

Seniors and People with Disabilities Division (SPD)

Seniors and People with Disabilities

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Ways and Means

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Independent. Healthy. Safe.

APD 11-13 Budget At Current Rates

APD Estimate of 2011-13 costs with current rates and no reductions This example assumes APD is not in a managed care setting		
Category of Service APD	24 Month TF Cost	GF
Community Facilities	\$ 563,480,391	\$ 209,051,225
In-Home	\$ 371,886,380	\$ 138,064,197
Other Services	\$ 345,359,222	\$ 128,128,271
OSIP/ OPI / OAA	\$ 43,246,743	\$ 11,880,104
Sub-Total	\$ 1,323,972,736	\$ 487,123,797
Nursing Facilities	\$ 656,681,914	\$ 243,853,579
Less: Projected Estates Recovery		\$ (16,170,000)
Less: Anticipated Provider Tax		\$ (83,600,000)
Net Nursing Facilities Total	\$ 656,681,914	\$ 144,083,579
Total APD Based on Current Rates	\$ 1,980,654,650	\$ 631,207,377
GBB - Adjusted		\$ 508,454,499
Difference Current Rates no reductions to GBB		\$ 122,752,878

External Constraints/Considerations

- Maintenance of Eligibility
- Maintenance of Effort
- Statutory changes
- CMS approval
- Collective Bargaining
- Medicaid Long-term Care Quality Reimbursement Advisory Council review

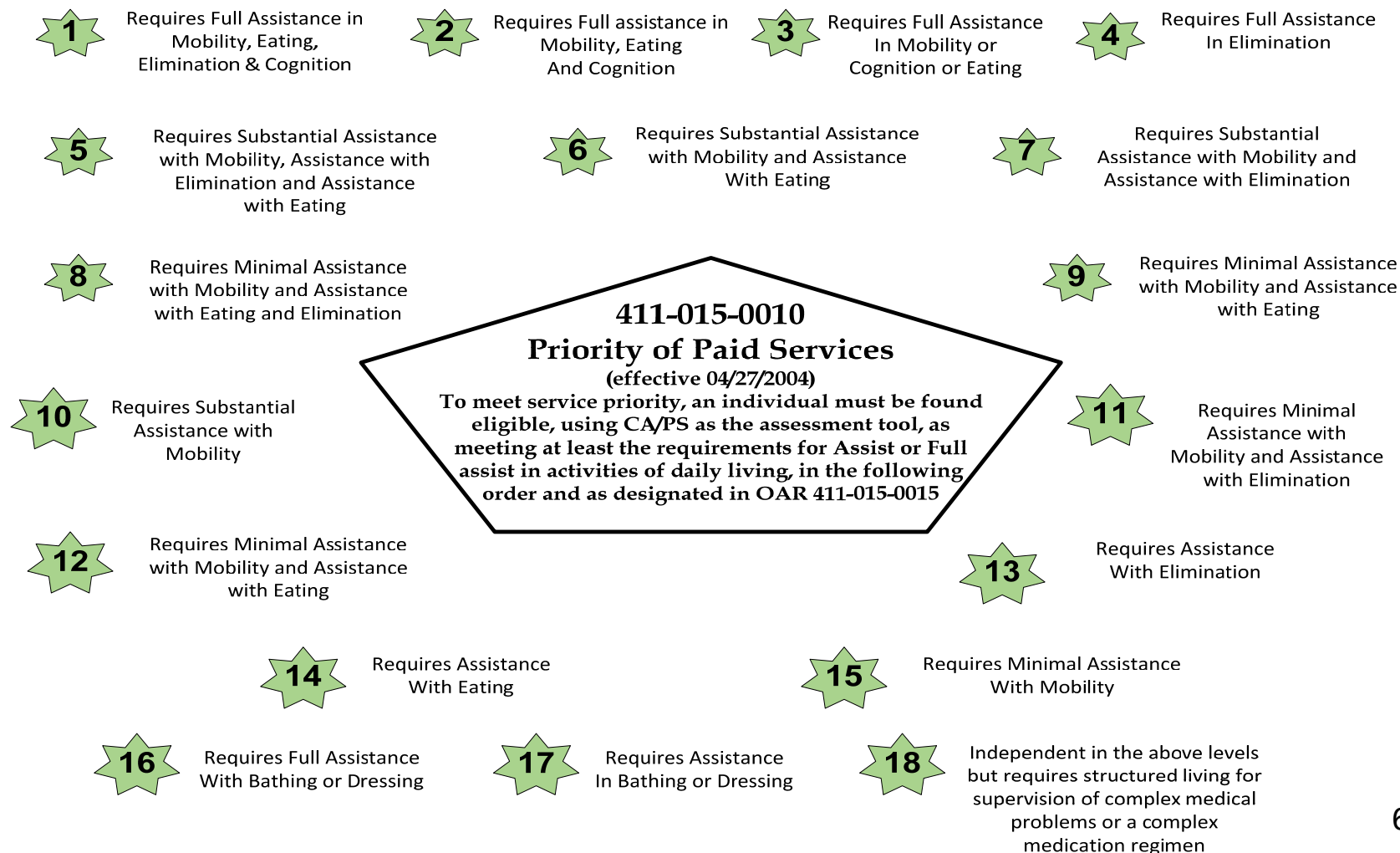
New Federal MOE/Eligibility Requirements

- The Affordable Care Act (Healthcare Reform) has new Medicaid maintenance of effort requirements - dating back to March 2008 as required by the Deficit Reduction Act.
- Additionally, as a condition of receiving Federal Medicaid funding, States must maintain:
 - *“eligibility standards, methodologies, and procedures that are no more restrictive than those in effect on March 23, 2010.”*
- Coverage for adults under the Medicaid program generally remains in place until the Secretary determines that an insurance exchange is fully operational, likely January 1, 2014.

In-Home Services (Current Rates)

In-Home	11-13 Caseload	Average Cost Per Case	Client Contribution	Cost After Client	24 Month Cost	General Fund
Hourly	9,113	\$ 907.19	\$ 48.07	\$ 859.12	\$ 187,899,853	\$ 69,710,846
Live-in	1,102	\$ 1,765.32	\$ 107.82	\$ 1,657.50	\$ 43,837,560	\$ 16,263,735
Spousal	143	\$ 1,796.06	\$ 41.01	\$ 1,755.05	\$ 6,023,332	\$ 2,234,656
Personal Care	827	\$ 210.00	\$ -	\$ 210.00	\$ 4,168,080	\$ 1,546,358
Non Medical Transportation			\$ -	\$ -	\$ 4,860,000	\$ 1,803,060
FICA (7.65% of wages)				\$ -	\$ 18,507,555	\$ 6,866,303
FUTA/ SUTA				\$ -	\$ 14,400,000	\$ 5,342,400
Health Insurance				\$ -	\$ 78,000,000	\$ 28,938,000
Training					\$ 150,000	\$ 150,000
Independent Choices	300	\$ 1,950.00	\$ -	\$ 1,950.00	\$ 14,040,000	\$ 5,208,840
			In-Home Subtotal		\$ 371,886,380	\$ 138,064,197

Service Priority Levels - Activities of Daily Living



ADL and IADL Hours by Service Priority Level

Service Priority Level	Number of Clients	Avg Hrs ADL	Avg Hrs IADL	Avg Hrs IADL at 25% reduction
1	230	196.2	68.7	51.5
2	18	136.1	56.9	42.7
3	2,956	125.1	60.3	45.2
4	359	85.4	54.9	41.2
5	539	76	52.2	39.2
6	86	39.5	39.5	29.6
7	3,666	50.4	43.9	32.9
8	23	44.5	38	28.5
9	17	31.4	31.5	23.6
10	1,508	24.8	31	23.3
11	371	29	31.5	23.6
12	26	31.7	40	30.0
13	260	22.5	28.1	21.1

In-Home Services Reduction Options

- SPD is exploring use of the Community First Choice Option authorized under the Affordable Care Act (Health Care Reform) that would increase Federal Match rate by 6 percent for a three-year period. Services likely limited to in-home direct services and supportive services to keep individual independent.
- The State collectively bargains with Homecare Workers every two years with the current contract expiring June 30, 2011. Reduction options include:
 - reducing the hourly rate paid to Homecare Workers
 - reducing insurance coverage
 - reducing other benefits such as paid leave.
- Reduce or Eliminate the limited Personal Care Medicaid Benefit used avoid higher cost waiver services – however would also impact personal care services in Mental Health and Developmental Disability programs
- GBB assumes a 25 percent IADL reduction which equals about a 10 percent loss in hours for most clients. IADLs include services such as housekeeping, meal preparation, shopping and assistance with medications.

Community Based Care Facilities (Current Rates)

Category of Service APD	11-13 Caseload	Average Cost Per Case	Average Client Contribution	Average Cost After Client Contribution	24 Month Cost	General Fund
Community Facilities						
Adult Foster Home- Commercial	3,233	\$ 1,874.13	\$ 280.28	\$ 1,593.85	\$ 123,670,009	\$ 45,881,573
Adult Foster Home- Relative	1,603	\$ 1,258.16	\$ 116.49	\$ 1,141.67	\$ 43,922,328	\$ 16,295,184
Assisted Living Facilities	4,348	\$ 2,006.52	\$ 371.29	\$ 1,635.23	\$ 170,639,521	\$ 63,307,262
Residential Care Facilities	1,029	\$ 1,485.88	\$ 322.33	\$ 1,163.55	\$ 28,735,031	\$ 10,660,696
Contract Residential Care Facilities	1,864	\$ 3,356.10	\$ 461.93	\$ 2,894.17	\$ 129,473,589	\$ 48,034,702
PACE	970	\$ 3,036.48	\$ 396.15	\$ 2,640.33	\$ 61,466,882	\$ 22,804,213
Specialized Living	160	\$ 1,545.75	\$ 94.44	\$ 1,451.31	\$ 5,573,030	\$ 2,067,594
		Community Facilities Subtotal			\$ 563,480,391	\$ 209,051,225

Community Based Care Facilities Medicaid Reliance

Setting	Occupancy Percentage	% Medicaid occupancy	% Non Medicaid occupancy
Assisted Living Facilities (212)	89.60%	40.20%	59.80%
Residential Care Facilities (239)	81.70%	34.90%	65.10%

Setting	Licensed Beds	Number Medicaid Filled Beds	Percent Medicaid Filled Beds
Adult Foster Homes (3,850)	10,201	4,662	45.70%

Setting	Number Enrolled	Percent of Medicaid Clients	Percent of Non-Medicaid Clients
Programs of all Inclusive Care For the Elderly (PACE)	879	98.80%	1.20%

Community Based Care Reduction Options

- The only option available in this area is to reduce rates.
 - CBC Rates are all inclusive for 24/7 services needed by client (rates do not include room/board). As a result, there are no opportunities to decrease benefit levels.
 - Can't reduce eligibility (i.e., Before health reform, Oregon already eliminated services to individuals in SPLs 14-17)
- Rates paid to adult foster homes (both commercial and relative) are governed by collective bargaining.
- CMS approval of all rate changes will be required. State will be required to demonstrate rates are adequate for access and quality.

Nursing Facility Services (Current Rates)

Nursing Facilities	11-13 Caseload	Average Cost Per Case	Client Contribution	Cost After Client	24 Month Cost	General Fund
Nursing Facilities Basic	3,868	\$ 6,450.57	\$ 1,081.68	\$ 5,368.89	\$ 498,404,379	\$ 184,908,025
Nursing Facilities Complex	558	\$ 8,988.89	\$ 631.01	\$ 8,357.88	\$ 111,928,788	\$ 41,525,580
Nursing Facilities Enhanced Care	60	\$ 8,988.89	\$ 558.02	\$ 8,430.87	\$ 12,140,450	\$ 4,504,107
Nursing Facilities Pediatrics	52	\$ 10,898.34	\$ 55.65	\$ 10,842.69	\$ 13,531,672	\$ 5,020,250
Nursing Facilities Extended Care	158	\$ 4,424.66	\$ -	\$ 4,424.66	\$ 16,778,292	\$ 6,224,746
Nursing Facilities OHP PHEC	10	\$ 8,988.89	\$ -	\$ 8,988.89	\$ 2,157,334	\$ 800,371
Nurse Aide Training					\$ 1,741,000	\$ 870,500
				NF Subtotal	\$ 656,681,914	\$ 243,853,579

Nursing Facility Occupancy

Setting	Occupancy Percentage for the year ending 6/30/10	% of census attributable to Medicaid	% of census attributable to Non Medicaid
Nursing Facilities (140 licensed NFs in Oregon)	59.15%	63.13%	36.87%

Nursing Facility Length of Stay

Nursing Facility Services (Medicaid Long Term Care only)	Percentage of Nursing Facility Caseload
Less than 30 days	16.43%
31-60 days	5.83%
61-100 days	6.16%
101-180 days	11.53%
181-365 days	17.06%
Over one year	42.99%

Nursing Facility Revenue Sources

Setting	Percent of Revenue attributable to Medicaid	Percent of Revenue attributable to Medicare	Percent of Revenue attributable to Other Payer Sources
Nursing Facilities	55.74%	18.97%	25.29%

Nursing Facilities Rate Setting Basics

- Nursing Facility rate setting is tied to the Provider Tax statute. ORS 409.750
- Current statute requires SPD to pay nursing facilities at the 63rd percentile of allowable costs.
- Current statute exempts nursing facilities tied to Continuing Care Retirement Communities and those with high (85% and above) Medicaid census levels.
- GF need for NF rates reduced by collections from estates recovery (est. for 11/13 = \$16.2M) and provider taxes (anticipated for 11/13 = \$83.6M).

Nursing Facility Basic Rates

Description	Rate Information
ORS 409.750 “Basic” Rate (SFY11)	\$212.12
63 rd Percentile per ORS 409.750 (SFY12)	\$236.24 (year one) \$241.95 (year two)
GBB	\$179

Nursing Facility Costs

Description	Cost Per Resident Day (Year Ending 6/30/10)
Average of 1 st Quartile	\$261.80
Average of 2 nd Quartile	\$226.03
Average of 3 rd Quartile	\$208.61
Average of 4 th Quartile	\$182.70
Overall Average	\$219.90

Nursing Facility Reduction Options

- Amend NF rate-setting statute (ORS 409.750) to:
 - Reduce “allowable cost” percentile or create flat rate for NF reimbursement across service types
 - Narrow criteria or eliminate use of complex medical needs additional payment
 - Eliminate exemptions from provider tax
 - If exemptions are eliminated, Oregon could increase the maximum provider tax collections (current levels with exemptions set at 5.5 percent & 6 percent effective 10/1/11)
- Seek Federal approval to limit NF length of stay

GBB: Long-term Care Re-design Proposal

- The GBB assumed funding for long-term care services would be combined with health benefits in a comprehensive coordinated care approach.
- The GBB assumed rate reductions to NF (19%), CBC (16%) and In-Home (16%) Long-term Care services.
- The GBB assumed Oregon significantly limited NF stays in year 2 of biennium (post-hospitalization and transition only) by coordinating medical care and follow-up around high acuity clients in community settings.

OPI/OAA/OSIP

09-11	Reduction Levers 11-13 GBB
Oregon Project Independence* \$10M GF, \$10M TF *ORS 410.410	Oregon Project Independence \$5.98M GF*, \$5.98M TF
Older Americans Act \$0 GF, \$31.3M TF	Older Americans Act \$0 GF*, \$31.3M TF <i>*OPI is used for the required state maintenance of effort to receive OAA</i>
Oregon Supplemental Income Program \$5.9M GF, \$5.9M TF	Oregon Supplemental Income Program \$5.9M GF, \$5.9M TF

OPI Reductions – Implementation Options

- Create asset test to qualify for OPI in-home services.
- Ensure standard implementation of existing client cost-sharing schedule statewide.
- Define minimum core services.
- Set cap on amount spent for admin/case management.
- Implement a statewide 25-hour per month maximum services plan.
- Continue exploring opportunities for federal match.

Other Services (Current Rates)

Other Services	11-13 Caseload	Cost Per Case	Average Client Contribution	Cost After Client	24 Month Cost	General Fund
Home Delivered Meals					\$ 6,532,000	\$ 2,423,372
Adult Day Services					\$ 1,290,000	\$ 478,590
In-Home Agency					\$ 8,486,300	\$ 3,148,417
Community Transition					\$ 138,000	\$ 51,198
Home Adaptations					\$ 616,000	\$ 228,536
Medicare Buy-in Part A	3,004	\$ 456.00	\$ -	\$ 456.00	\$ 32,875,776	\$ 12,196,913
Medicare Buy-in Part B	102,236	\$ 120.40	\$ -	\$ 120.40	\$ 295,421,146	\$ 109,601,245
			Other Services Subtotal		\$ 345,359,222	\$ 128,128,271

“Other Services” Reduction Options

- Reduce or Eliminate Medicaid Home Delivered Meals to approximately 940 Seniors and People with Physical Disabilities
- Reduce or Eliminate Adult Day Services
- Reduce or Eliminate In Home Agency services – However client would be eligible for similar Home Care Worker Services offsetting savings
- Reduce Medicare Buy-in / Medicare Savings Program – However failure to pay premiums would result in drastically higher costs for the Oregon Health Authority since they would revert to “first payer” status.

Next Steps for DHS APD Budget Options

Difference between cost to continue current APD programs/
services at current rates and GBB investment =
\$122,752,878 GF. (slide 2)

DHS is currently working on pricing options based on the
reduction options (rate/program “levers”) identified today.

- **Where would the committee like DHS to prioritize its focus?**
- **Are there particular options highlighted today that the committee would like DHS to explore further?**
- **Are there options not mentioned today the committee would like DHS to explore?**