

Department of Human Services 2009-11 Policy Option Package

Division Name: Seniors and People with Disabilities

Policy Option Package Initiative: Seniors and people with disabilities live safely and independently in their communities.

Policy Option Package Title: 1915(i) State Plan Option Amendment

Policy Option Package Number: 213

Summary Statement:

This POP provides a new home and community-based services (HCB) service under the Medicaid state plan, which will allow DHS clients with significant physical, behavioral or mental health needs to access support services in the community (in-home or residential care, respite and adult day services) and thereby prevent, or forestall, the need for more costly institutional care. The HCB is necessary to help a) realign the existing Medicaid long term care system to absorb an anticipated increase in clients due to demographic shifts; b) support efforts to move individuals with mental health needs from costly nursing facilities; and c) serve Aged, Blind or Disabled DHS clients currently ineligible but in need of cost efficient and timely access to home and community services. This POP requires 32 positions.

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WILL IT BE IMPLEMENTED? Home and Community Based (HCB) Care state plan services provide critical early interventions and low cost services to persons who need assistance with Activities of Daily Living (ADL) such as eating, toileting and mobility, behavioral support or cognitive functioning. DHS is currently providing up to 20 hours a month of supports under the Personal Care Service State Plan Option. Medicaid eligible persons who need more than 20 hours a month of HCB service to maintain their independence and optimal health status must be eligible for one of the six 1915(c) HCB waivers. Eligibility for these waivers requires that the person have dependency in ADLS due to physical disabilities, age or MRDD and be eligible for nursing facility care, ICFMR or medical hospitalization. This gap between the Personal Care State Plan Option and ‘institutional’ eligibility standards of the HCB waivers means that persons in the OHP Standard and Plus program who have mental illness, chronic disease and/or physical disability must deteriorate to institutional levels of care in order to receive stabilizing HCBS interventions.

The Centers for Medicare and Medicaid Services (CMS) has created a new 1915(i) HCB State Plan Option to encourage states to offer HCB services outside of the waiver programs. This plan allows states to offer HCB services for Medicaid eligible persons with income up to 150% of FPL (appx \$1300 a month), who demonstrate need for assistance in two or more Activities of Daily Living (ADL) and who have risk factors which can be defined by the states. The 1915(i) Plan can provide personal care, respite care, homemaker/home health aide, residential habilitation (ALF, RCF, and AFH), adult day health services, and psychosocial rehabilitation, partial hospitalization and clinic services for persons with chronic mental illness. States may control their fiscal risk by limiting the duration and scope of services, utilization of waiting lists and choosing to target geographic areas for service. This option would be implemented through existing Development Disabilities and Aging and Physical Disabilities administrative systems, field structure, case management workforce and existing and both existing and new providers of home and community services.

2. WHY DOES DHS PROPOSE THIS POP?

Senior and People with Disabilities (SPD) is proposing to begin implementation of the Home and Community Based Services (HCBS) State Plan Option by October 2009. Provision of a HCBS State Plan option is part of the SPD Long Range Plan. The report identifies the HCBS State Plan option as necessary to help SPD a) realign its existing Medicaid long term care system to absorb an anticipated increase in clients due to demographic shifts; to support efforts to move individuals with mental health needs from costly nursing facilities and c) serve Aged, Blind or Disabled DHS clients currently ineligible but in need of cost efficient and timely access to home and community services.

Eligibility criteria for this new program will be defined to identify individuals who are **currently** served in either 1915(c) waivers, Rehabilitation or Personal Care. The purpose of creating an alternative program for these clients would be to:

- provide HCBS services to Personal Care clients who are dependent in two or more ADLs, not eligible for current waivers and who need more supports than are provided in State Plan Personal Care and;
- develop improved service models for both State Plan and HCBS waiver clients who need Psychosocial Rehabilitation and Home and Community Services.

Characteristics and estimates of case numbers within the groups that might be served in Phase 1 include:

- a) Up to **982** individuals who live in home or community settings funded by the nursing facility waiver, who are under age 65 and who have diagnoses of psychotic disorders, major depression, bipolar and personality disorders indicating that they might qualify for services in an 1915(i) plan.
- b) Up to **1000** individuals assessed annually with dependency in ADLs (SPL 1-13) and who have been denied or closely reviewed for HCBS NF waiver services due to age (under 65) and primary diagnoses of mental illness.
- c) Up to **788** NF Medicaid funded clients who have indicators of mental illness (noted in the Minimum Data Set) and who might qualify for 1915(i) State Plan after identification through On the Move grant, NF Diversion activities or PASRR Level 2 evaluations.
- d) Up to **200** existing AMH foster home and residential clients between 100% and 150% FPL who can more clearly qualify for Medicaid under an (i) State Plan.

e) Up to **50** persons ages 18-22 years transitioning from CAF services who need more support than offered in Personal Care but who do not qualify for existing HCBS waivers. Common diagnoses include Aspergers and Fetal Alcohol Syndrome.

Access to the 1915(i) State Plan option can be expanded in later phases of development by changing the eligibility criteria when other DHS target populations and fiscal resources are identified. Groups that might be added include

- a) AMH clients on psychiatric hospital discharge waiting lists who need HCBS services with Psychosocial Rehabilitation but who do not qualify for either AMH extended care programs or 1915(c) waivers and
- b) AMH clients who are receiving residential services funded with Personal Care or Rehabilitation funds

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS? Providing Home and Community Based Care (HCB) State Plan services to DHS clients who need assistance in Activities of Daily Living, including behavioral and cognition domains of functioning, these persons better manage their **health** conditions, help them maintain **independent** lives in community settings and will promote **safety** by reducing their risk of homelessness, abuse and neglect.

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

KPM #2: The percentage of Oregon's seniors who are living outside of institutions.

Internal measure: Percentage of new Medicaid long-term care clients who are diverted from nursing facility care settings.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No statute change is necessary.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM

Since 2006 SPD has had to strictly enforce waiver requirements prohibiting persons with primary diagnoses of mental illness from participating in the Home and Community Based nursing facility waiver. There are limited alternatives to funding HCB type services for these persons with federal fund participation

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

In 2003-05, persons who only needed assistance with ADLS were dropped from participation in the nursing home waiver. As a result of these existing policy limitations, a subset of these vulnerable DHS clients deteriorated and became eligible for Mandatory State Plan services in nursing facilities or hospitals at a high fiscal and personal cost to DHS, the individual and their families. Rehabilitation or Personal Care State Plan Options do not allow nor support an effective delivery of Home and Community Based (HCB) services. New CMS regulations regarding the Rehabilitation State Plan Option will make it increasingly difficult for Addictions and Mental Health Division to fund residential and HCBS type of services without a new HCBS State Plan. SPD is being requested to provide services for youth graduating from CAF programs with neurological disorders who need continued structure and support. SPD needs a broader range of HCBS programs to meet the needs of these disabled DHS clients so that they do not deteriorate and become eligible for costly skilled and long term nursing facility nursing services.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Area Agencies on Aging who contract with SPD to administer the Medicaid program will have an increased caseload and will need additional FTE with specialized training to provide the determinations, assessments and case management for this unique caseload. If it is decided to offer Psychosocial Rehabilitation as a service within the new state plan there may be an increase in demand for consultation services, day treatment and clinic

services provided by County Mental Health Programs. However there may be a reduction in the use of costly and time consuming mental health crisis and commitment services currently provided to persons who have mental illness and no HCB services.

9. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date: POP fiscal impact was calculated for a 24 month period including start up expenses so that when implementation date is established the fiscal impact can be adjusted. CMS approval is required.

End Date (if applicable): Ongoing program.

a. Will there be new responsibilities for DHS? Specify which division(s) and describe their new responsibilities.

- | | |
|--|--|
| <input type="checkbox"/> Administrative Services | <input checked="" type="checkbox"/> Addictions and Mental Health |
| <input type="checkbox"/> Children, Adults and Families | <input type="checkbox"/> Public Health |
| <input type="checkbox"/> Division of Medical Assistance Programs | <input checked="" type="checkbox"/> Seniors and People With Disabilities |

SPD will need to work with AMH to develop training curriculums to improve the ability of existing Medicaid Home and Community Based Services case managers, home care workers and licensed residential and foster care providers to deliver evidence based mental health care, in partnership with mental health professionals for DHS clients who have co-occurring physical health and behavioral health conditions and who are served in the new 1915(i) Plan.

b. Will there be new administrative impacts? Specify which office(s) and describe how it will be affected.

- | | |
|---|--|
| <input type="checkbox"/> Human Resources | <input checked="" type="checkbox"/> Payment Recovery |
| <input type="checkbox"/> Information Security (privacy) | <input type="checkbox"/> Investigations and Training |
| <input type="checkbox"/> Document Management (imaging) | <input type="checkbox"/> Facilities |
| <input type="checkbox"/> Audit and Consulting | <input type="checkbox"/> Contracts |
| <input checked="" type="checkbox"/> Information Services (IT) | <input type="checkbox"/> Budget |
| <input checked="" type="checkbox"/> Financial Services (Accounting) | <input type="checkbox"/> Other (Specify) |

Financial Eligibility. This program will serve clients who meet the Aged or Disabled Criteria and is a sub-set of the OSIP program category of Medicaid. It will have a different income eligibility test but will be able to use existing calculation methods for determining client contribution for OSIP clients. New program case descriptors, financial calculations, service categories and changes to Recipient interface will need to be designed.

Service Eligibility. The service eligibility criteria will be less restrictive than the criteria used for the APD waiver eligibility. This will require changes to Oregon ACCESS such as new data in CAPS, new algorithm to determine service eligibility/level, new results sets, new service category, new service benefit package and possible waiting list support. Mainframe system changes will include new service category code and service levels/limits and possible waiting list support.

Medical Benefits Package. No change needed. Clients will qualify for the OHP Plus packages as all other OSIP clients with the Medicare program coverage.

Service Benefits Package. Clients will qualify for a set of services less than that offered in the SPD waived service packages. While not final, it may include any combination of the following services (subject to definitions in previous federal regulations): Habilitation; Specialized Living; Residential (AFH/RCF/ALF); Homemaker, Home Health Aides to support ADL/IADL Care; Adult Day Services; Respite.

Service Authorization and Claims Processing. Modify MMIS sub-systems to allow for the creation of service authorizations, edit for eligibility and appropriateness and allow for payment based on the provider billing. Allow

for adjustments and overpayment management. Depending on the service and the provider populations, these claims may be paid from one of several payment systems, modify to allow for the new service category and to impose new limits/levels/rate structures, ensure claims adjustment processing with new accounting.

Financial/Accounting. Establish a budget and develop the funding and tracking codes. Depending on the system for each procedure code add the funding rules or the SIC mapping to ensure correct accounting and reporting.

Quality Assurance and Quality Outcomes. Collect data to measure success and quality. Establish data base for recording quality indicator results and survey information.

EDS-MMIS Change. Add the new service package and the related service category benefit mapping, add state category of service coding for reporting, make adjustments to MSIS reporting and possibly other reporting changes.

- c. **Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.** There is a potential pool of up to 3020 clients currently receiving Medicaid services in either nursing homes, HCBS 1915(c) waivers, CAF, AMH residential programs or Personal Care who may qualify for and may be transferred to the new 1915(i) State Plan Option. See Question #2 for more detail on these groups. We are proposing that for the early stages or Phase 1 implementation, eligibility criteria and package of services would be designed to serve persons who need services similar to those provided through SPD such as In- Home Services; Specialized Living; Adult Day Services; Respite; AFH, RCF and ALF residential services. Day habilitation, pre vocation services, supported employment and psychosocial rehabilitation services could be added in a later phase of implementation as eligibility criteria is expanded to serve additional groups. New fiscal impacts would need to be made at that time.

- d. **Will it take new staff to implement and maintain? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary. Attach position descriptions.**

32 Positions/24.78 FTE

25 Permanent Funded Positions

6 Human Services Case Manager (RCF)

1 Office Specialist 2 (RCF)

2 Client Care Surveyor

3 Operations & Policy Analyst 3

1 Operations & Policy Analyst 2

8 Human Services Case Manager (In-Home)

2 Human Services Assistant (In-Home)

2 Research Analyst 3

7 Limited Duration Positions

2 Information Systems Specialist 8

4 Information Systems Specialist 7

1 Operations & Policy Analyst 3

- e. **What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?** Case managers/Supervisors will need a minimum of an additional 5 days of training to develop skill sets for the delivery of additional screening tools to provide eligibility determinations and individual assessment. All start up costs are included in the ongoing cost figures noted in (f) below.

f. What are the ongoing costs?

Permanent staff costs and program costs

g. What are the potential savings? Assumptions to be used in calculating savings if necessary. 1) Reduced use of nursing home bed days with access to better designed and less expensive package of services for persons who have not been able to be served in HCBS settings. 2) Workload reduction for local APD offices who deliver hours of unreimbursed case management service trying to find services for persons denied HCBS services under the waivers.

h. Based on these answers, is there a fiscal impact? Yes. However costs could be phased in over the biennium by a) changing eligibility criteria later in the biennium to increase numbers of eligible individuals; b) create waiting lists or c) limiting program implementation to certain geographic areas of the state.

i. What are the sources of funding and the funding split for each one? Include grant names and fund type, such as “Medicaid, General and Federal Funds.” General Funds and Federal Funds. Some of the GF funds needed could be shifted from the Medicaid programs (HCBS Waiver, Rehabilitation and Personal Care) where these clients are currently being served.

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