



## History

Oregon Project Independence is an Oregon created and grown program, founded in 1975. At that time in the history of long term services and supports, care for the elderly and seniors was mostly through nursing facilities or other restrictive forms of institutionalization and prior to the implementation of Home and Community Based Waivers. Through the efforts of citizen advocates,

House Bill 2163 was passed which established Oregon Project Independence (OPI). The program began serving seniors in 1976.

OPI was the first program of its kind in the nation – providing a safety net for seniors who were not currently being served by Medicaid but were at risk of spending down into Medicaid services or entering a more restrictive care setting such as a nursing home

prematurely or unnecessarily. The theory was simple ~ a little bit of support can help a senior stay in their home and in their community at a cost that is far less than if that person moves onto entitlement programs and into a facility based care plan. OPI is often thought to have helped pave the way for a national conversation on alternatives to nursing facility based care for the elderly.



## Program

To receive support and services through OPI, and remain true to the goal of helping those most at risk of premature or unnecessarily more restrictive care, an individual may not be receiving Medicaid funded services to be eligible for OPI. OPI is funded entirely through state General Fund which allows maximum flexibility for program design but also

leaves the program at the mercy of fluctuations in appropriated resources to support the individuals served. To be eligible for services through OPI, an individual must be 60 years or older, or be diagnosed with Alzheimer's or a related dementia, must not be receiving Medicaid services with the exception of Food Stamps or assistance with Medicare premiums

and must be functionally eligible for long-term care services as defined by the Service Priority Levels 1-18, used in the Medicaid program. OPI consumers served may not be receiving Oregon Health Plan services as well, which long term services and supports consumers in Medicaid do receive. OPI administrative costs are limited to 10% of expenditures.

In its original incarnation, OPI was created for those who may have too many resources to be eligible for Medicaid services. However, with the change in demographics and population in our state, OPI has become a safety net program for frail and vulnerable adults when there is limited or no access to other long term care services and at times is a safety net program when other programs have limitations. In times of budget reductions, OPI has been considered as a safety net program but the ability to serve the role has

become greatly limited. The need for the program has greatly expanded past the initial purposes. Lawmakers and budget writers have identified the dramatic cost savings the program can provide to help an individual remain in their own home. Consumers have identified the program as a way to stay in their own home and their own community.

Services through OPI, provided statutorily by Area Agencies on Aging, include personal and in home care, adult day care, assistive technology, registered nursing services, home

delivered meals and are made possible through service coordination and case management. The goals of the program are to promote the quality of life and independent living for those receiving services.

Home care workers and agencies provide the in-home care for consumers. Costs for these services are the same as through the Medicaid program. However, OPI is a capped program which allows the overall dollars for the program to be used in a highly efficient way.



## People We Serve

The Oregon Department of Human Services, in conjunction with NorthWest Senior & Disability Services, complete an evaluation of OPI in Fiscal Year 2014. In this evaluation, OPI consumers were shown to have an average gross income of \$1,225 per month and a median income of \$1,162. The vast majority of OPI consumers are at 125% of the Federal Poverty Guidelines for 2014. Average net income, after the deduction for medical expenses, for OPI consumers was \$614. **Over 96% of all OPI consumers are at income levels that would qualify them for Medicaid, which is at or below 200% of the Federal Poverty Level.**

The average age of OPI consumers was 79. By comparison, the average age in 2014 for a Medicaid senior long-term care consumer was 74.

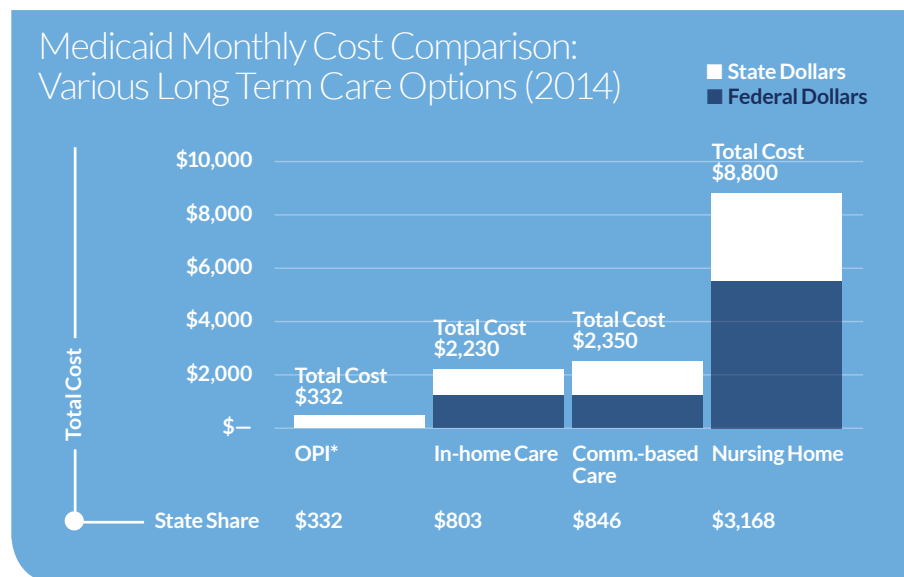
Over 60% of OPI consumers in FY 2014 were assessed at Service Priority Levels 1-13. These are the levels currently covered by Medicaid as well. Many individuals served in OPI at these levels would qualify for Medicaid, which would come at a higher overall service cost and would also include the cost for Oregon Health Plan benefits.



## Cost Benefit Analysis

In the Fiscal Year 2014 Oregon Project Independence Evaluation, the average annual cost for services and administration for an OPI consumer was \$3,176.89. The Department of Human Services, in their 2017-19 Agency Request Budget, calculates the cost of services per month at \$332 per consumer.

Compared to Medicaid long-term care options, OPI demonstrates a significantly more efficient utilization of State General Fund dollars for a population that by and large could be served in the Medicaid program.



In Fiscal Year 2014, an analysis conducted by the Department of Human Services showed service expenditures for consumers age 60+ in Medicaid was \$97,253,067.50. In Oregon Project Independence, expenditures were \$4,658,920.26 for consumers age 60+. After subtracting consumer co-pay from both programs, but without factoring in the cost of the Oregon Health Plan for Medicaid consumers, total program costs were as follows:

### Medicaid Long Term Care

9,652 seniors served

**\$9,506.69 average cost per consumer**

### Oregon Project Independence

2,802 seniors served

**\$1,621.06 average cost per consumer**

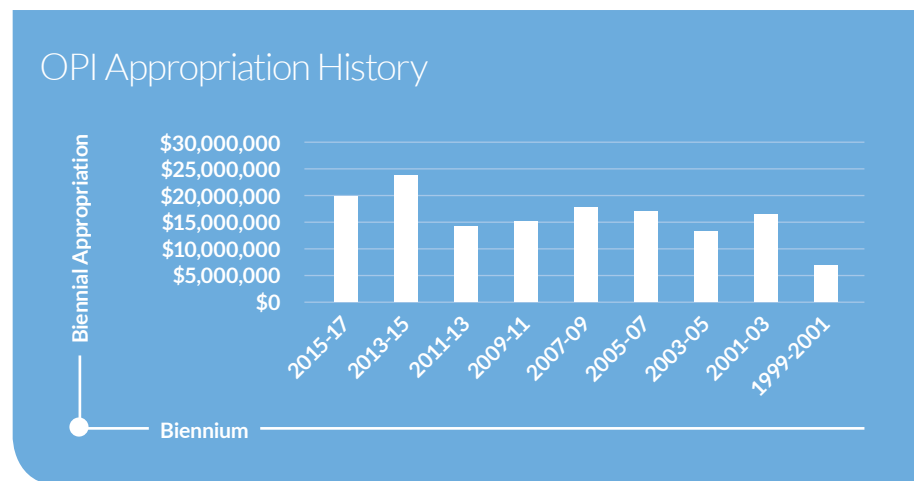




## The Program Instability

Oregon Project Independence is currently funded through State General Fund. As such, it is subject to the current funding climate, priorities of the Legislature and overall budget process in securing funding. The state Legislature has prioritized programs that receive Medicaid match although there is significant discussion at this time about the high rate of growth in Medicaid long-term services and supports. Oregon Project Independence is one of the only alternatives for diversion that exist for Oregon.

Unstable funding allocation decision for OPI has left the program, while a significant cost diversion program,

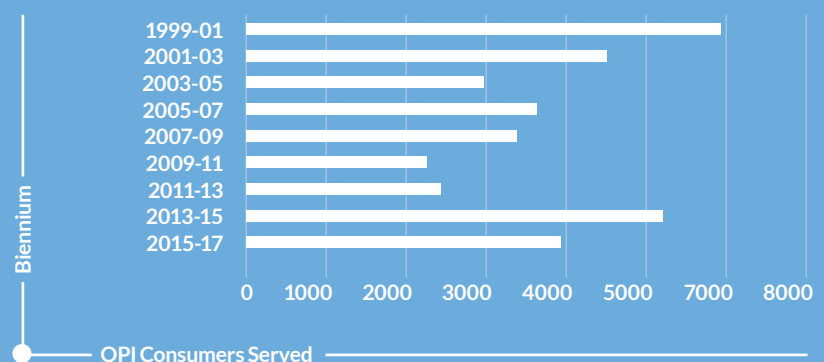


with massive fluctuations that are difficult to manage for consumers first and foremost who are faced

with uncertainty in their future within the program, and for the staff who administer OPI.



### OPI Consumers Served by Biennium





## The Opportunities for the Future

Oregon Project Independence remains one of Oregon's best tools to help reduce overall costs in long-term services and supports for Seniors and People with Disabilities and maintain independence for consumers. With efficient and effective services that allow an individual to remain in their own home and community independently, OPI is a critical part of the conversation on how to manage our valuable State resources to maximize care of our most vulnerable populations. The cost benefits are clear with a significantly lower price tag than unnecessary or premature reliance on Medicaid long term services.

In 2014, Oregon launched a pilot program to allow the program to serve individuals with physical disabilities. While statutorily possible, there had not been dedicated funding for this effort, in order to not limit the services available to the senior population. This Pilot has been operating in 5 areas around the state but is capped due to limited funding. The Pilot has shown a need for this program and desire for services by people with disabilities which would allow cost effective support and increase independence.

Currently OPI was funded at \$1 million less for the 2015-17 biennium and carries a wait list of over 1,000 in the senior program around the state. Higher costs for care have required many programs to enact cost reduction measures including limiting service hours and closing new enrollment in order to manage their appropriation through the entire biennium. Some programs may be required to enact further program reductions to make it through the remainder of the biennium.

As we look ahead to the 2017-19 biennium, OPI remains without stable funding for the future. While the program continues to demonstrate effective services and cost savings, OPI is unable to plan beyond a

24-month period which is detrimental first and foremost to consumers in the program or waiting to enter the program, Home Care Workers and others providing services to OPI consumers and to the Area Agencies administering the program on behalf of their communities.

Oregon Project Independence has the potential for expansion to

serve greater numbers of individuals safely rather than entrance into the Medicaid program. There is also potential to expand the current pilot for People with Physical Disabilities statewide to help more individuals remain in their homes and in their communities. New initiatives within Medicaid also offer the potential for some matching funds for the program for prevention services for the first time.

Oregon Project Independence also has potential to be a preferred program for care transitions within Oregon's Health System Transformation. With systems in place for in-home care, meal provision, medication management and other needed services to help an individual transition home, this cost efficient program can be a piece of the health system work to bend the cost curve and improve overall health and self-determination.

Oregon Project Independence requires priority from policy makers in the 2017-19 biennium to provide stability for individuals served, expand the reach of the program, continue to achieve cost effectiveness for state budgets and maintain Oregon's commitment to supporting the independence of our older adults and people with disabilities.



Oregon Association of Area Agencies on Aging Disabilities

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