Lewin Group Report on APD and I/DD DHS Budget Sustainability Disappoints Advocates, Consumers, Providers, and Labor Groups

The Campaign for Oregon’s Seniors & People with Disabilities is disappointed in the final report to the legislature by the Lewin Group (Bending the Curve – Draft Final Report. February 10, 2016) regarding sustainability of the DHS APD and I/DD budget.

The Lewin Report goes well beyond the reasonable boundaries set out in the Co-chair’s 2015 budget note on APD and I/DD sustainability, and is not narrowly focused. We lack confidence in the validity of the report’s findings for the following reasons:

- **Incomplete data** – The Lewin group’s report fails to provide concrete and valid data analysis, particularly from the I/DD system, making it unreasonable to assess the savings that would result from any of the report’s suggestions.

- **No comparisons** - The report fails to provide comparisons between sustainability in APD and I/DD, spending on acute care versus home and community based care, and models in other states compared to Oregon’s current model. The 2015 budget note on budget sustainability specifically required a comparison between Oregon’s experience with the K-Plan and those of other states, such as California, and we find this to be lacking in the report. Numerous studies and scorecards have shown that in state-by-state comparisons, Oregon’s long term care system is one of the best in the nation when considering overall cost effectiveness, meeting needs of the consumer and efficiency.¹

- **Failure to acknowledge federal funds** - The Lewin report does not discuss the impact of the loss of federal Medicaid funds that would result from some of the proposed changes. In just the first year of the K Plan, Oregon pulled down over $100 million additional funds from the Federal government as a result of the plan. An analysis of funds that would be lost to state budgets due to proposed changes must be a part of considerations for change.

- **Overly simplistic account of caseload trends** - The Lewin report shows caseloads in APD and I/DD continuing to grow at the current rates that were presented in the DHS report to the Ways & Means Human Services Subcommittee during the November 2015 Legislative Committee Days. The report does not take into account that the rapid growth in DHS costs were incurred at a time when significant policy changes were enacted, but will likely stabilize (Department of Human Services

¹ “Raising Expectations: State Scorecard on Long-term Services and Supports for Older Adults, People with Physical Disabilities and Family Caregivers,” Second Edition 2014 (prepared by AARP, The Commonwealth Fund and The Scan Foundation: [www.longtermscore.org](http://www.longtermscore.org)) assesses Oregon 3rd in national on overall indicators and 5th in % of Medicaid and State funding going to HCBS (rather than SNFs) for older adults and persons with physical disabilities.
Rates of growth from one or two years ago are not the same rates of growth today or expected in coming years.

- **Incomplete recommendation of implementing managed long term supports and services (LTSS) in Oregon** - The Lewin Group recommendations include an option to incorporate DHS long-term care spending into the CCOs, which essentially would place a well-functioning LTSS system into a health care system experiencing unprecedented change and reform. We believe this to be a direction that would lead to a degradation of the quality and effectiveness of the long term care system.

Furthermore, the report failed to recognize that greater coordination with the CCOs for the dual eligible population is a proposal that is already possible in Oregon. Dually eligible beneficiaries make up 17 percent of the Medicaid population, but 40 percent of the costs (including LTC) in Oregon. In HB 3650 (2011), the legislature directed OHA to seek Federal waivers and permissions necessary to allow CCOs to provide Medicare and Medicaid services to dually eligible individuals. However OHA has yet to exercise this authority.

- **Flat eligibility cuts** – The callous suggestion to simply slash eligibility for 48% of individuals served by APD would certainly curb cost growth, but would be severely detrimental to the tens of thousands of vulnerable Oregonians who would be not only left with out critical services but would also be left to decline into higher acuity needs which comes at a higher overall cost in services and supports.

There are several concepts brought forth by stakeholders and shared by the Lewin Group that could merit further conversation and study. These include:

- Careful analysis of eligibility criteria and determination
- Thorough examination of cost sharing across the entire system
- Critical analysis of the use of natural supports that is fair, holistic, and sustainable
- Greater coordination with CCOs and OHA, as allowed by HB 3650 (2011)
- Adequate support for family caregivers

The Campaign for Oregon’s Seniors & People with Disabilities looks forward to open and inclusive conversations with legislators, stakeholders, and the Department of Human Services to achieve consensus on ways to meet our mutual goals of providing quality and cost-effective long term supports and services in a sustainable manner that prioritizes the independence, dignity, choice and safety of our seniors and people with disabilities.

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