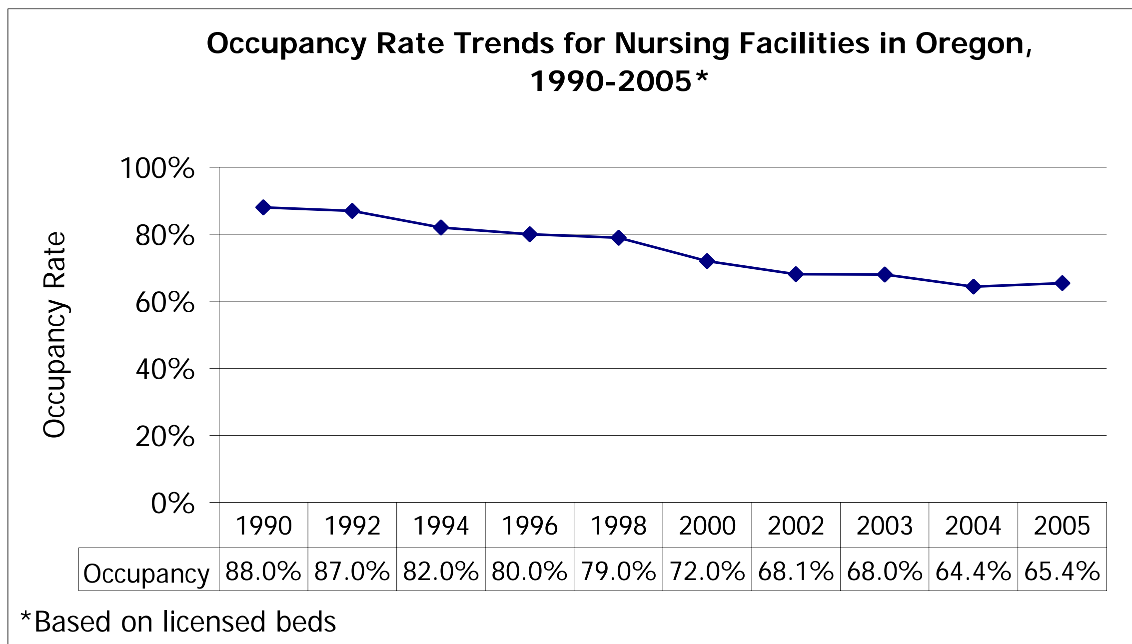
- **Adult foster homes** – These services are provided in home-like settings licensed for five or fewer unrelated people. Homes may specialize in certain services such as serving ventilator-dependent residents. As of November 2006 there were 1,691 licensed adult foster homes in Oregon for seniors and people with physical disabilities.
- **Residential care facilities** – These facilities are licensed 24-hour service settings serving six or more residents. Facilities range in size from six beds to more than 100. Different types of residential care include 24-hour residential care for adults and specialty Alzheimer's facilities. As of November 2006 there were 230 licensed residential care facilities in Oregon.
- **Enhanced care services** – Enhanced care services are specialized 24-hour programs in licensed care settings that provide intensive behavioral supports for seniors and people with physical disabilities who have additional mental health needs that cannot be met in any other setting. These programs combine funding from SPD and the Addictions and Mental Health Division (AMH). These services are provided in all licensed care settings. As of November 2006 there were 52 providers contracted for enhanced care services for 189 clients.
- **Specialized living facilities** – These facilities provide services in a home-like environment for specific target groups who are eligible for a live-in attendant, but because of special needs cannot live independently or be served in other community-based facilities. Specialized living facilities provide services to target groups such as clients with acquired brain injuries or other specific disabilities. As of November 2006 SPD had contracts with 13 providers.
- **Assisted living facilities** – These facilities are licensed 24-hour settings for six or more residents that include private apartments. Services are comparable to

residential care facilities. Registered nurse consultation services are required by regulation. As of November 2006 there were 201 licensed assisted living facilities in Oregon.

- **Providence Elder Place** – Providence Elder Place is a capitated Medicare/Medicaid Program of All-Inclusive Care for the Elderly (PACE), which provides an integrated program for medical and long-term services. The 700 people age 55 and older served in this program generally attend adult day services and live in a variety of settings. The Elder Place program is responsible for providing and coordinating their clients' full health and long-term service needs in all of these settings.

Nursing facilities

Institutional services for seniors and people with physical disabilities is provided in nursing facilities licensed and regulated by DHS. Nursing facilities provide individuals with skilled nursing services, housing, related services and ongoing assistance with activities of daily living. As of November 2006 there were 142 licensed nursing facilities in Oregon, with 12,505 licensed beds. This represents a decline of almost 5 percent since 2000.



	1990	1992	1994	1996	1998	2000	2002	2003	2004	2005
Occupancy	88.0%	87.0%	82.0%	80.0%	79.0%	72.0%	68.1%	68.0%	64.4%	65.4%

*Based on licensed beds

Where service recipients are located

People receive long-term services in all 36 Oregon counties.

DHS Oregon Department of Human Services

AGE BY COUNTY
Seniors and People with Disabilities
In-Home, Adult Foster Home, Residential Care, Assisted Living
Nursing Facility and Personal Care Clients
December-2006

County	AgeGroup		Total
	Age 18 - 64	Age 65 +	
Baker	38	116	154
Benton	89	226	315
Clackamas	671	1,584	2,255
Clatsop	73	180	253
Columbia	71	155	226
Coos	426	635	1,061
Crook	40	124	164
Curry	87	191	278
Deschutes	215	452	667
Douglas	381	667	1,048
Gilliam	4	14	18
Grant	15	46	61
Harney	17	39	56
Hood	22	115	137
Jackson	434	950	1,384
Jefferson	38	76	114
Josephine	296	717	1,013
Klamath	175	305	480
Lake	8	43	51
Lane	803	1,533	2,336
Lincoln	216	389	605
Linn	234	754	988
Malheur	79	210	289
Marion	714	1,591	2,305
Morrow	24	31	55
Multnomah	2,138	4,152	6,290
Polk	208	417	625
Sherman	6	4	10
Tillamook	59	128	187
Umatilla	243	533	776
Union	58	195	253
Wallowa	20	56	76
Wasco	68	214	282
Washington	524	1,580	2,104
Wheeler	5	4	9
Yamhill	141	453	594
Total	**8,640**	**18,879**	**27,519**

Who receives services

Approximately 28,000 Oregonians used long-term services during an average month in 2006. By federal law, each state must develop criteria for access to nursing facility care paid by Medicaid. Criteria must include financial and asset tests as well as functional assessments. The federal government, through CMS, must approve any criteria established by the states.

DHS created Service Priority Levels (SPLs) to establish eligibility for Medicaid long-term services. SPLs prioritize services for seniors and people with physical disabilities whose well-being and survival would be in jeopardy without long-term services. Levels range from Level 1, which reflects the most impaired to Level 17, which reflects the least impaired, and are based on the ability of the person to perform ADLs. ADLs are personal activities required for continued well-being. These include eating/nutrition, personal hygiene, cognition, toileting and mobility. For many individuals with disabilities, assistance from other people to perform ADLs is a daily need. SPD assists thousands of Oregonians who require ADL services in selecting competent providers and establishing effective working relationships with those service providers.

In 2003, to balance the state's budget, services for clients in SPLs 12 through 17 were eliminated. The Legislature approved restored funding for clients in levels 12 and 13 beginning in 2004. Following approval from CMS, clients in levels 12 and 13 were added back to the definition of people eligible for Medicaid long-term services effective July 1, 2004. Today SPD serves clients in levels 1 through 13. Services for clients in SPL 14 through 17 remain unfunded.

Services to seniors and people with physical disabilities December 2006

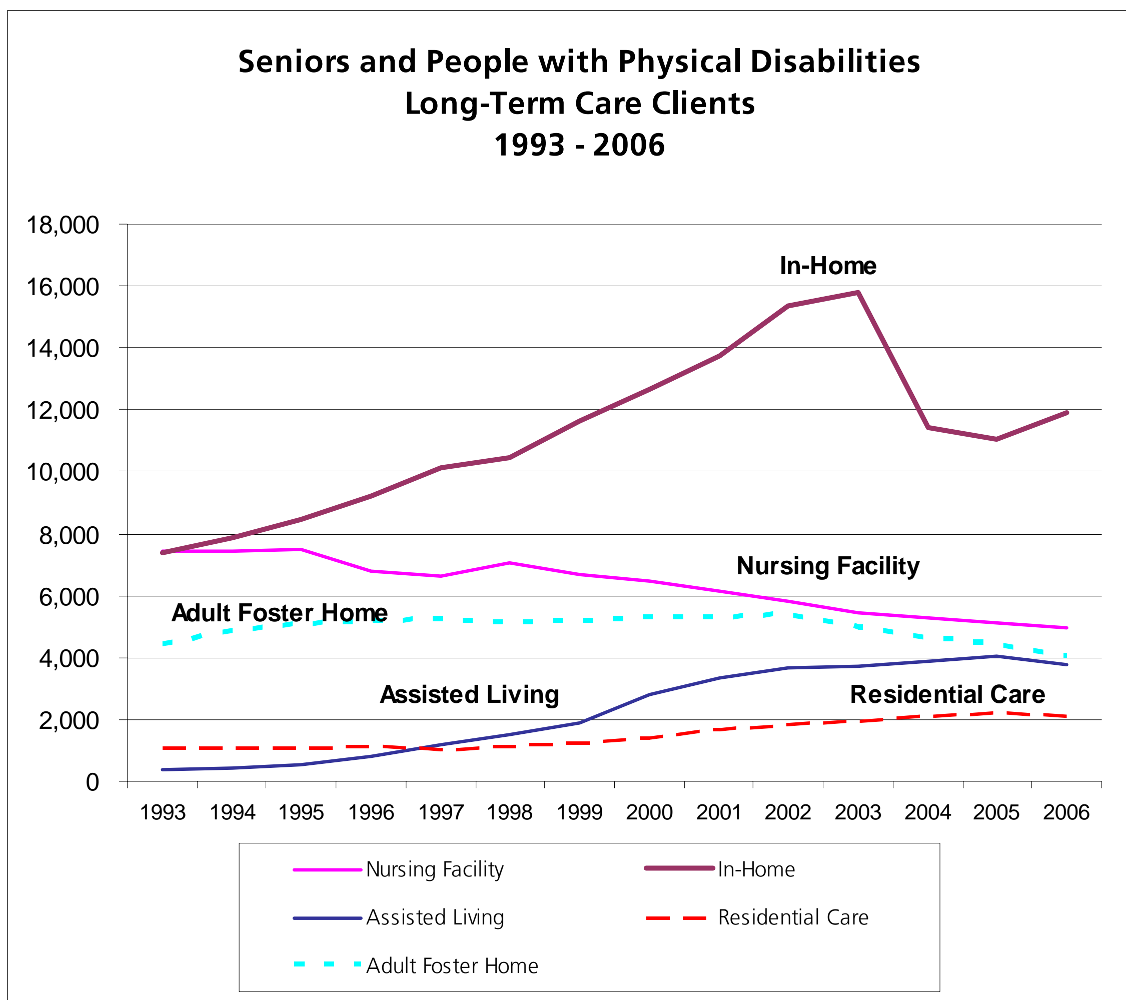
Service Priority Level	Independent Choices	Home Care Worker Services	Adult Foster Homes	Residential Care Facilities	Assisted Living Facilities	Specialized Living Services	Providence ElderPlace	Nursing Facilities	TOTAL
1	11	148	295	83	12	2	34	535	1,120
2	0	2	3	3	0	0	0	3	11
3	73	2,337	2,002	1,455	1,160	98	307	3,046	10,478
4	7	323	276	70	138	3	45	331	1,193
5	30	628	200	47	229	7	24	242	1,407
6	5	172	38	13	99	0	6	16	349
7	97	3,275	622	210	965	21	93	597	5,880
8	1	54	26	13	41	1	7	18	161
9	0	27	20	15	27	1	3	11	104
10	36	2,518	272	81	744	22	48	89	3,810
11	10	693	161	57	237	5	41	57	1,261
12	1	59	12	5	38	2	1	8	126
13	1	1,302	89	46	129	0	28	24	1,619
	272	11,538	4,016	2,098	3,819	162	637	4,977	27,519

How services are delivered

Eligibility and case management services are delivered throughout the state by DHS and AAA employees. ORS Chapter 410 allows AAAs to determine which populations they wish to serve and which programs they wish to administer. A "Type B" AAA is one that chooses to provide Medicaid services in addition to Older Americans Act and OPI services. In areas where the AAAs do not provide Medicaid services, DHS has offices to serve seniors and people with physical disabilities.

Why these services are significant to Oregonians

Oregon has led the nation since 1981 in the development of lower cost alternatives to institutional (nursing facility) care. Home and Community-Based alternatives to nursing facility services emphasize independence, dignity and choice, and offer needed services and supports at lower costs than medical models.



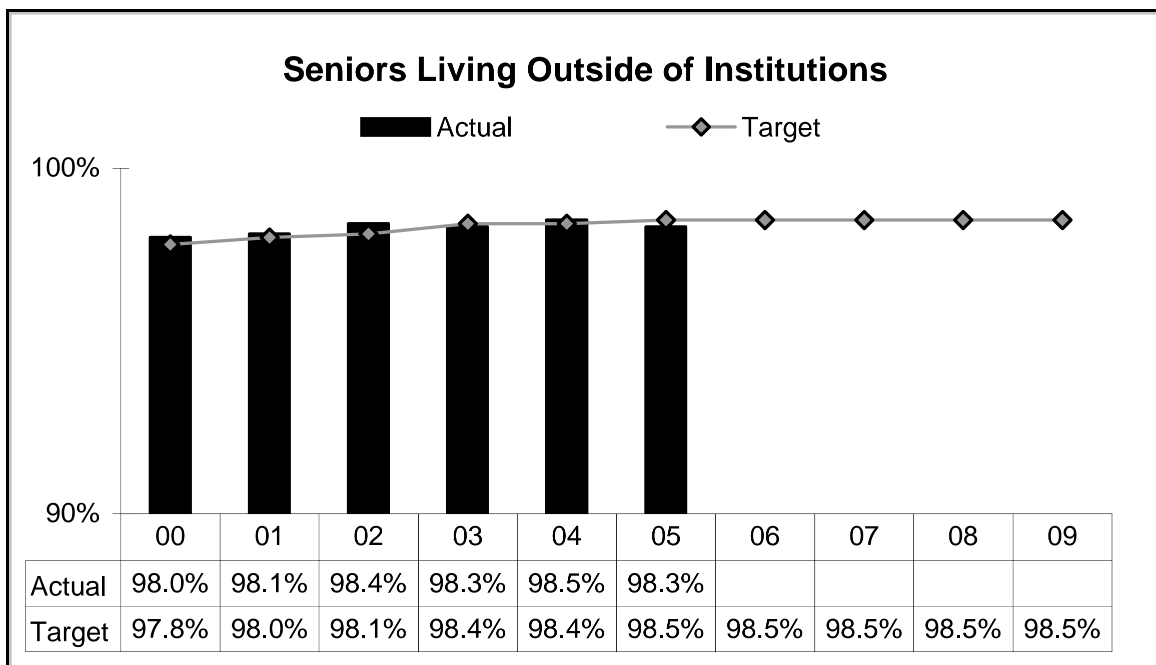
Performance Measures

The Services to Seniors and People with Physical Disabilities program has two key performance measures (KPMs) – KPM #2, Seniors Living Outside of Institutions, and KPM #15, Re-Abuse of Seniors.

KPM #2 – Seniors Living Outside of Institutions

Purpose

This performance measure tracks the number of Oregonians who are age 65 or older who live outside of nursing facilities. This measure contributes to the DHS goal that "People are living as independently as possible."



	00	01	02	03	04	05	06	07	08	09
Actual	98.0%	98.1%	98.4%	98.3%	98.5%	98.3%				
Target	97.8%	98.0%	98.1%	98.4%	98.4%	98.5%	98.5%	98.5%	98.5%	98.5%

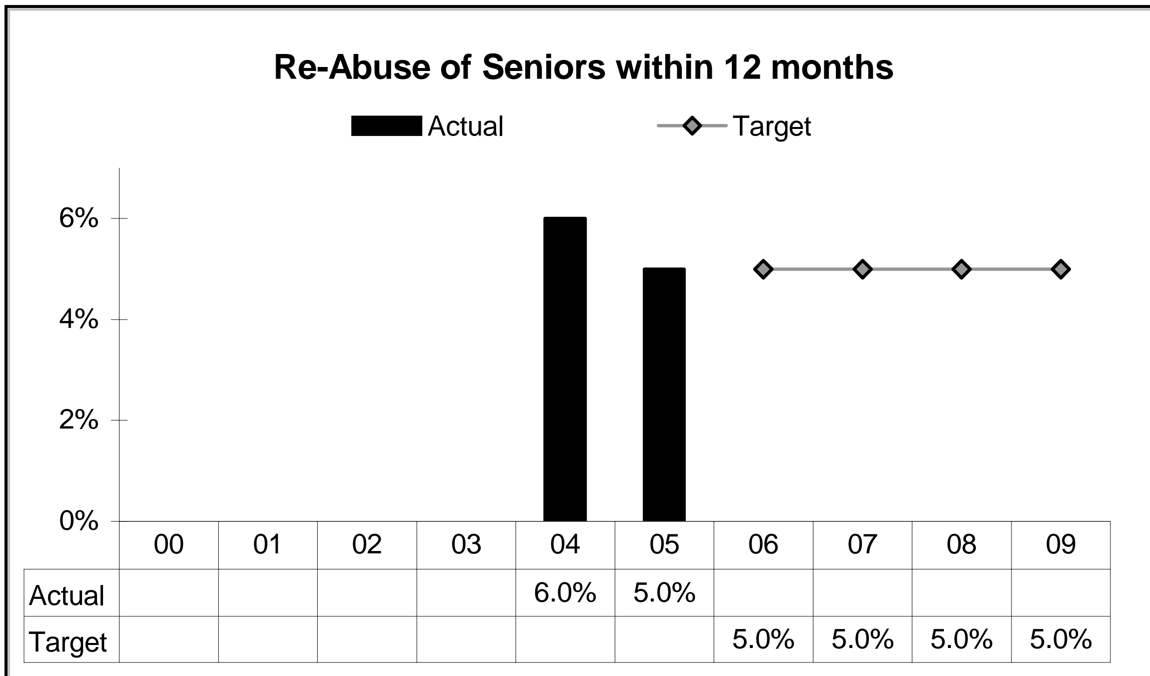
How Oregon compares to other states

Oregon continues to maintain the lowest institutionalization rate of seniors of all 50 states, due to the extensive presence of viable community long-term service options. Oregon is one of only three states (Oregon, Washington and Alaska) in which more seniors and people with physical disabilities receive long-term services at home and in their communities than in nursing facilities. Oregon ranks 48th lowest of the 50 states in the number of nursing facility residents per hundred people age 65 and older. (Source: Across the States 2006: Profiles of Long-Term Care and Independent Living, AARP.)

KPM #15 – Re-Abuse of Seniors

Purpose

This performance measure tracks the number of seniors who suffer from a recurrence of an instance of substantiated abuse within 12 months. This measure contributes to the DHS goal that "People are safe" and provides a yardstick for measurement of the success of Oregon's information and education efforts.



	00	01	02	03	04	05	06	07	08	09
Actual					6.0%	5.0%				
Target							5.0%	5.0%	5.0%	5.0%

How Oregon compares to other states

Re-abuse of seniors and people with physical disabilities continues to stay below the current target level of no more than 5 percent.

Quality and Efficiency Improvements

During the 2005-2007 biennium quality and efficiency improvements in the Seniors and People with Physical Disabilitites program area have focused on program improvement and client access.

In early 2006, in partnership with Oregon's AAAs, the Oregon Network of Care was implemented. The Oregon Network of Care web site, at www.networkofcare.org, is a highly interactive, one-stop-shop web site where consumers, community-based organizations and municipal government workers can go to easily access important

resources and information. The resources in this virtual community include a comprehensive Service Directory, links to relevant web sites throughout the country, a comprehensive and easy-to-use library, a political advocacy tool, and community message boards.

After analysis of the needs of clients receiving services in their own homes and in adult foster homes, performance expectations were clarified and enhanced for contract registered nurses (CRNs) who provide nurse delegation and oversight for lay providers. Reimbursement rates were increased at the same time to bring them more in line with private market salaries for nurses. This combination of actions has resulted in better client service and a more stable CRN workforce.

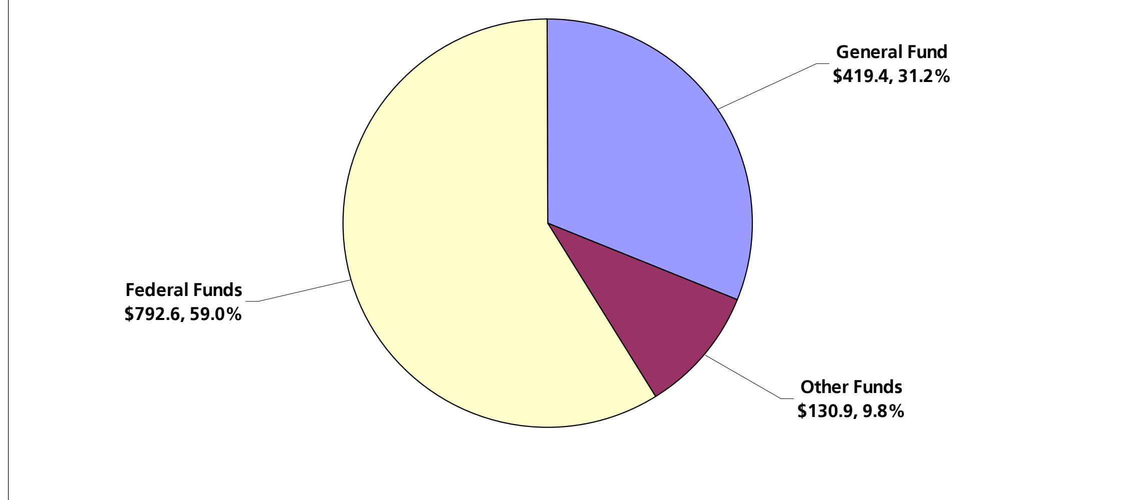
The skill sets of and resources available to Adult Protective Services (APS) specialists have been strengthened and enhanced. The basic APS specialist curriculum has been strengthened by adding mandatory training courses focused on investigations and legal processes. A statewide web-based system to facilitate APS reporting was implemented in October 2005. A brochure for mandatory reporters was written and distributed. In partnership with the Oregon Bankers Association, training about financial exploitation of vulnerable individuals was introduced in December 2006.

2007-2009 Budget Summary

Governor's Recommended Budget, 2007-2009

Seniors and People with Physical Disabilities Caseload

In-Home Services	11,564
Adult Foster Care	3,749
Residential Care Facilities	2,376
Specialized Living Facilities	165
Assisted Living Facilities	4,066
Providence ElderPlace	715
Nursing Facilities	5,064
	27,699



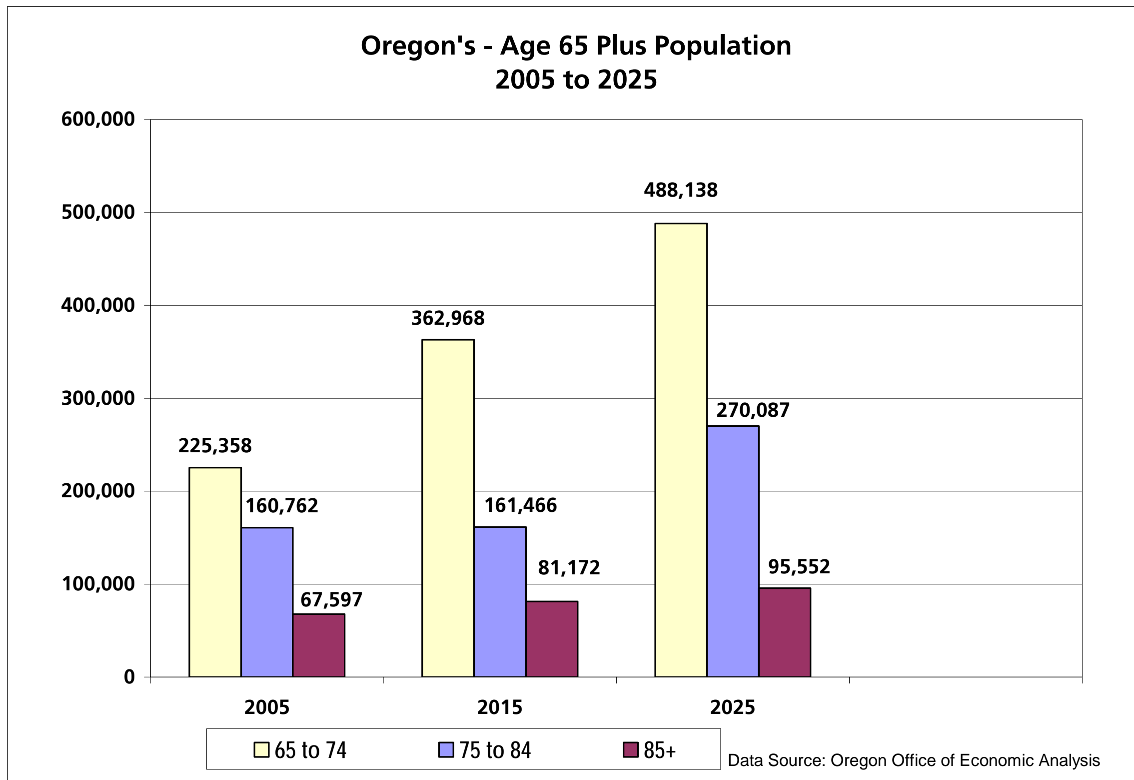
Key budget drivers and issues

Long-range plan

By the end of this decade Oregon will be the fourth oldest state in the country. The number of residents age 65 and older will expand from 454,000 today to 854,000 by 2025. One in five Oregonians will be of retirement age. Even more striking, the percentage of this population over age 85 will grow by one-third.

This unprecedented demographic shift will pose huge social and economic challenges for Oregon. In social services, for example, the number of older Oregonians and people with disabilities expected to access publicly funded services is anticipated to grow from 28,000 today to nearly 45,000 by 2025.

Even assuming a reasonable rate of growth in future Oregon revenues, the burgeoning number of seniors and people with disabilities needing long-term services support could overwhelm and outstrip Oregon's capacity to pay for needed services.



Long-term service needs often are a consequence of aging, most often affecting the "oldest old" – those age 85 and older, approximately half of whom have some long-term service needs. Nationally, approximately 6 percent of people age 65 to 69 received some long-term services in 1999, escalating to more than 40 percent for ages 85 and above. Nearly three quarters of people age 95 and above received some long-term services in 1999.

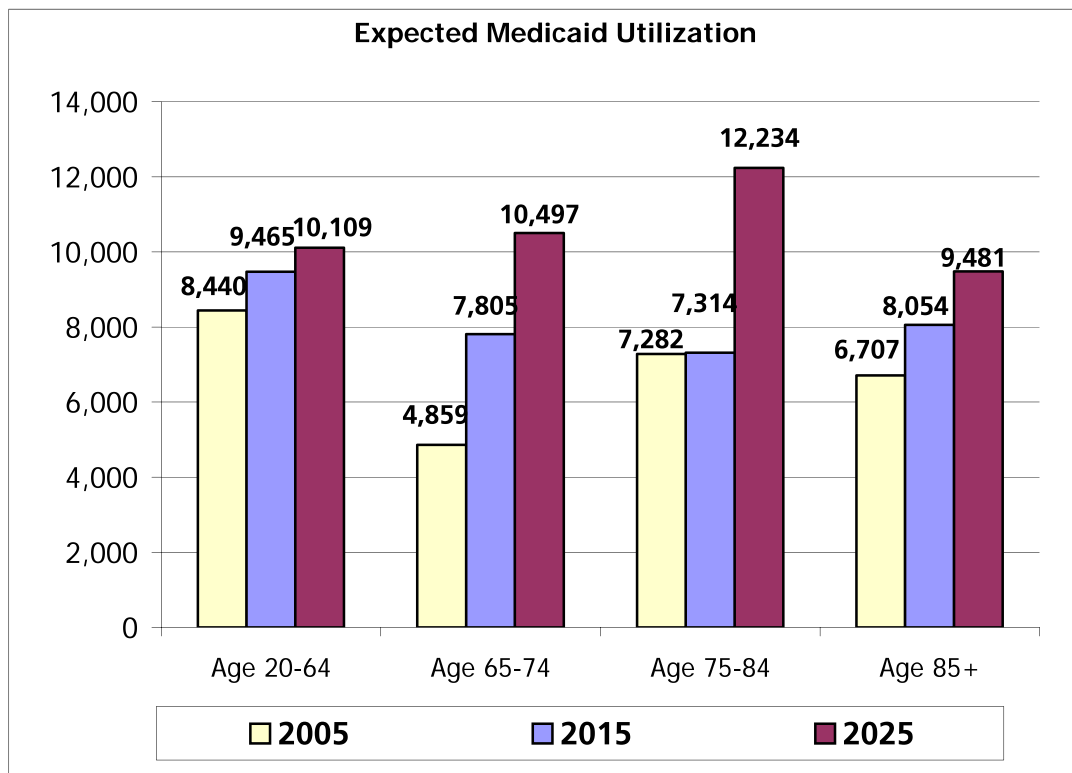
The need for long-term services and supports can impose significant financial hardship on individuals and even lead to financial ruin. In 2005 the average daily rate charged for nursing facility care in Eugene was $163 a day – almost $4,900 per month or $58,680 a year. Care at home also can be costly. In 2005 the average cost of an hour of in-home services in Eugene was $18. If a person needed four hours a day of services, five days a week, the annual cost would exceed $18,700. Most elderly lack the financial resources to afford paid long-term care for more than a few weeks or months. Only approximately a third of the elderly in the community have enough resources (money in checking and savings accounts, individual retirement accounts, or other means) to pay for a year of nursing facility services. An additional third have such limited resources (less than $5,000) that they might be able to pay for barely three months of in-home services.

Nevertheless, most people try to use their own resources to pay for needed long-term services. In 2004 approximately 21 percent paid for their use of Oregon nursing

facilities. Private insurance pays for only a small fraction of long-term services. Private health insurance plans usually cover only a limited period of home health care and nursing facility services for people who are recovering from an illness or injury. Private insurance policies that cover the costs of long-term services currently are held by just a small percentage of Oregonians and account for a small share of spending. Medicare, which provides health insurance coverage to nearly all of the nation's elderly population, makes significant payments for home health care and skilled nursing facility services. However, Medicare pays for a maximum of only 100 days of nursing facility services for people who have been recently hospitalized, and pays for in-home services only if other skilled services (e.g.s, nursing and rehabilitative therapy) also are needed.

People with substantial long-term services needs and limited ability to pay for services often turn to Medicaid. The federal-state Medicaid program provides a long-term services safety net for seniors who are poor, or who become impoverished by paying for services. At the end of 2005 almost 28,000 elderly Oregonians and Oregonians with physical disabilities received long-term services paid through Medicaid. Just as the need for long-term services increases with age, so does the need for financial assistance through Medicaid.

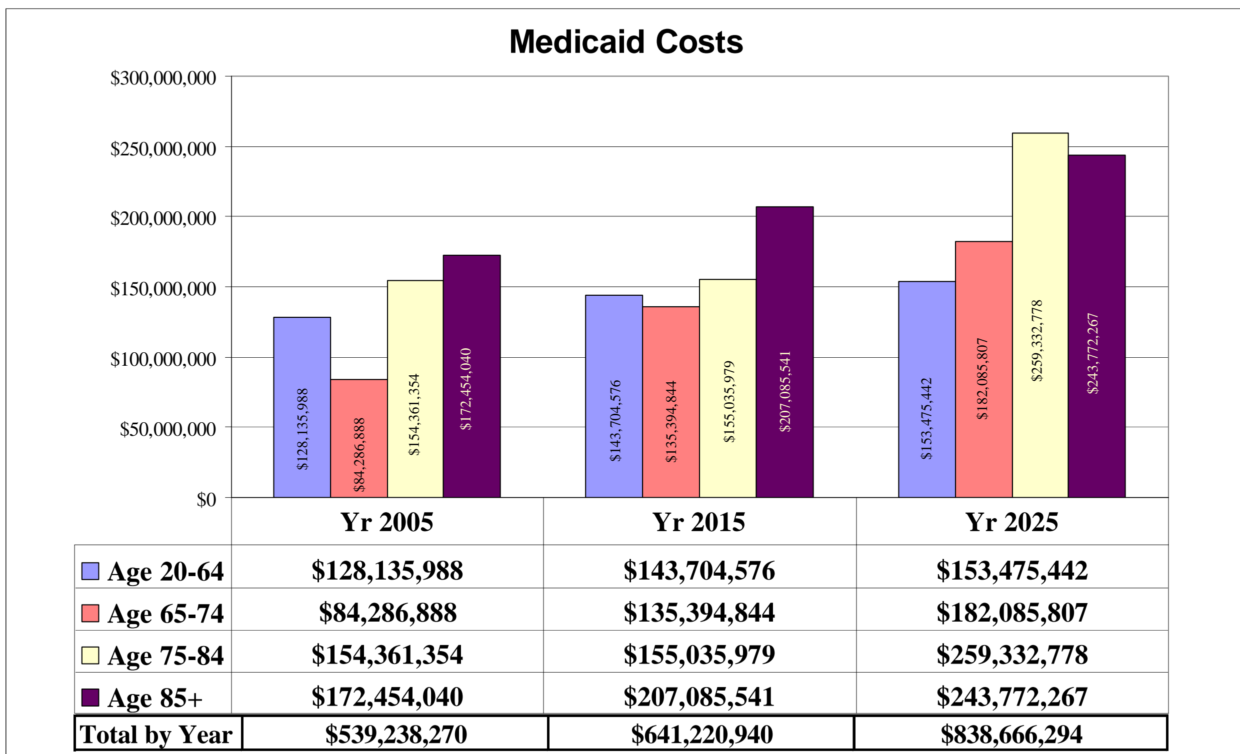
Only one of every 50 Oregonians between ages 65 and 74 needs help from Medicaid to pay for their long-term services. However, almost one of every 10 Oregonians over 85 needs this same help to pay for long-term services.



Even in lower cost home and community-based settings, services for the oldest old tend to cost more than those for younger elderly, primarily due to the extent of services needed. The oldest old are more likely to need care on a 24-hour-a-day basis, rather than a few hours of help during the day. In December 2005 the average monthly Medicaid payment for long-term services for a person between 65 and 74 was $1,445; for a person 85 or older this amount increased to $2,143 a month.

Based on costs from December 2005, Oregon currently spends more than $411 million each year (combined state and federal funds) to provide services to people 65 or older who receive Medicaid-funded long-term services, and $128 million for people with physical disabilities under age 65. If 2005 costs remain static, and if the Medicaid caseload increases in proportion to the aging of the population and the growing population of people with physical disabilities, Oregon's 2005 annual cost of $539 million will increase to more than $640 million in 2015, and will exceed $838 million by 2025.

To arrive at these projections, average 2005 costs where people are currently serviced (both people with physical disabilities under age 65 and the age cohorts of 65-74, 75-84 and 85+) were trended forward based on expected population increases. The future costs were trended using 2005 dollars. They do not reflect otherwise expected price increases and inflation.



	Yr 2005	Yr 2015	Yr 2025
Age 20-64	$128,135,988	$143,704,576	$153,475,442
Age 65-74	$84,286,888	$135,394,844	$182,085,807
Age 75-84	$154,361,354	$155,035,979	$259,332,778
Age 85+	$172,454,040	$207,085,541	$243,772,267
Total by Year	$539,238,270	$641,220,940	$838,666,294

For the past two years DHS has been planning for this large demographic shift. A taskforce of stakeholders was appointed, and eight topical workgroups developed recommendations. Public hearings hosted by the Governor's Commission on Senior Services were held throughout Oregon.

Preliminary results of this planning process have fallen into two basic categories. The first looks at developing specific strategies to increase personal and community responsibility that will help keep seniors and people with disabilities independent and safe for as long as possible and delay, whenever possible, the precipitating event or crisis that usually triggers the need for government-paid long-term services; and developing strategies that include evidence-based practices in diet and exercise that mitigate the debilitating effects of aging, and self-help programs such as Senior Companions, Parish Nursing and many other similar volunteer-based approaches.

Planning for these strategies is well under way. For example, the Department of Consumer and Business Services (DCBS) and DHS are bringing forward legislation to more widely incentivize the purchase of long-term care insurance. SPD and the Public Health Division (PHD) have secured federal grant funding to launch healthy aging programs in four counties. More initiatives are being discussed.

Another strategy involves reorganizing the formal long-term care system (primarily Medicaid-reimbursed services), to better align with discrete habilitation and care needs of clients while still accommodating choice of living setting whenever possible.

These latter strategies are more complicated. Until now, Oregon, like many states, has funded most community-based services (e.g., foster care, in-home care and assisted living) with a Medicaid Home and Community-Based Waiver (Social Security Act Section1915(c)). States must declare that every person served with waiver-reimbursed dollars has an institutional level of care need (i.e., they must be declared as nursing home eligible). As a result, many states, including Oregon, have established a broad definition of institutional eligibility so as to "sweep in" the broadest possible number of clients eligible for Medicaid reimbursement for community services.

Now, however, Congress has given states several alternatives to realign their long-term care systems to be more rationally tied to discrete client needs rather than an outmoded institutional level of care test. In the federal Deficit Reduction Act of 2005 (DRA), four alternatives have emerged:

- **Money Follows the Person grants:** The Money Follows the Person grant allows states to submit proposals that relocate clients from institutional to community-based settings. The federal share during the 12 months following the

relocation is higher than the standard "program match." Oregon has submitted a Money Follows the Person grant to relocate approximately 800 seniors and people with disabilities from institutions to community settings during the next five years. While not chosen as part of the initial group of 17 states announced by CMS January 12, 2007, the application remains part of a competitive group of 21 additional states. Announcements about this group are anticipated in late Spring.

- **Long-Term Care Insurance Partnership:** States can seek federal approval to exempt the estate of a Medicaid recipient from estate recovery up to specified limits if the person buys and uses long-term care insurance under a Partnership plan. DHS and the DCBS are partnering in support of Senate Bill 191, which changes Oregon law to allow the state to offer Partnership plans. Aggressive promotion of Partnership plan sales could help mitigate future growth in people accessing publicly funded long-term services.
- **Expanded access to Home and Community-Based services:** New section 1915(i) of the Social Security Act allows states to offer home and community-based services as a state plan option, tied to a person's level of need rather than institutional eligibility. In turn, states can more tightly restrict institutional eligibility and correspondingly restrict waivered community services to people with higher acuity needs.
- **Self-directed personal assistance services:** New section 1915(j) of the Social Security Act allows states to broadly implement programs to cash out clients' Medicaid benefits, allowing them to self-direct and pay for their own services. Oregon's Independent Choices program is a small pilot demonstration of this concept, more well-known nationally as the Cash and Counseling option.

With the exception of SB 191 to allow participation in Long-Term Care Insurance Partnership plans, none of these options presently is included in the Governor's Recommended Budget. SPD is actively exploring the benefits of each.

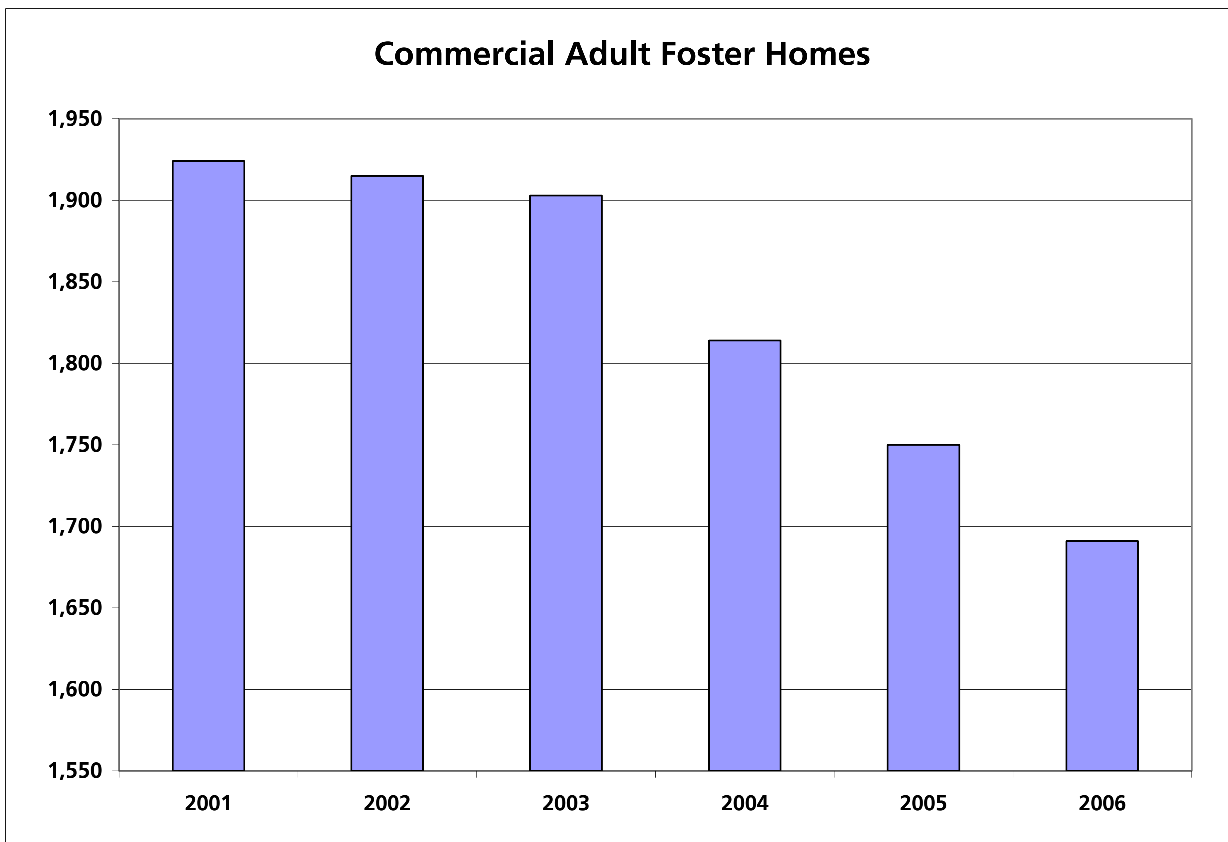
Nursing facility provider taxes

The 2003 Legislature imposed a long-term care facility assessment on Oregon nursing facilities that is used to provide enhanced Medicaid reimbursement to nursing facilities that serve Medicaid clients. Assessment revenues currently fund 25 to 30 percent of Medicaid nursing facility reimbursement. The nursing facility assessment is set to sunset June 30, 2008. The federal government just decreased the maximum assessment a state can impose from 6 percent to 5.5 percent. Facilities cannot afford to lose the revenue stream; neither can the state afford the additional General Fund expenditures that would result from a cost shift.

Community-based care capacity and quality

Medicaid access to community-based services in the state is dwindling. The community-based facility Medicaid rate system was last restructured in 2002, and is increasingly falling behind private rates. Adult foster homes, residential care and assisted living facilities all provide services for residents with similar needs. However, the primary driver of payment rate determination is the place in which the Medicaid client resides, rather than the extent of his or her needs. Small businesses, especially adult foster homes, are unable to maintain a sound financial footing with Medicaid payment rates and are declining to participate in the Medicaid program, decreasing access to appropriate services. Clients also have started to lose access to Alzheimer's services in the community. The growth of the age 85+ cohort points to increased demand for Alzheimer's services in both the public and private sectors. Increased demand, coupled with static payment rates, will further reduce Medicaid client access to community care.

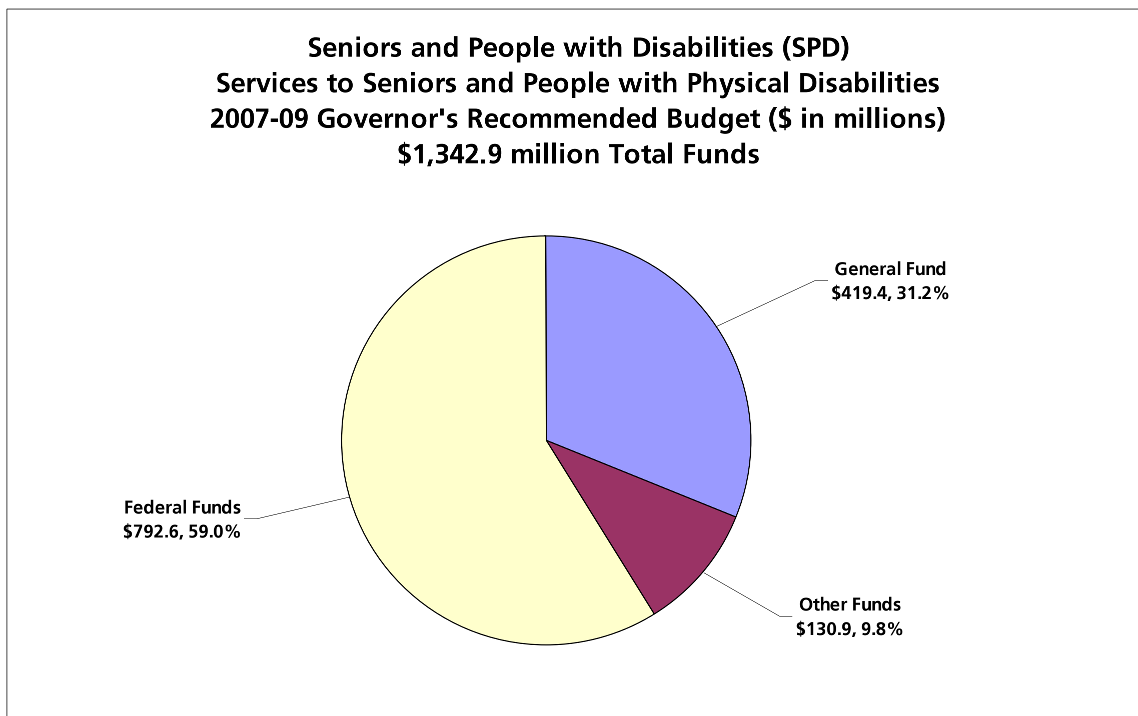
Community-based facilities are important and cost-effective alternatives to nursing facilities. Continued loss of access to this part of the service continuum will increase Medicaid costs and decrease client choice.



SPD is looking at short-term Medicaid payment rate system adjustments in order to stabilize community-based care and as a first step toward an in-depth examination of rates. The adjustments, to be implemented early in the 2007-2009 biennium, will stabilize Medicaid access by beginning to equalize service payments based on client needs. During the biennium, SPD will begin the development of alternative payment methodologies that better equate client needs to Medicaid payments. SPD also will update standards for Alzheimer's facilities and explore rate increases to support these facilities.

In order to ensure quality of life and quality of care for all SPD consumers, SPD licenses and regulates all long-term care facilities. With an increasing need for services, SPD must increase its capacity for regulatory oversight of providers and strengthen consequences for non-compliant providers. Licensing fees for both nursing facilities and community-based care providers in Oregon are lower than in other states and have not been increased since 1979. Fines for community-based care providers who are found to be out of compliance with regulatory standards also are lower than in other states. The current level of fines does not provide a monetary disincentive to poor performers. SPD will work with providers and other interested parties to create uniform standards for both licensing fees and for penalties, and to increase the number of staff dedicated to, and the frequency of, facility inspection and survey.

Governor's Recommended Budget



Reductions

No reductions are proposed for this program in the Governor's Recommended Budget.

Policy option packages

102-27: Nursing facility provider tax revisions

102- 27 Nursing Facilities Provider Tax Revisions: Failure to repeal the Nursing Facility tax sunset will decrease nursing home rates by 7% resulting in a $62.8 million biennial total fund loss. This would occur at a time when the Governor has charged a high level task force to recommend staffing improvements in nursing homes.	GF	OF	FF	TF
Governor's Recommended Budget	$ (25.7)	$ 40.4	$ 23.4	$ 38.2
SPD	$ (25.7)	$ 40.4	$ 23.4	$ 38.2

($ in millions)

The 2003 Legislature passed a long-term care provider tax that is imposed on most nursing facilities, including some exclusively private-pay facilities. This tax is matched with federal Medicaid funds and used to pay higher Medicaid nursing facility reimbursement rates that, today, are equal to the 70th percentile of audited nursing facility costs. This reimbursement requirement ends June 30, 2007. Though the provider tax is scheduled to end June 30, 2008, the Governor's Recommended Budget proposes to extend this tax. Absent the tax extension, DHS believes the reimbursement rate for the second year would be calculated using methods that were used before the provider tax was instituted and actually be lower than the first year. The Governor's Recommended Budget assumes that the nursing facility provider tax will be continued throughout the entire biennium. (This will require a statutory change.) The budget also assumes that the 2008-2009 nursing facility reimbursement rate increases by an additional 3.5 percent, a second-year medical inflation rate used throughout the budget.

Since the preparation of the Governor's Recommended Budget, Congress passed the Tax Relief and Health Care Act of 2006, which will have an impact on the state's provider tax. Within this Act, Congress codified the rate ceiling of Medicaid provider taxes at 5.5 percent beginning January 1, 2008. This is lower than the rate now imposed on nursing facilities, which is close to 6 percent. While this will lower the provider tax revenue (and probably require additional General Fund to reach the rates assumed in the Governor's Recommended Budget), this Congressional action also means that CMS will not be able to lower the rate further (to 3 percent) by simply changing administrative rules. CMS had been considering this reduction for some time and had asserted its authority to do so administratively without Congressional approval.

50-SPD Fiscal Impact:						
Category	GF	OF	FF	TF	Position	FTE
Personal Services	0	0	0	0	0	0.00
Services & Supplies	0	0	0	0		
Capital Outlay	0	0	0	0		
Special Payments	(25,677,537)	40,438,467	23,410,600	38,171,530		
Other	0	0	0	0		
Total	**($25,677,537)**	**$40,438,467**	**$23,410,600**	**$38,171,530**	**0**	**0.00**

109: Nursing Facility Staffing Commission

109 Nursing Facility Staffing Commission: Targeted investments to ensure that Oregon's most vulnerable seniors in nursing facilities receive the highest quality of care . The Governor invests $3.0 million to increase Oregon's minimum Certified Nurse Assistant staffing levels to initiate a quality improvement initiative in cooperation with Oregon's nursing facilities.	GF	OF	FF	TF
Governor's Recommended Budget	$ 3.0	$ -	$ 4.4	$ 7.4
SPD	$ 3.0	$ -	$ 4.4	$ 7.4

($ in millions)

Governor Kulongoski appointed the Nursing Facility Staffing Commission in July 2006 and charged it with recommending strategies to enhance Oregon's minimum Certified Nursing Assistant staffing ratios to maximize quality outcomes for nursing facility residents. After analysis and discussions of the national empirical analysis completed for the federal CMS the consensus recommendation of the Commission was that minimum ratios be increased from the current requirement of 1.66 hours per resident day (PRD) to 2.46 hours PRD. The Commission additionally recommended that the state implement monitoring and enforcement rules to ensure compliance with new staffing standards and that stakeholders be involved in the development of specific recommendations for related issues such as phase-in and implementation of the new standard.

50-SPD Fiscal Impact:						
Category	GF	OF	FF	TF	Position	FTE
Personal Services	58,939	0	58,939	117,878	2	1.00
Services & Supplies	5,532	0	5,532	11,064		
Capital Outlay	0	0	0	0		
Special Payments	2,935,529	0	4,364,328	7,299,857		
Other	0	0	0	0		
Total	**$3,000,000**	**$0**	**$4,428,799**	**$7,428,799**	**2**	**1.00**

Policy option package 109 provides funding to begin implementation of the Nursing Facility Staffing Commission's recommendation to increase minimum staffing on a phase-in basis during the 2007-2009 biennium. A workgroup of stakeholders from

both labor and the nursing facility industry recommend that phase-in be completed in two steps:

- Effective March 1, 2008: Increase to 2.07 hours PRD; and
- Effective April 1, 2009: Increase to 2.31 hours PRD.

The package also provides funding for 2.0 FTE to develop, implement and monitor enforcement rules to ensure compliance with the new standards.

102-25: Status of the Home Care Commission

102- 25 Independent Status for the Home Care Commission: The Home Care Commission, which collectively bargains with workers who comprise nearly 40,000 of all SPD cases, needs to be statutorily outside SPD as an independent commission. The Commission is now fully implementing its constitutional and statutory responsibility for training, maintaining a registry of providers, and bargained contracted grievances. By law, these functions cannot be maintained in DHS.	GF	OF	FF	TF
Governor's Recommended Budget	$ 0.2	$ -	$ -	$ 0.2
SPD	$ 0.2	$ -	$ -	$ 0.2

($ in millions)

The Home Care Commission (HCC), which collectively bargains with workers who are employed by seniors and people with physical disabilities, needs to be able to statutorily function as an independent commission. The Commission is now fully implementing its constitutional and statutory responsibility for training, maintaining a registry of providers, and handling grievances under the collective bargaining agreement. This package assists the HCC to operate independently, yet with the full support of the department and implements Senate Bill 157.

The department will provide staff and support services for the HCC through an interagency agreement. The HCC and DHS will discuss the amount of funds needed for the HCC to operate, and the department will include this amount in its budget request to the Legislature. Guidelines will be addressed in both rule and in an agreement between HCC and DHS.

50-SPD Fiscal Impact:

Category	GF	OF	FF	TF	Position	FTE
Personal Services	0	0	0	0	0	0.00
Services & Supplies	158,963	0	0	158,963		
Capital Outlay	0	0	0	0		
Special Payments	0	0	0	0		
Other	0	0	0	0		
Total	**$158,963**	**$0**	**$0**	**$158,963**	**0**	**0.00**

102-28: Statutorily required 95 percent equity for Transfer AAAs

102-28 Transfer AAA 95% Statutorily Required Equity Requirement: This action phases in a 95% calculated equity for the Transfer AAAs per the legislative intent in HB 2288 and OAR 411-002-0175. In the 2003 session, legislation passed that required DHS to annually calculate the true cost of running field offices for Senior and Disability Services with State employees. The legislation required DHS to establish an allocation methodology and adopt by rule a methodology for determining annual budget levels that result in a budget level of not less than 95% of the amount that would otherwise be budgeted for a local DHS office.	GF	OF	FF	TF
Governor's Recommended Budget	$ 5.8	$ -	$ 5.8	$ 11.5
SPD	$ 5.8	$ -	$ 5.8	$ 11.5

($ in millions)

This package phases in a 95 percent equity funding level for Transfer AAAs, as required by House Bill 2288. Passed by the 2003 Legislature, the bill requires DHS to annually calculate the true cost of running field offices with state employees that serve seniors and people with physical disabilities. The legislation required DHS to establish an allocation methodology and adopt by rule a methodology for determining annual budget levels for AAAs that result in a budget level of not less than 95 percent of the amount that would otherwise be budgeted for a local DHS office.

50-SPD Fiscal Impact:

Category	GF	OF	FF	TF	Position	FTE
Personal Services	0	0	0	0	0	0.00
Services & Supplies	0	0	0	0		
Capital Outlay	0	0	0	0		
Special Payments	5,773,473	0	5,773,473	11,546,946		
Other	0	0	0	0		
Total	**$5,773,473**	**$0**	**$5,773,473**	**$11,546,946**	**0**	**0.00**

106-61: Medicare Modernization Act – ongoing workload

106-61 OSH & SPD MMA Implementation - on-going workload: This package assures that OSH and the community programs will be able to comply with the requirements of the MMA Part D and on-going staffing for new Federal program requirements that require SPD field staff workload increases of over 40,000 cases monthly.	GF	OF	FF	TF
Governor's Recommended Budget	$ 3.0	$ -	$ 2.2	$ 5.2
SPD	$ 2.3		$ 2.0	$ 4.3

($ in millions)

This package reflects the programmatic impacts of the federal Medicare Prescription Drug Improvement and Modernization Act (MMA). The federal program, Medicare Part D, which began January 1, 2006, provides a prescription drug benefit for Medicare recipients. DHS has experienced a significant administrative impact due to

clients who are dually eligible for both Medicare and Medicaid needing help to access their prescription drug coverage.

Since January 1, 2006, thousands of clients who are dually eligible for Medicare and Medicaid have requested assistance from the department with various Medicare Part D issues. DHS advocates for clients and works with Medicare Part D plans and CMS to resolve most issues.

This package adds positions to assist Medicare/Medicaid dual-eligible clients with the ongoing issues involved with MMA and requests $240, 000 General Fund dollars for uncovered prescription drug costs for clients who are dually eligible for Medicare and Medicaid.

50-SPD Fiscal Impact:

Category	GF	OF	FF	TF	Position	FTE
Personal Services	855,394	0	855,426	1,710,820	19	18.54
Services & Supplies	95,349	0	95,313	190,662		
Capital Outlay	0	0	0	0		
Special Payments	1,299,747	0	1,059,739	2,359,486		
Other	0	0	0	0		
Total	**$2,250,490**	**$0**	**$2,010,478**	**$4,260,968**	**19**	**18.54**

106-64: Ensuring quality care in community-based facilities

106- 64 Ensuring Quality of Care in Community Based Care Facilities: DHS is not meeting the statutory requirements of the biennial monitoring of community care settings to ensure client health & safety. Adult Foster Homes, a key component of non-institutional care in the industry, have a rapidly declining capacity and are in need of immediate training and technical assistance.

	GF	OF	FF	TF
Governor's Recommended Budget	$ 0.4	$ -	$ 0.4	$ 0.8
SPD	$ 0.3		$ 0.3	$ 0.7

($ in millions)

SPD will ensure compliance, capacity, access and quality assurance in community-based facilities by strengthening quality assurance and quality improvement activities and reviews, and providing training opportunities and identifying key improvement areas. SPD will assist providers and local staff in understanding and achieving the requirements, standards or qualifications for services and community settings. The package addresses the number of employees required to meet the statutory requirements and addresses licensing issues.

A principle component of quality assurance for community-based facilities under both state law and federal Medicaid assurances is timely inspection, monitoring and

complaint investigation. Residents in these facilities are significantly impaired, as Oregon's model of long-term care promotes community settings as alternatives to nursing facilities.

Oregon law requires inspection of residential care and assisted living facilities every two years. These statewide inspections are performed by 10 client care surveyors in SPD's Office of Licensing and Quality of Care. SPD performs approximately 350 new, renewal and follow-up inspections of assisted living and residential care facilities per year. SPD has prioritized monitoring of poorer performing facilities to provide protection for residents at risk. Nearly half of all inspections performed fall into this category. Consequently, approximately 30 percent of biennial renewal inspections exceed 24 months.

Most SPD survey activity is performed in nursing facilities under federal survey and certification requirements, which require a 12-month average inspection period for nursing facilities. SPD is close to exceeding that time frame, which can result in the loss of federal funding or a disallowance. SPD is now reassigning 0.5 to 1 community-based care surveyor FTE monthly to nursing facility surveys to comply with federal requirements, further eroding community-based survey capacity.

50-SPD Fiscal Impact:

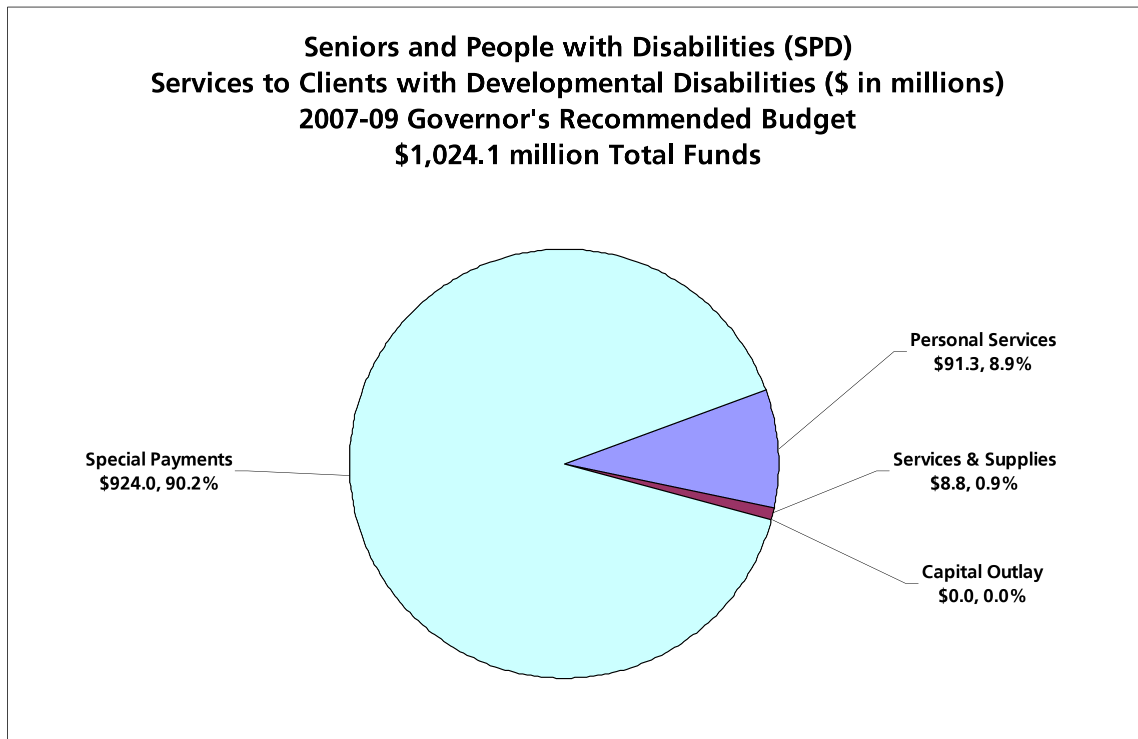
Category	GF	OF	FF	TF	Position	FTE
Personal Services	314,144	0	314,160	628,304	6	5.22
Services & Supplies	24,060	0	24,044	48,104		
Capital Outlay	0	0	0	0		
Special Payments	0	0	0	0		
Other	0	0	0	0		
Total	**$338,204**	**$0**	**$338,204**	**$676,408**	**6**	**5.22**

Services to People with Developmental Disabilities

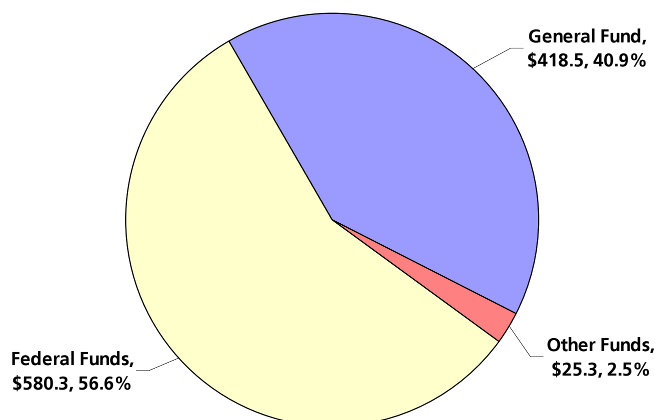
Key programs

SPD provides supports to almost 16,000 qualified adults and children with developmental disabilities through a combination of case management and services. Developmental disabilities include mental retardation, cerebral palsy, Down's syndrome, autism and other impairments of the brain that occur during childhood. Some people with developmental disabilities also have significant medical or mental health needs. Adults with developmental disabilities may be eligible for services ranging from supports to help individuals live in their own homes to 24-hour comprehensive services. Twenty-four-hour services are provided in a variety of settings including group homes, foster homes and the Eastern Oregon Training Center (EOTC). Children with developmental disabilities may be eligible for services ranging from family support to out-of-home placements. Placements can be to proctor care, foster homes or residential settings.

The Governor's Recommended Budget for Services to People with Developmental Disabilities is $1,024.1 million (36 percent of SPD's budget).



Seniors and People with Disabilities (SPD)
Services to Clients with Developmental Disabilities
2007-09 Governor's Recommended Budget ($ in millions)
$1,024.1 million Total Funds



Services provided

Developmental disability community-based care

People with developmental disabilities may have mental or physical impairments that prevent them from meeting critical daily needs such as bathing, dressing and eating, but it also may mean they have limitations in self-direction, self-sufficiency and learning. Community options help meet the specific needs of each individual and at the same time save limited state resources. There has been a dramatic decline in the number of people with developmental disabilities in institutions in Oregon and a corresponding increase in community services and settings.

Service settings

Comprehensive services

Comprehensive Services for People with Developmental Disabilities provide services for adults and children who are either living at home but receiving 24-hour supports, or who are in an out-of-home setting, such as a community group home or foster home.

The following service types are included as part of the Comprehensive Services Waiver:

- **Adult residential programs** – These programs provide 24-hour group home services for individuals ages 18 and older. In most cases people live in homes designed for five or fewer people, with staff who come into the home and work on a shift schedule. Each person living in the home has an individualized plan that

details training and habilitation goals that promote independence, productivity and integration into the community.

- **Children's residential care** – SPD provides residential services for children with developmental disabilities through foster care, proctor care and community residential group homes. Proctor care is a comprehensive residential service for children provided in SPD-certified foster homes that are highly trained, supported and contracted by SPD certified proctor agencies. The child must have a developmental disability and need out-of-home placement due to a crisis that puts the child or others in imminent risk. The child may be committed to the state for care and custody through the child welfare program, or the family may request voluntary placement.
- **Children's intensive in-home services** – This program provides the supports necessary to keep children who require 24-hour care safe and residing in their family home, as an alternative to hospitals and other institutions. The program issues two Medicaid model waivers, allowing federal funds to be used regardless of family income. Model waivers must cap enrollment at a maximum of 200 children. The Medically Fragile Children's Unit provides mainly nursing services to children who require daily medical technology, such as ventilators. Children in the Intensive Behavior Program have autism and other disabilities that may cause them to be a danger to themselves and others.
- **Supported living services** – These services are individualized supports that promote an individual's ability to live in his or her own home and be a part of, and participate in, the community in which he or she lives.
- **Vocational services** – These services provide out-of-home training, support and employment for adults working in activity centers, sheltered services and local businesses. Services range from job development to long-term support.
- **Non-relative developmental disability foster care** – Developmental disability foster homes provide residential care and services to individuals with developmental disabilities. Services include 24-hour supervision, room and board, assistance with the activities of everyday living, and access to services that help individuals develop appropriate skills to increase or maintain their level of functioning.
- **State-operated community programs** – These programs provide 24-hour community residential care for 148 people who have a developmental disability and intensive support needs due either to a medical or behavioral condition. There are 31 homes, serving five or fewer people, located in eight counties. All employees of this program are staff of SPD. These programs also provide short-term (up to 90 days) crisis and diagnosis services for up to five people at any given time.

In addition to services described above, clients receiving comprehensive services may receive the following types of services:

- **Diversion/crisis services** – These short-term services (which could include additional in-home support, respite or out-of-home placements) are provided to individuals with developmental disabilities who are at imminent risk of being committed to the state for their care and custody due to potential harm to themselves or others.
- **Nursing facility specialized services** – Federal law prohibits a person with a developmental disability from being placed in a nursing facility unless that person meets the criteria of age or skilled service needs, and any specialized habilitation needs are addressed. Nursing facility specialized services are identified in a pre-admission screening process.
- **Transportation** – Transportation providers help individuals with developmental disabilities when public transportation is not available or not feasible to help individuals participate in employment or other services.

Adult support services

SPD serves adults with developmental disabilities who are living at home. Services are provided by individuals or community-based organizations hired by the client, with the assistance of a personal agent. Personal agents, who are employed by local support service brokerages, help individuals with developmental disabilities develop care plans and service budgets, identify service providers, monitor the services for quality and desired outcomes, and make changes in plans and services as needed. Individual plans cannot exceed $20,000 per year. The program resulted from a lawsuit initiated by various developmental disability stakeholder groups, out of which came a September 2000 settlement agreement requiring:

- Program infrastructure changes implementing new approaches to service delivery;
- Elimination of the existing wait list for adults by the creation and expansion of in-home support services;
- Development of a targeted number of comprehensive (24-hour) services for people not in crisis; and
- Compliance with specific expectations in terms of numbers of people served, timelines for program implementation, and data/information reporting requirements.

SPD began implementing this agreement in November 2001. As of August 2006, a total of 4,128 individuals 18 years of age and older with developmental disabilities were receiving services through support service brokerages.

The Governor's Recommended Budget anticipates complete implementation of the lawsuit settlement in the 2007-2009 biennium. Once complete, SPD and its local partners must enroll eligible individuals into developmental disability services in no more than 90 days from the date on which the individual is found eligible. At completion of implementation, there will be 11 support service brokerages.

Family support for children

Family support is a flexible program that provides support to families of children ages 17 and younger with developmental disabilities so that the children can remain in the family home. For many families, family support is the only assistance for which they are eligible as they strive to keep their children at home. It is family-centered, flexible and cost-effective. Family support funds can be used to purchase goods or services necessary to prevent out-of-home placement of a child with a developmental disability. Common expenditures include respite care, delegated nursing, adaptive equipment (e.g., augmentative communication devices, adaptive strollers and standers), home modifications, family training and behavioral support.

Institutional care

The Eastern Oregon Training Center (EOTC) is an Intermediate Care Facility for Persons with Mental Retardation (ICF/MR). This institution provides 24-hour care and active treatment for people with mental retardation or developmental disabilities. As an ICF/MR, EOTC is defined by federal regulations and monitored by state and federal surveyors. EOTC can serve up to 40 residents.

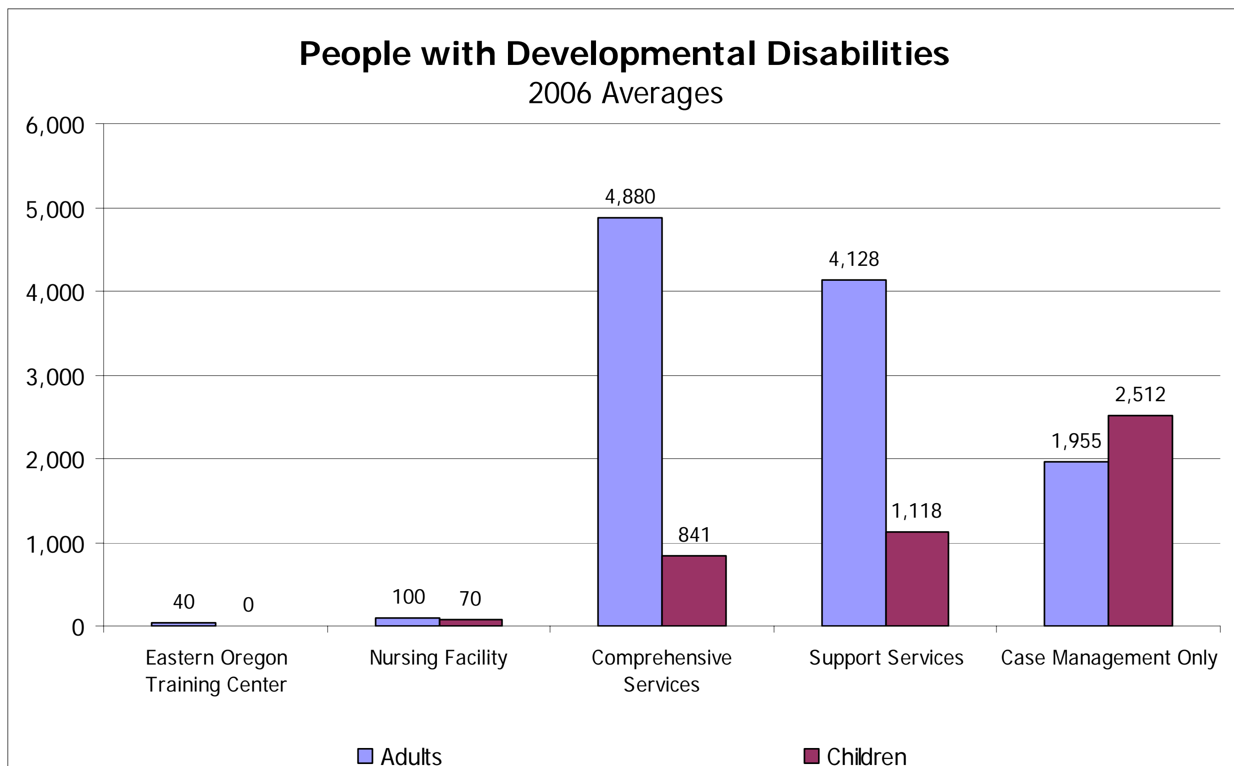
Where service recipients are located

People receive developmental disability services in all 36 Oregon counties.

Number of People with Developmental Disability (Adults and Children)	
County	Service Clients
Baker	95
Benton	375
Clackamas	1176
Clatsop	156
Columbia	230
Coos	304
Crook	63
Curry	107
Deschutes	434
Douglas	447
Grant	18
Harney	23
Jackson	717
Jefferson	86
Josephine	381
Klamath	361
Lake	28
Lane	1457
Lincoln	203
Linn	566
Malheur	135
Marion	1655
Mid-Columbia	231
Morrow/Wheeler	29
Multnomah	3391
Polk	369
Tillamook	151
Umatilla	285
Union	131
Wallowa	36
Warm Springs	25
Washington	1501
Yamhill	478
Total	15644

Who receives services

Approximately 16,000 Oregonians used long-term services during an average month in 2006. Individuals eligible for services must have a developmental disability that impedes their ability to function independently. Most individuals meet Medicaid financial eligibility requirements (household income levels up to 300 percent on the SSI grant). Most of the services are administered under several Medicaid waivers. Developmental disabilities include mental retardation, cerebral palsy, Down's syndrome, autism and other impairments of the brain that occur during childhood. Some people with developmental disabilities also have significant medical or mental health needs.



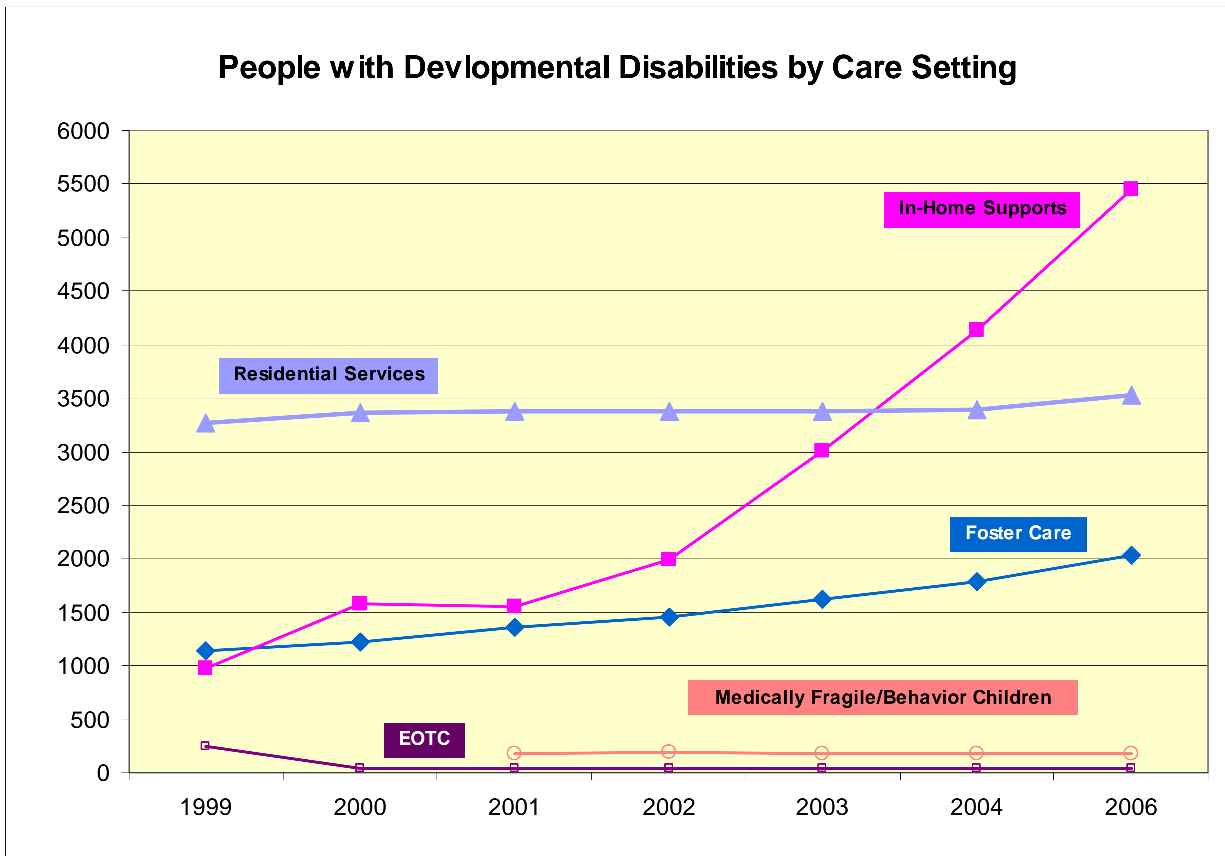
How services are delivered

Local authority

SPD delegates responsibility for developmental disability programs to counties that serve clients with developmental disabilities. Local oversight responsibilities include planning and resource development, negotiation and monitoring of contracts and subcontracts, and documentation of service delivery to comply with state and federal requirements. Counties also are responsible for case management services, evaluation and coordination of services, and quality assurance services. Quality assurance activities are aimed at improving the quality of services and ensuring that services comply with state and federal statutes.

Why these services are significant to Oregonians

Oregon has led the nation, since 1981, in the development of lower-cost alternatives to institutional care. Home and community-based alternatives emphasize independence, dignity and choice, and offer needed care and supports at lower cost than medical models. Recent court rulings across the nation have confirmed that Medicaid is an entitlement and that people must be served in the least restrictive environment possible. In Oregon, the *Staley v. Kitzhaber* lawsuit settlement phases in universal access to developmental disability services.



Performance Measures

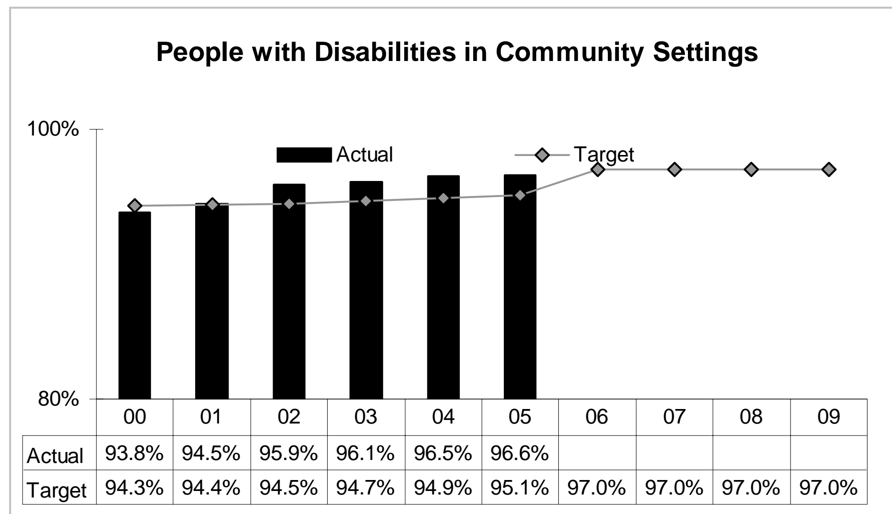
The Services for People with Developmental Disabilities program area has three key performance measures (KPMs).

KPM #1 – People with developmental disabilities in community settings

Purpose

This performance measure tracks the number of Oregonians with a developmental disability who are living in the community, in settings of five or fewer people. It

contributes to the DHS goal that "People are living as independently as possible" and helps measure the opportunities provided to people with developmental disabilities to be integrated in their communities.



	00	01	02	03	04	05	06	07	08	09
Actual	93.8%	94.5%	95.9%	96.1%	96.5%	96.6%				
Target	94.3%	94.4%	94.5%	94.7%	94.9%	95.1%	97.0%	97.0%	97.0%	97.0%

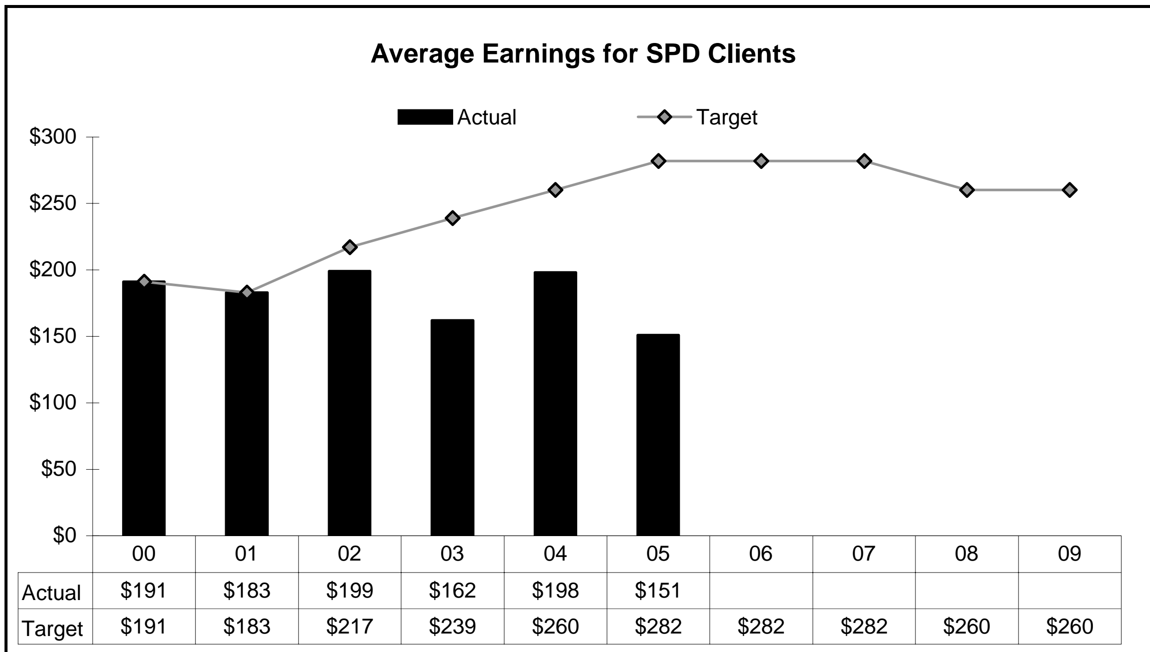
How Oregon compares to other states

Oregon ranks 11th in the nation for lowest per-capita use rates of nursing facilities for people with developmental disabilities, at 1.4/100,000. Oregon is among 13 other states serving 200 or fewer individuals with developmental disabilities in state-operated institutions. This statistic demonstrates Oregon's commitment to community living options whenever possible for people with developmental disabilities, and supports the effectiveness of Oregon's policies in preventing unnecessary institutionalization. Oregon also ranks 11th in the nation in the percentage of developmental disability funding that is allocated to community services, which includes residential settings of 5 or fewer. (This information was provided by The State of the States in Developmental Disabilities, 2005, University of Colorado.)

KPM #9 – Average monthly earnings for people with developmental disabilities who are SPD clients

Purpose

This performance measure tracks the department's progress toward expansion of competitive employment opportunities for people with developmental disabilities. SPD currently is engaging private sector businesses, employment providers and other key stakeholders in discussions about strategies to create more employment opportunities for people with developmental disabilities. This measure contributes to the DHS goal that "People are able to support themselves and their families."



	00	01	02	03	04	05	06	07	08	09
Actual	$191	$183	$199	$162	$198	$151				
Target	$191	$183	$217	$239	$260	$282	$282	$282	$260	$260

How Oregon compares to other states

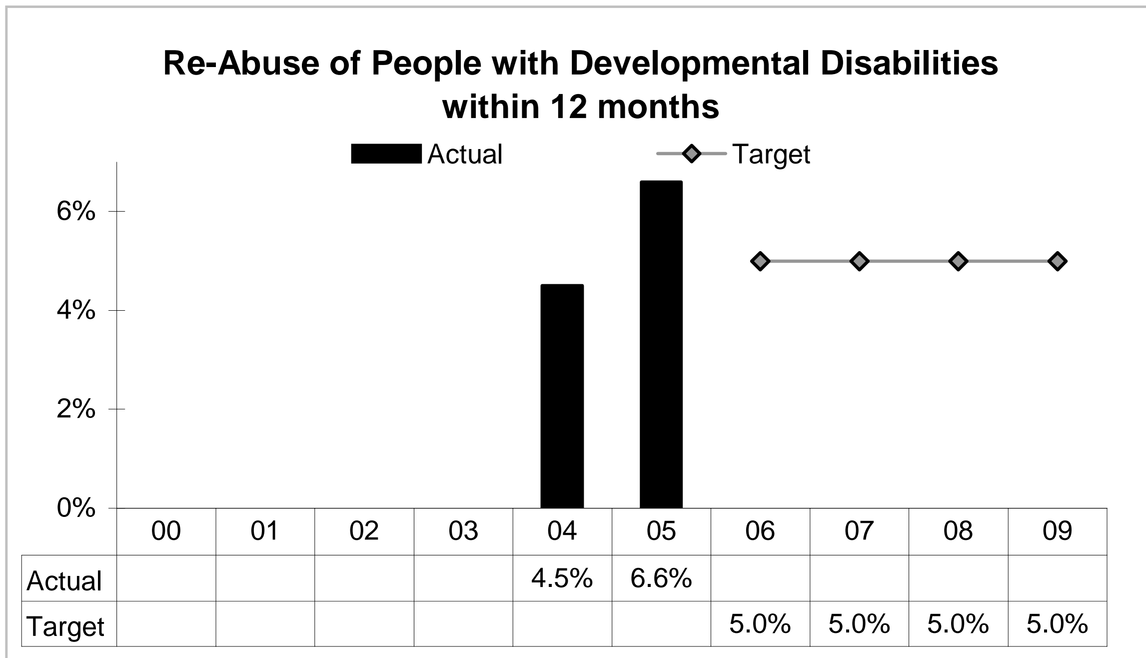
There is no current available data to make this comparison. Communications with other states and national organizations indicate the lack of progress in obtaining competitive employment for persons with developmental disabilities is a nationwide concern.

SPD has not met the target since 2001. Paid employment opportunities have diminished and the stability/capacity of provider organizations that work to develop employment opportunities has been compromised. SPD and community partners are actively working to preserve and grow the employment infrastructure for people with developmental disabilities. SPD is participating in a four-year CMS Medicaid Infrastructure Grant designed to increase competitive employment opportunities, and is one of 13 states participating in the Supported Employment Leadership Network.

KPM #15 – Re-abuse of people with disabilities

Purpose

This performance measure tracks the number of people with developmental disabilities who suffer from a recurrence of an instance of substantiated abuse within 12 months. This measure contributes to the DHS goal that "People are safe" and provides a yardstick for measuring the success of Oregon's information and education efforts.



	00	01	02	03	04	05	06	07	08	09
Actual					4.5%	6.6%				
Target							5.0%	5.0%	5.0%	5.0%

How Oregon compares to other states

There are no national prevalence or incidence studies of the rates of abuse or re-abuse among people with developmental disabilities. The limited studies that are available suggest that people with developmental disabilities experience the highest rates of abuse of all vulnerable populations.

In Oregon, re-abuse of people with developmental disabilities has increased to above the 5 percent benchmark. This increase is partially due to the increased requirements for investigation of in-home abuse as a result of the *Staley vs. Kitzhaber* lawsuit and also partially due to infrastructure shortfalls and staff turnover in provider agencies. Research and program development will focus on prevention of abuse. Additional training will be developed and provided for protective service investigators and the brokerages that are serving people in their own homes.

Quality and Efficiency Improvements

An intensive onsite CMS review of Oregon's Home and Community-Based Services Waiver for people with developmental disabilities resulted in an extension of the waiver and identification by the federal agency of Oregon "Best Practices" to be shared with other states.

Using a $2.44 million, five-year Federal System Transformation Grant, SPD has initiated a project to develop and test a new system for funding of some 24-hour comprehensive services to individuals with developmental disabilities. The project's

goal is to replace the current 25-year-old "slot-based" system with a new system that will establish individual budgets for some 3,500 consumers, standardize rates for services delivered and support a statewide network of community providers.

The Staley settlement agreement offers a financially capped benefit to all adults with developmental disabilities, minimizing the need for more costly 24-hour services. More than 4,100 adults with developmental disabilities now receive support services that include in-home supports, respite care, job supports, community involvement and specialized equipment. People receiving services through the support service brokerages have demonstrated a high level of satisfaction with the program.

2007-2009 Budget Summary

Key budget drivers and issues

Developmental disability system and providers

The number of people with developmental disabilities wishing to access services is increasing at a rate that is outpacing the ability to develop needed service capacity. The needs of people who are seeking services are increasingly complex. The cost of care is escalating and requires that service models be retooled, and that case managers and service providers acquire different skill sets. Service provider entities, which provide direct care to individuals with developmental disabilities, are experiencing problems attracting and maintaining an adequate work force of qualified direct care staff. There continues to be erosion in the adequacy of service rates. The cumulative effect of these trends threatens the stability of the private provider system and the county-based case management system. These trends also continue to create an increased demand in the crisis back-up system (diversion) that ensures clients are healthy and safe. Major improvements and upgrades in key business and program systems are needed during the 2007-2009 biennium and beyond, including payment systems, service rate setting models, data collection and analysis tools, and quality assurance and improvement tools and activities.

Caseload and demographics

Nationally and in Oregon, the number of people with developmental disability-related needs such as autism, and alcohol and drug-related causes is growing. There also is an increase in people needing services who have a co-occurring mental health and/or corrections needs. Over the past two years there has been a 13 percent increase in the number of children and adults with developmental disabilities requesting new services. The number of children and adults requiring new or increased funding to meet a crisis need doubled during the 2005-2007 biennium. The overall balance of who is being

supported by the 24-hour service system is changing. While caseloads are increasing, access to existing resources based on client turnover are declining due to longer life spans. New services being developed are primarily for people in crisis, whose needs are high, usually due to supports around significant medical needs or behavior and mental health supports.

Supporting children and families

The 2005 Legislature directed the department to review all services to children with developmental disabilities. A work group has met during the past two years to review programs and develop recommendations. The first area of concern was the lack of supports for children with significant medical issues resulting in long-term use of nursing homes. The group researched ways to improve in-home services and will work with the Medicaid program to create model waiver programs. Oregon also needs to develop more specialized foster care or other out-of-home programs that can work closely with the child's family and be a resource in the family's home community.

Children in nursing facilities

Approximately 70 Oregon children with developmental disabilities live in several pediatric nursing units in Oregon. Many of these children could be cared for in their own homes, or in their communities, with appropriate care and supports. SPD is working closely with families, nursing facilities, foster care homes, state child welfare and local developmental disability agencies, schools, community organizations, family training and support centers, and community members to transition appropriate children back to their communities.

County/provider stability

The lack of any cost of living adjustments or other wage increases for the past five years has drastically reduced providers' ability to pay their employees a fair wage and cover routine increases in business costs such as insurances, utilities and gas. Below market wages have led to increasing turnover. Inadequate staffing and the growth of operating costs have hindered providers' ability to develop new services for the increasing number of people in crisis.

County governments provide access to the service system for people with developmental disabilities. Counties determine eligibility, assess needs, determine service rates, contract with providers, provide agency and individual reviews, respond to protective services, and create capacity. The reimbursement model used for these services pays less than the amount most counties need to pay for case management, leading to higher than optimal case management ratios.

Rate setting and assessments

While Oregon has been a leader in moving to community-based services, waves of deinstitutionalization and differences in slot-based funding have left a legacy of inconsistent service rates, inequities and barriers to meeting individual needs. Oregon lacks a mechanism to ensure that the amount of funding allotted for individuals truly matches their needs, and lacks a consistent cost-based methodology to establish provider service rates in the system. During the next year SPD will acquire a tool that will assess the needs of individuals, conduct a cost study of selected services to establish allowable costs for rate setting, and acquire/develop a process to calculate service rates. The system will be field tested in order to validate that the tool is providing appropriate outcomes and is sustainable over time, as well as determining the impact on discrepancies in current provider rates.

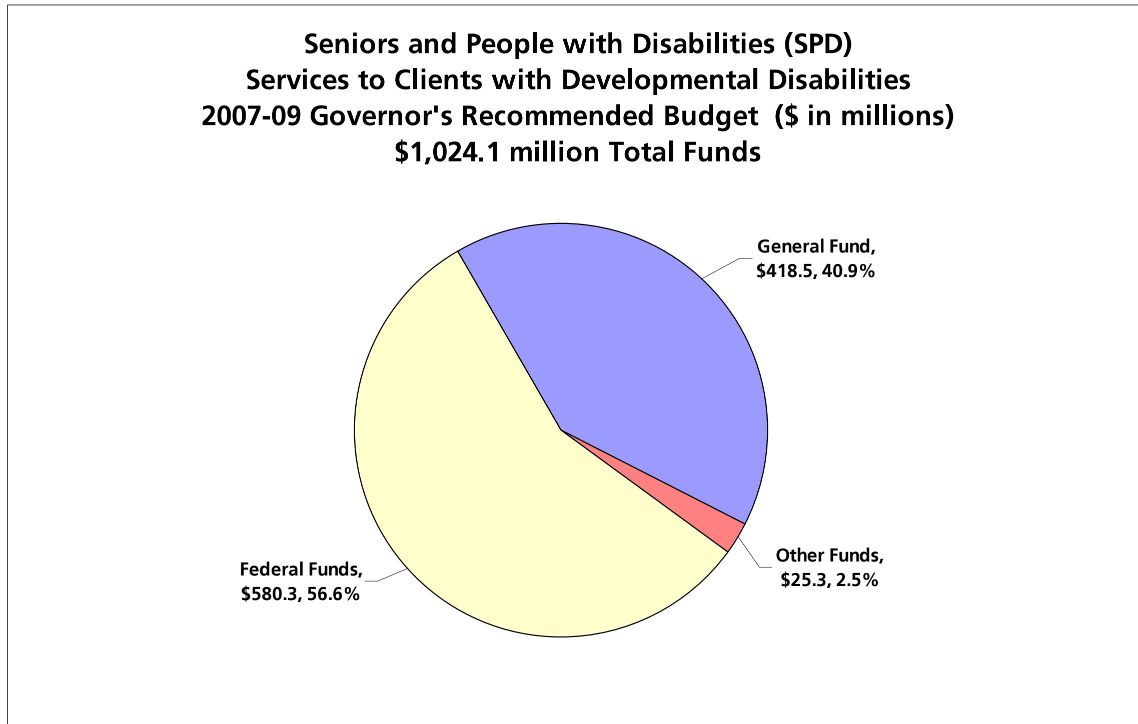
Payment methods

Changes in how payments are made to providers serving people with developmental disabilities have been occurring during the past two years. Until 2005 the state made prospective payments for all services and went through a reconciliation process at the end of each biennium. The process required lengthy and burdensome payment recovery, and was not useful in forecasting budget issues. In August 2005 a new payment system was implemented for 24-hour residential services and employment services that represent almost 80 percent of the budget for services to people with developmental disabilities, eXPRS. The fee-for-service system requires providers to bill for services rendered before payment is made. Payments for all services for people with developmental disabilities are targeted to be made using the new MMIS system beginning in late 2008. The new MMIS system will allow for easier payments and create an information trail that will lead to better forecasting. However, the transition from one payment system to another will result in the need to re-engineer current systems and relationships.

Final implementation of the Staley settlement agreement

To meet the requirements of the Staley settlement agreement, all individuals on the wait list need to be enrolled into support services during the 2007-2009 biennium. SPD must develop two new service support brokerages to serve the remaining wait-listed clients and expand provider capacity to meet their needs. Once the rollout is complete, access to support services becomes an entitlement for people with developmental disabilities. SPD must develop methods to accurately forecast the potential demand for services.

Governor’s Recommended Budget



Reductions

Eastern Oregon Training Center

As the number of people living at the Eastern Oregon Training Center (EOTC) declines, the per-person cost of operating and maintaining the institution increases. More importantly, all of the residents could be equally well served in residential programs and would be better integrated into their communities. The Governor’s Recommended Budget phased-out resident care at EOTC by April 1, 2008. Since its’ submission, the Governor and legislative and local leaders have agreed to continue operations at EOTC.

Closure of state-operated group home

As part of the Governor’s Recommended Budget, SPD proposed an 18-month management action that eliminated one group home, 18 staff positions and assumed placement in other group homes for three clients. However, in fall 2006, the state-operated group home program reconfigured several smaller homes into one five-person home, creating program savings. These savings should allow SPD to meet this reduction target without closure of a home and relocation of clients.

Curtailment of nursing facility specialized services
Certain people with developmental disabilities are eligible under federal law for specialized services in nursing facilities. These are 100 percent General Fund supported. The reduction will be achieved by restricting access to the minimum required by federal law.

Policy option packages

101-13: Juvenile Parole Supervision Review Board, Senate Bill 232 Amendment

101-13 DD Juvenile PSRB, SB232 Amendment: SB 232, passed by the 2005 legislative session, requires DHS to present a plan to the 2007 Legislature to integrate adjudicated Developmentally Disabled juveniles into the Parole Supervision Review Board process. This will involve major cost setting up closed custody secure settings for children, which are not matchable under the current Title XIX waiver and is a General Fund only cost.	GF	OF	FF	TF
Governor's Recommended Budget	$ 2.0	$ 0.1	$ 0.2	$ 2.2
SPD	$ 2.0	$ 0.1	$ 0.1	$ 2.2

($ in millions)

Senate Bill 232, passed by the 2005 Legislature, required DHS to study how to allow a child with developmental disabilities to assert the affirmative defense of mental disease or defect and to recommend a plan and legislation to the Legislature no later than January 2007. A successful affirmative defense of guilty except for insanity due to mental defect would enable a juvenile court judge to order a child into the physical custody of a designated DHS facility for appropriate treatment and to place the child under the jurisdiction of the Psychiatric Security Review Board (PSRB). SB 232 was signed into law pertaining only to a successful defense of mental disease. The amended statute will go into effect July 2007. Children with developmental disabilities were removed from the bill pending further planning. Legislation also passed during the 2005 session establishing a Juvenile PSRB.

Including children with developmental disabilities in the dispositional options for this defense will promote safety and appropriate supports for the developmental disability population. However, children who successfully assert an affirmative defense will become a mandated service population for SPD. The admission patterns will be determined by court decisions, making projected caseload growth a challenge and presenting the department with potential budget rebalance issues.

50-SPD Fiscal Impact:						
Category	GF	OF	FF	TF	Position	FTE
Personal Services	53,682	0	53,361	107,043	1	0.88
Services & Supplies	4,599	0	4,572	9,171		
Capital Outlay	0	0	0	0		
Special Payments	1,931,006	77,651	61,434	2,070,091		
Other	0	0	0	0		
Total	**$1,989,287**	**$77,651**	**$119,367**	**$2,186,305**	**1**	**0.88**

102-26: Provider rate and local admin adjustment and restructure pilot

102- 26 DD Provider Rate and Local Admin Adjustment & Restructure Pilot: Strengthens Developmentally Disabled service provider ability to remain solvent and provide services to clients. Developmentally Disabled service provider wages have not kept up with cost of living adjustment increases or marketplace conditions. This has resulted in a dangerously high staff turnover and vacancies, which compromises client health and safety. It has also resulted in many agencies facing fiscal instability and threatening the viability of their being able to stay in business.	GF	OF	FF	TF
Governor's Recommended Budget	$ 12.0	$ -	$ 17.1	$ 29.1
SPD	$ 12.0	$ -	$ 17.1	$ 29.1

($ in millions)

Oregon's Developmental Disabilities Comprehensive Service systems, which serves more than 5,000 people, uses a combination of "legacy" funding methods such as slot funding, negotiated rates and blended rates developed incrementally over many years, rather than methods based on up-to-date individualized assessment and valid cost analysis. There have been no rate increases, including costs of living, for the past five years for residential, day services and case management.

Provider wages have not kept up with cost of living adjustment increases or marketplace conditions. Lack of adequate funding has resulted in dangerously high staff turnover and vacancies, which compromise client health and safety. Many agencies face fiscal instability and the viability of their business models are threatened.

This package will strengthen the ability of providers of services for people with developmental disabilities to remain solvent and continue to provide services to clients. The package increases provider rates a system-wide average of 10 percent, to be used for direct care wages and associated costs, effective in October 2008. The package additionally includes funding to begin the use of an individualized rate assessment tool for residential and day programs.

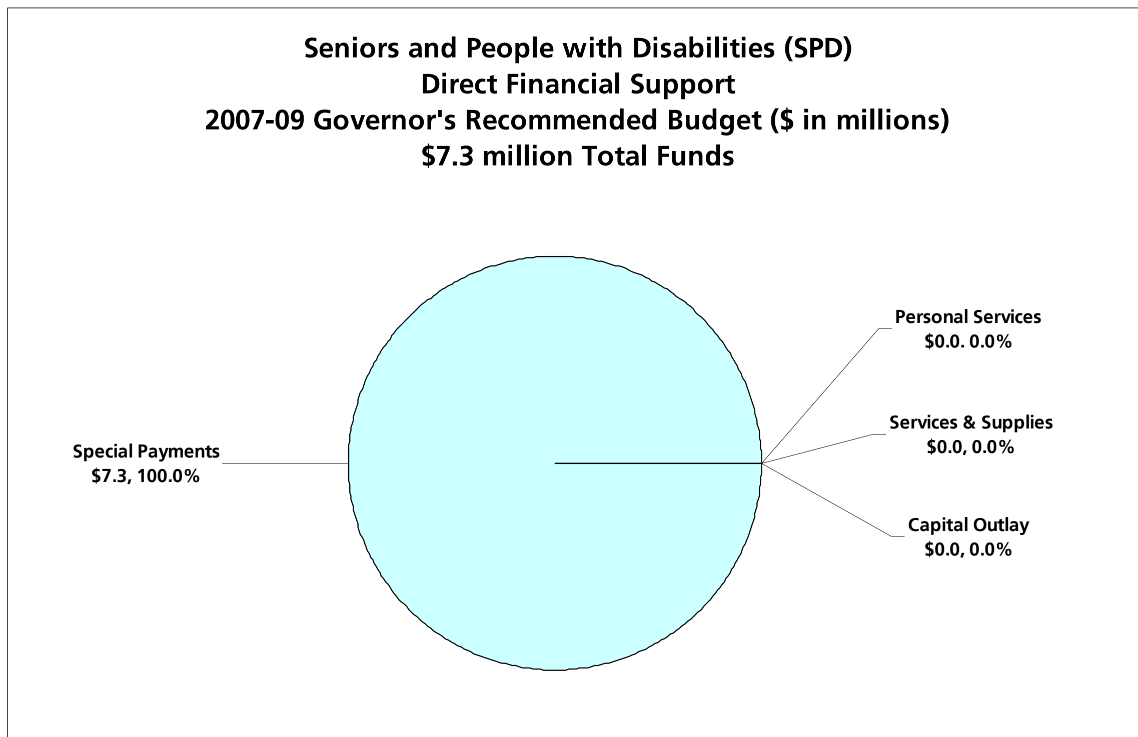
50-SPD Fiscal Impact:

Category	GF	OF	FF	TF	Position	FTE
Personal Services	0	0	0	0	0	0.00
Services & Supplies	0	0	0	0		
Capital Outlay	0	0	0	0		
Special Payments	12,000,000	0	17,103,770	29,103,770		
Other	0	0	0	0		
Total	**$12,000,000**	**$0**	**$17,103,770**	**$29,103,770**	**0**	**0.00**

Direct Financial Support

DHS determines eligibility for, and provides financial support or services to, certain low-income seniors and people with disabilities. Programs are designed to meet a variety of special circumstances.

The Governor's Recommended Budget for Direct Financial Support is $7.3 million (0.3 percent of SPD's budget).



Services provided

Oregon Supplemental Income Programs

Oregon Supplemental Income Programs (OSIP) provide a small cash benefit ($1.70 per month) to low-income aged and disabled Oregonians who are receiving federal Supplemental Security Income (SSI) benefits. The state created this program after Congress transferred the SSI program to the Social Security Administration. Individuals who are eligible for OSIP also are eligible for the Oregon Health Plan Plus benefit package through Medicaid. The maximum federal SSI benefit for individuals is $624 per month in 2006. For couples, the maximum federal SSI benefit is $934 per month. Although the OSIP monthly grants are small relative to the SSI grant, federal law requires that these state payments be made in order for the state's residents to qualify for SSI benefits. The minimum payment in Oregon is $1.70 per month.

- **Employed Persons with Disabilities** – This program assists people with disabilities who are already working to remain at work and retain their eligibility for Medicaid. The goal of this effort dovetailed with the 1999 federal Workforce Incentives Improvement Act (WIIA). This act attempted to remove a significant impediment to people with disabilities seeking employment – the loss of health care and other benefits resulting from a higher household income from wages.
- **Special-needs cash payments** – The department uses these payments to reduce the need for more expensive long-term care payments. For example, these funds can be used to make home adaptations that allow a client with disabilities to retain mobility in a safe environment or to provide the extra cash needed to pay food costs for an assistive animal.
- **Medicare buy-in programs –** Federal law requires states to provide payments for Medicare beneficiaries who meet income guidelines. There are two major categories in this program:
  - **Qualified Medicare Beneficiary (QMB):** In this federally mandated program, the state pays the Medicare Part B premium, the annual deductible and co-insurance charges on Medicare-covered services for Medicare recipients who have income at or below the federal poverty level.
  - **Special Low Income Medicare Beneficiary:** This program provides assistance to Medicare beneficiaries who meet federal income criteria from 100 to 135 percent of the federal poverty rate. Coverage is limited to payment of the Medicare Part B premium only.
- **Food Stamp program:** The Food Stamp program is a federally regulated and funded program for low-income individuals and families. SPD and local AAAs determine eligibility for seniors and people with disabilities.

Where service recipients are located

Services through the Direct Financial Support programs are provided to seniors and people with disabilities throughout Oregon.

Seniors and People with Disabilities

Clients receiving OHP services and Food Stamps
December 2006

Developmentally Disabled Cases are included in these counts

County	Age Group		Total
	Under 65	Over 65	
Baker	304	155	459
Benton	604	215	819
Clackamas	2278	1377	3,655
Clatsop	624	269	893
Columbia	570	232	802
Coos	1522	636	2,158
Crook	235	167	402
Curry	426	252	678
Deschutes	1208	576	1,784
Douglas	1593	949	2,542
Gilliam	24	12	36
Grant	114	80	194
Harney	119	77	196
Hood	145	80	225
Jackson	2826	1300	4,126
Jefferson	266	152	418
Josephine	1661	765	2,426
Klamath	1215	573	1,788
Lake	135	91	226
Lane	5090	1998	7,088
Lincoln	964	335	1,299
Linn	1885	728	2,613
Malheur	472	247	719
Marion	3971	1781	5,752
Morrow	98	69	167
Multnomah	11379	5739	17,118
Polk	781	369	1,150
Sherman	28	13	41
Tillamook	339	216	555
Umatilla	901	529	1,430
Union	395	151	546
Wallowa	118	53	171
Wasco	383	176	559
Washington	2922	2190	5,112
Wheeler	23	9	32
Yamhill	957	481	1,438
Total	**46,575**	**23,042**	**69,617**

Who receives services

More than 69,000 Oregonians use services provided through the Direct Financial Support programs each month.

How services are delivered

Services are delivered throughout the state by a mixture of state and AAA employees. ORS Chapter 410 allows AAAs to determine which populations they wish to serve and which programs they wish to administer. A Type B Area is one that chooses to provide Medicaid services in addition to Older Americans Act and Oregon Project Independence services. In areas where the AAAs do not provide Medicaid services, DHS has offices to serve seniors and people with disabilities.

Why these services are significant to Oregonians

Direct Financial Support provides poor Oregonians who are ages 65 and older, and/or live with disabilities, access to needed health care and Food Stamp benefits.

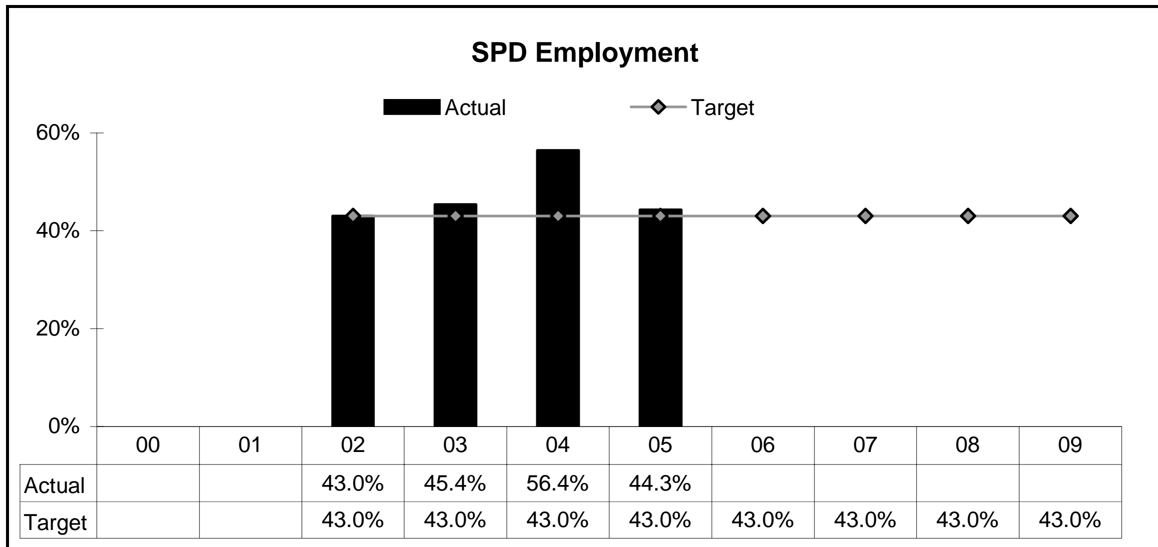
Performance measures

The Direct Financial Support program area has one key performance measure.

KPM #4 – People with developmental disabilities with a goal of employment who are employed

Purpose

This performance measure tracks the department's progress toward assisting people with developmental disabilities who wish to be employed to find and maintain that employment. This measure contributes to the DHS goal that "People are living as independently as possible."



	00	01	02	03	04	05	06	07	08	09
Actual			43.0%	45.4%	56.4%	44.3%				
Target			43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%	43.0%

How Oregon compares to other states

DHS has met its target since 2002. When comparing employment data from the Employed Persons with Disabilities Program with other buy-in programs in the nation, Oregon has the fourth highest average earnings and is in the top 10 in enrollment per capita. Oregon ranks third in the nation for its placement rate of people ages 65 and older in the Senior Community Services Employment Program. The present employment market and human service budgets represent a threat to the employment to individuals receiving services from SPD.

Quality and efficiency improvements

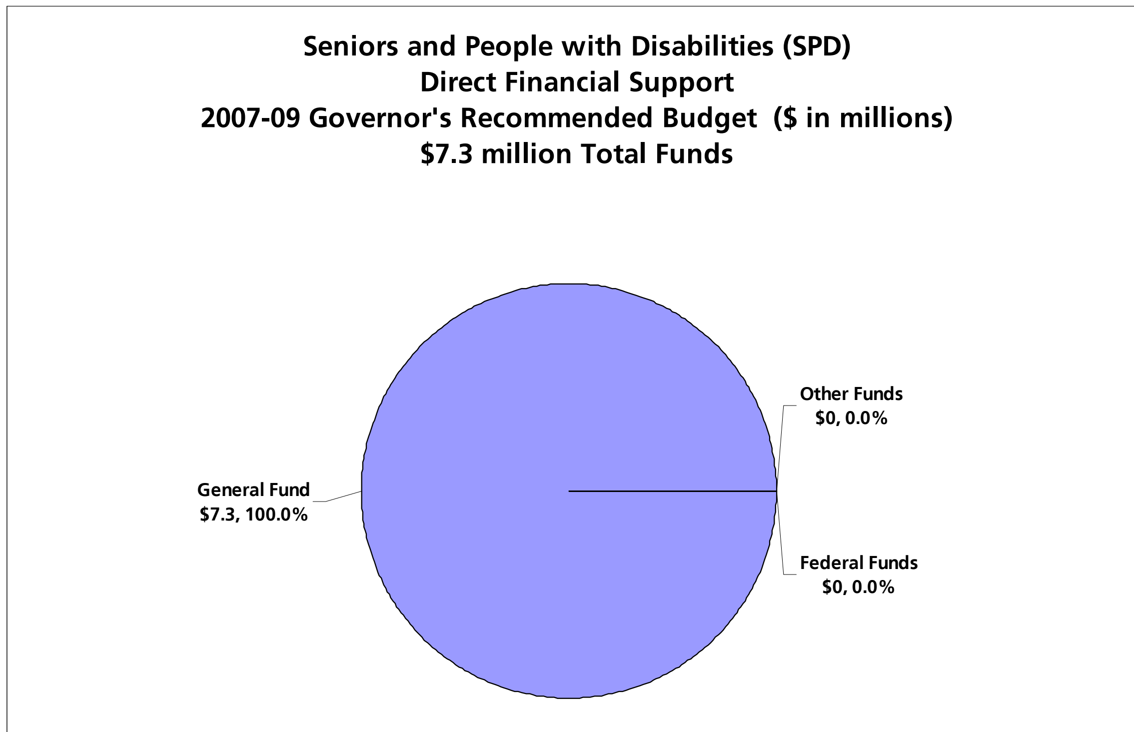
SPD received a five-year renewal of the 1915(c) Home and Community-Based Services Waiver for the Aged and Physically Disabled from CMS effective October 1, 2006. This waiver provides services for almost 28,000 elderly Oregonians and Oregonians with physical disabilities. The Waiver Quality Assurance (QA) Unit expanded from one to three employees. The QA Unit supports two primary stakeholder groups and is responsible for oversight of federal quality assurance requirements across all waivers. The unit has integrated SPD quality initiatives with waiver-specific activities and key performance measures.

In 2006 SPD successfully transitioned more than 70,000 Medicare-eligible clients to Medicare Part D prescription drug coverage. The biggest change in Medicare history required a cross-DHS approach that allowed the department to achieve full compliance with the Medicare Modernization Act of 2003. More than 54,000 clients who were fully eligible for both Medicare and Medicaid made a successful transition for Medicaid to Medicare Part D coverage or received emergency one-on-one

assistance to help with the transition. New drug coverage was established for approximately 20,000 Oregonians who are fully Medicaid-eligible but only partially eligible for Medicare.

2007-2009 Budget Summary

Governor's Recommended Budget



Reductions

No reductions were proposed for this program in the Governor's Recommended Budget.

Policy option packages

No policy option packages were proposed for this program in the Governor's Recommended Budget.

Older Americans Act

SPD is the state administrator of the Older Americans Act, a federal program targeted to people 60 years old and older. SPD distributes the funds to local AAAs.

Services provided

The Older Americans Act provides federal funding for locally developed support programs for individuals ages 60 and older. SPD ensures that services are provided in accordance with the Act and distributes federal funds to the AAAs using a federally approved intra-state funding formula based on the demographics and square mileage of each area. Local AAAs provide programs for support services, family caregiver supports, medication management, nutrition services, senior employment, legal services, and elder abuse prevention services. They also may provide assistance to senior centers and wellness/prevention activities. AAAs work within their local communities to develop a plan of services that meet the needs of older individuals in their area.

Other program requirements include mandates that:

- Local services should be targeted to provide for older individuals with the greatest economic and social needs, and
- A focus is placed on low-income minorities and those seniors residing in rural areas.
- There are no income or asset requirements to receive services except for the Older Worker Employment Program.

Where service recipients are located

Services through the Older Americans Act programs are provided to Oregonians ages 60 and older throughout the state.

Who receives services

More than 231,500 Oregonians accessed Older Americans Act services in 2006.

How services are delivered

Services are delivered through AAAs.

Why these services are significant to Oregonians

Services provided through the Older Americans Act are integral to maintaining the health, independence, and civic and community engagement of older Oregonians.

Performance Measures

There are no performance measures uniquely associated to the Older Americans Act program.

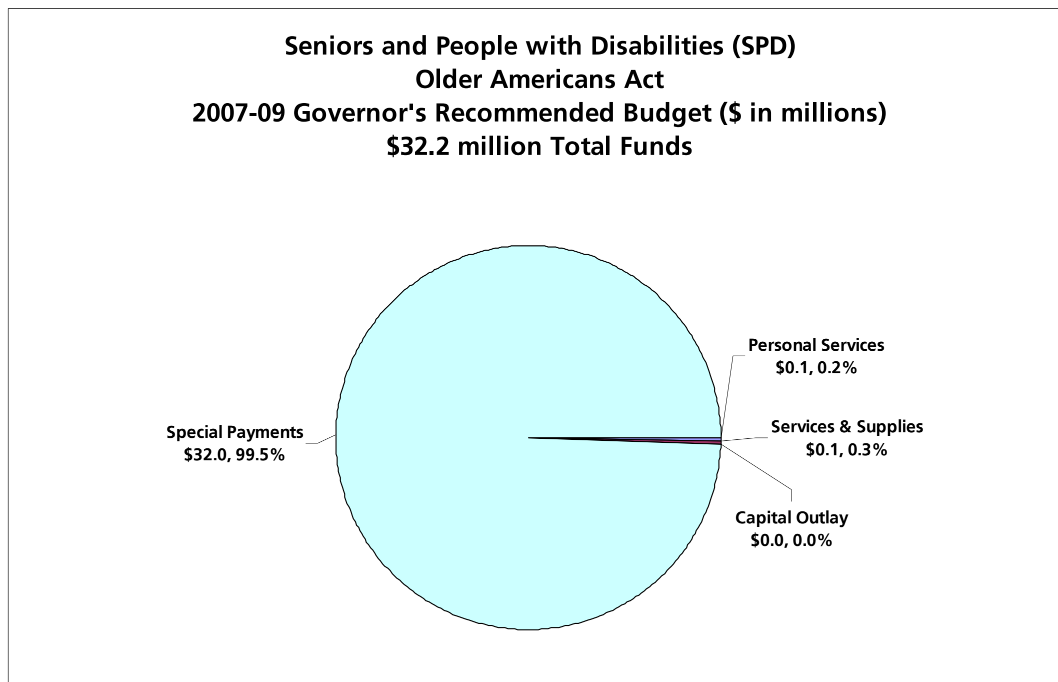
Quality and Efficiency Improvements

During the 2005-2007 biennium SPD implemented systems changes to the National Aging Program Information System (NAPIS) portion of Oregon ACCESS to increase efficiency and accuracy of federal reporting and to improve the usefulness of administrative features for the AAAs.

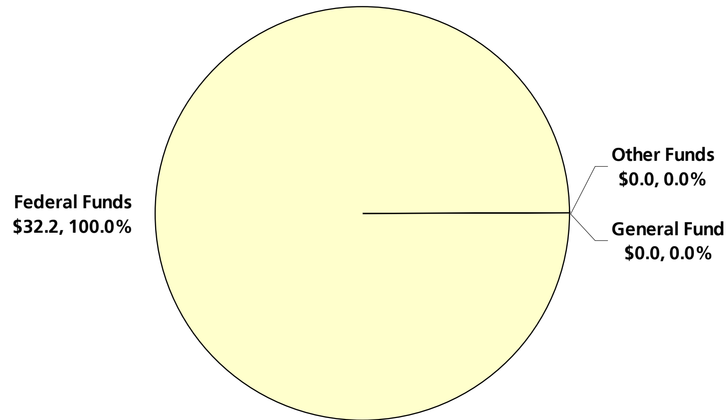
2007-2009 Budget Summary

Governor's Recommended Budget

The Governor's Recommended Budget for Older American Act Services is $32.2 million (1 percent of SPD's budget).



Seniors and People with Disabilities (SPD)
Older Americans Act
2007-09 Governor's Recommended Budget ($ in millions)
$32.2 million Total Funds



Reductions

No reductions were proposed for this program in the Governor’s Recommended Budget.

Policy option packages

No policy option packages were proposed for this program in the Governor’s Recommended Budget.

Program Support

Program Support provides the infrastructure to allow SPD to effectively serve Oregon's seniors, people with physical disabilities and people with developmental disabilities

The Governor's Recommended Budget for SPD Program Support is $422.0 million (15 percent of SPD's budget).

Most positions that work within Program Support provide direct services to Oregonians who are physically or developmentally disabled or elderly, and/or are poor.

Direct Service Staff

The Disability Determination Services (DDS) program is a 100 percent federally funded program. The Social Security Administration contracts with SPD to make eligibility determinations under Title II and Title XVI of the Social Security Act for individuals who claim they are unable to work due to a disability. There are 192 staff in the DDS program.

The Children's Intensive In-Home Services program staff work directly with children and families to direct the service development for children with disabilities, and manage the model waivers for medically fragile and behaviorally disturbed children.

ORS Chapter 410 allows AAAs to determine which populations they wish to serve and which programs they wish to administer. AAAs are designated by Type A (those which provide Older Americans Act and Oregon Project Independence services only) and Type B (those which also provide Medicaid services). In areas where the AAAs choose not to provide Medicaid services, DHS has offices to serve seniors and people with disabilities. Approximately 676 state employees provide services to clients in offices throughout Oregon; another 750 equivalent positions work in offices managed by AAAs.

Office of Developmental Disability Services

This program support area contains the majority of programs that serve children and adults with developmental disabilities. It directly runs state-operated community and institutional programs for hard-to-serve people with disabilities. Staff administer contracts with local governments and direct service providers. The program is responsible for implementing the Staley settlement agreement entitling services to all adults with developmental disabilities. The program also coordinates financing, development and maintenance of community housing for people with disabilities.

Office of Senior and Disability Services

This program area oversees all policy development for the Older Americans Act and works closely with AAAs regarding implementation for this federally funded program. This area develops policy and monitors implementation of Oregon Project Independence and Lifespan Respite programs; manages statewide in-home services including the Home Care Worker (HCW) program, Spousal Pay programs and Independent Choices Waiver; manages all local offices in those areas in which local government does not elect to be a Type B AAA; and works closely with local government organizations that have chosen to operate the Medicaid Title XIX long-term care programs along with Title III of the Older Americans Act and Oregon Project Independence.

Office of Federal Resource and Financial Eligibility

This program area administers employment projects and grants for people with disabilities; sets policy for Medicaid eligibility and food stamps for the target populations; serves as liaison with the federal government on Medicaid state plans and home- and community-based waivers; and conducts disability reviews to determine if individuals who apply for Medicaid health benefits are eligible for enhanced benefits. The program also provides guidance and training on Medicaid eligibility to field staff working with seniors and people with disabilities; writes, amends and administers six separate Medicaid waiver programs; and collects, analyzes and publishes data on programs, clients and operations, supports short- and long-term planning processes, and leads the Medicaid rate setting processes for long-term service providers.

Seniors and People with Disabilities Program Support		
Direct Service Staff		
Disability Determination Services	192	
Childrens Intensive In-Home Services	16	
Field Office Staff		
State Staff	676	
Area Agency on Aging Staff	750	
Sub-Total Direct Service Staff	1634	87%
Administrative staff	237	13%
	1871	100%

Office of Licensing and Quality of Care

The Office of Licensing and Quality of Care (OLQC) contains the SPD licensing, regulatory and quality improvement functions that help insure quality services to clients and help protect the health and safety of seniors, people with disabilities and people with developmental disabilities.

- **Facility Licensing:** This office coordinates licensing of all long-term care facilities that serve seniors, people with disabilities and people with developmental disabilities. Facility licensing establishes service standards through the development of rule and policy. Licensed facilities include 1691 adult foster homes, 201 assisted living facilities, 229 residential care facilities, 142 nursing facilities, 576 24-hour residential homes service people with developmental disabilities, and 1 ICF/MR (Eastern Oregon Training Center.) In addition, OLQC staff certify and monitor other programs that serve people with developmental disabilities, such as proctor care models and brokerage programs. OLQC staff also provide technical assistance and training to facility service providers.
- **Client Care Monitoring:** Three Client Care Monitoring Units (CCMU) around the state conduct licensure inspections, certification surveys, and complaint investigations in nursing homes, assisted living facilities and residential care facilities. These units, in Medford, Salem and Tualatin, help insure quality services by monitoring facilities for compliance with state and federal standards, rules and regulations. In nursing facilities in 2006, CCMU staff conducted 106 surveys, 130 revisits, and 575 complaint investigations. In residential care facilities and assisted living facilities in 2006, CCMU completed 151 surveys and 165 revisits.
- **Community Based care /Adult Protective Services:** CBC/Adult Protective Services develop standards and policy for the prevention and investigation of abuse of vulnerable seniors and people with disabilities in community settings. In 2006, local APS investigators looked at 8,231 allegations of abuse. Abuse prevention and early detection is promoted through special projects and training, community education activities, and partnerships with law enforcement, the health care community and other organizations. OLQC staff provide training and consultation for local office staff who conduct APS investigations, as well as arrange for attorneys to secure guardians and conservators for seniors and people with disabilities who need such services.
- **Corrective Action:** When licensed facilities are out of compliance with state and/or federal regulations, corrective action is used to encourage facilities to correct the identified problems. For example, sanctions include civil penalties, conditions on a license, license denials, license revocations, and trusteeships.
- **Field Review:** OLQC is responsible, in part, for efforts to insure quality in delivery of Home and Community Based waiver services to seniors and people with disabilities by local office staff. OLQC staff review the work of local case managers to insure that eligibility for Medicaid and waiver services is correctly determined, and that service needs are appropriately met.

Performance Measures

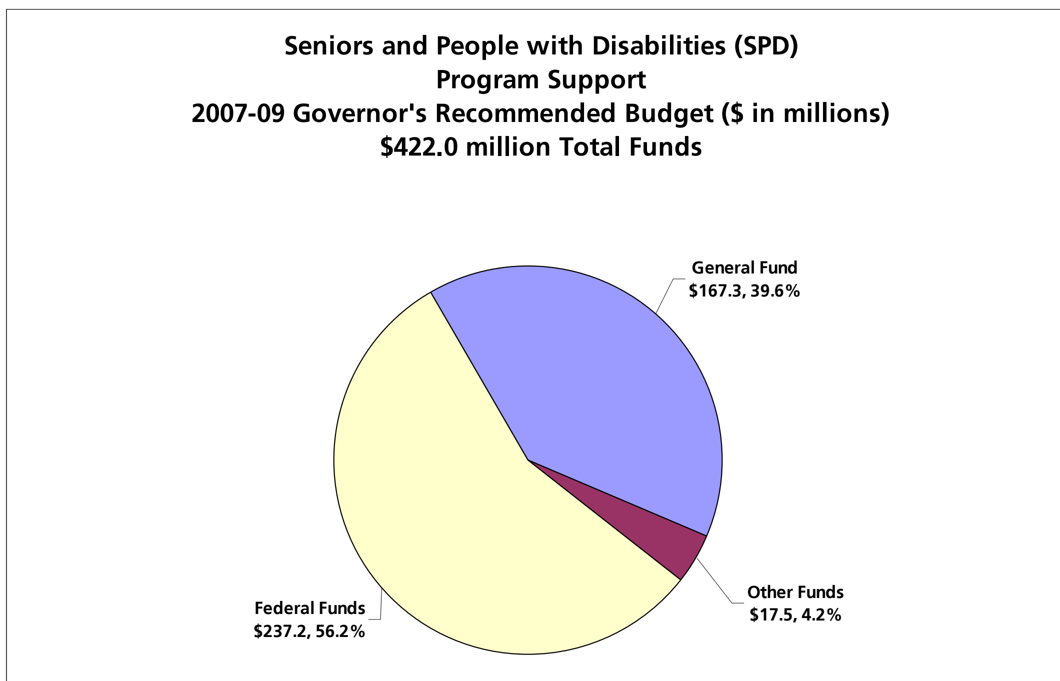
There are no performance measures uniquely associated to Program Support.

Quality and Efficiency Improvements

Staffing Study

As a result of a budget note by the 2003 Legislature, three staffing studies were conducted related to SPD programs. The first study (Phase 1), focused on eligibility-driven programs such as Food Stamp and Medicaid. Phase 2, conducted during the 2005-2007 biennium, focused on case management for services to seniors and people with physical disabilities. Phase 3, currently in process, looks at the increased workload demands that result from the Medicare Modernization Act and at the presumptive disability process. The emphasis of all these studies (which also included some CAF categories) was to move from an outdated caseload-driven staffing model to a more precise workload-driven model.

2007-2009 Budget Summary



Reductions,

No reductions were proposed for this program in the Governor’s Recommended Budget.

Central Administration

SPD Central Administration provides overall policy direction to programs serving seniors and people with disabilities in both community and institutional settings.

The Governor's Recommended Budget for SPD Central Administration is $8.0 million (0.3 percent of SPD's budget).

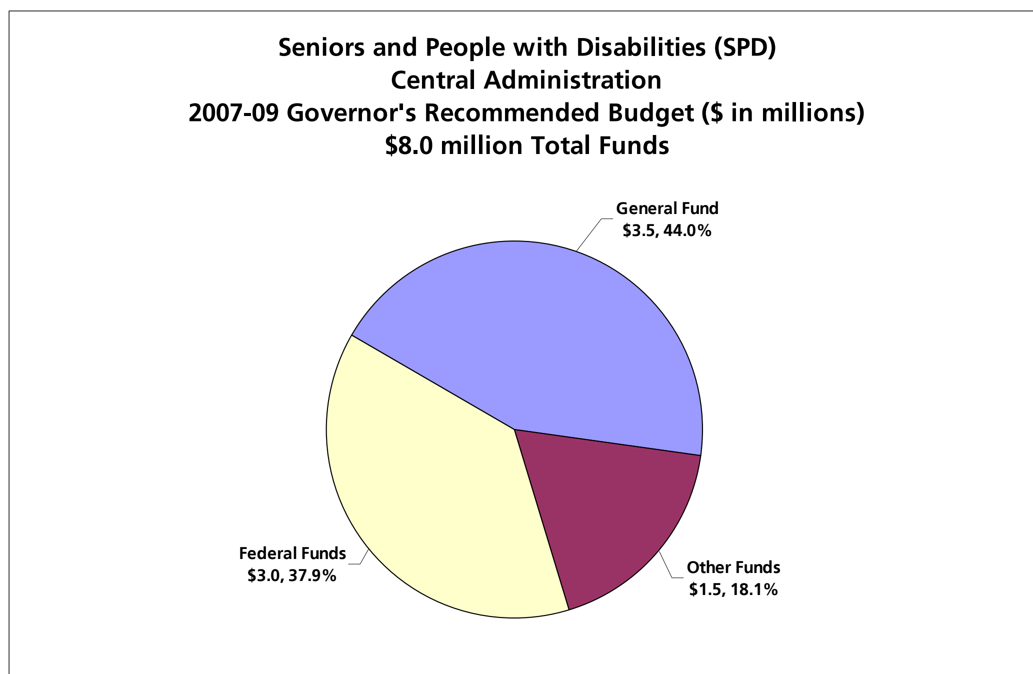
Program policy and administration

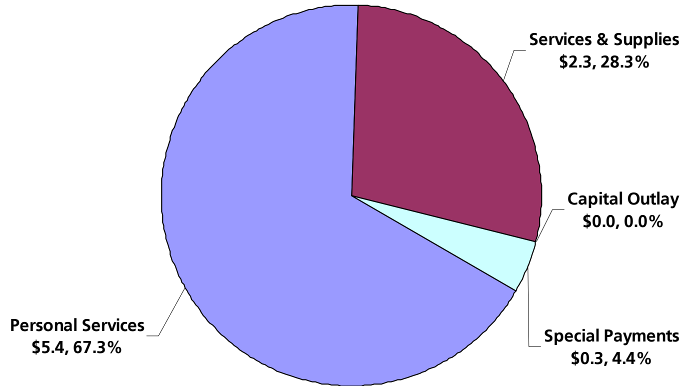
Central Administration, under the direction of the DHS Assistant Director for Seniors and People with Disabilities, is responsible for program planning, resource development, standards setting, consultation, technical assistance, monitoring and evaluation of programs serving seniors and people with disabilities. The SPD Central Administration also works directly with federal agencies that set policy and fund Oregon's programs including the Centers for Medicaid and Medicare Services, the Administration on Aging, and the Social Security Administration.

Councils, boards and commissions

Central Administration also is responsible for supporting a variety of councils, boards and commissions including the Governor's Commission on Senior Services, Oregon Disabilities Commission, Oregon Deaf and Hard of Hearing Services, Oregon Developmental Disabilities Council, the Home Care Comission, and the People with Physical Disabilities Advisory Committee.

2007-2009 Budget Summary




Seniors and People with Disabilities (SPD)
Central Administration
2007-09 Governor's Recommended Budget ($ in millions)
$8.0 million Total Funds
Services & Supplies
$2.3, 28.3%
Capital Outlay
$0.0, 0.0%
Special Payments
$0.3, 4.4%
Personal Services
$5.4, 67.3%

Division Summary

Budget notes and legislative actions

Implementation of a Comprehensive Integrated System of Services and Supports for Children with Disabilities and Their Families

As directed in the 2005 Budget Note, SPD reported to the April and June 2006 meetings of the Legislative Emergency Board. These reports are attached in Appendix A.

2007 Proposed Legislation

House Bill 2178 – Nursing Facility Provider Tax

This bill repeals the sunset of the long-term care facility assessment fee on January 2, 2009. The bill also removes the definition of the nursing facility reimbursement methodology from statute and requires that a definition of the system be a matter of Oregon Administrative Law.

House Bill 2194 – Adult Foster Home Staffing Requirements

This bill proposed a change in statute that would allow the Department to establish criteria under which a resident in an adult foster home may be allowed in the home for a short period without the direct supervision of a provider or caregiver. It would also allow the Department to establish the circumstances that would allow for shift-based care in lieu of the provider living in the home. Senate Bill 42, introduced by Senator Morrisette this session, is very similar and is supported by the Department. Senate Bill 42 includes additional language requiring DHS to develop rules establishing standards for granting exceptions for staying home alone and resident managers.

Senate Bill 157 – Home Care Commission

This bill confirms the independent policy authority of the Home Care Commission and designates the Department to provide staff and support services for the commission. Requires the Department and the Home Care Commission to enter into an interagency agreement that addresses expenditures and the role of each party.

Senate Bill 158 – Home Care Workers and Workers' Compensation

This bill allows the Home Care Commission to elect workers compensation coverage on behalf of clients utilizing home care workers. It also allows the Home Care Commission to facilitate the placement of injured home care workers needing modified work tasks with a client other than the one they were serving when injured. It will assist home care workers in an earlier and successful return to work and save on workers' compensation costs.

Senate Bill 164 – Juvenile PSRB Dispositions

Senate Bill 232 from the 2005 legislative session requires revision to include children with developmental disabilities in the affirmative defense and the juvenile PSRB disposition options. Senate Bill 164 has been put on hold in favor of the Oregon Law Commission bill, Senate Bill 328, that reaches the same outcome for the juvenile PSRB population. Division Summary