

**LONG-TERM CARE
INFORMATION FORUM**

MAY 1, 2008

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AGENDA

FISCAL YEAR 2009 BUDGET UPDATE
POWERPOINT PRESENTATION -
MICHAEL J. HEAD

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NORA BARKEY

NURSING FACILITY TRANSITIONS
POWERPOINT PRESENTATIONS -
ELLEN SPECKMAN-RANDALL

CENTERS FOR MEDICARE AND MEDICAID
SERVICES PROPOSED REGULATIONS
STEVEN FITTON

LONG-TERM CARE INFORMATION FORUM
MAY 1, 2008
AGENDA

- 9:30 **WELCOME AND INTRODUCTIONS**
Peggy Brey, Interim Director
Office of Long-Term Care Supports and Services
- 9:45 **FISCAL YEAR 2009 BUDGET UPDATE**
10:15 Michael J. Head, Interim Deputy Director
Mental Health and Substance Abuse Administration
- 10:15 - **UPDATES**
11:15 * Long-Term Care Connections
 Nora Barkey, Project Coordinator
- * Nursing Facility Transitions
 Ellen Speckman-Randall
 Nursing Facility Transition Project Director
- 11:15 **CENTERS FOR MEDICARE AND MEDICAID**
11:30 **SERVICES PROPOSED REGULATIONS**
Steven Fitton, Director
Bureau of Medicaid Policy and Actuarial Services
- 11:30 - Open Forum
Noon



Michigan Department of Community Health

FY 2009 Budget for Long Term Care Services

Office of Long Term Care Supports and Services

**Michael Head
LTC Budget Consultant**

May 1, 2008



Key Changes

- Unified LTC appropriation line to support flexibility in implementing services
Senate Action: Did not support
- “Rebalance” with expansion of community care offset by lower Nursing Facility utilization
Senate Action: Did not support
- Redirects resources based on savings to assist rebalancing
Senate Action: Applied to support NF costs

FY 09 Executive Proposed

- \$32.4 million savings in NF costs resulting from:
 - Independent determination of functional eligibility
 - Low to no use of Medicaid LTC services for some individuals who transition from NFs back to home and community
 - Establishment of new PACE programs
- These savings allow funds for services:
 - Expanded PACE program
 - Develop Affordable Assisted Living model with MSHDA
 - Develop specialized residential care waiver option
 - Support expanded home care by reducing the MI Choice Waiver wait list

Specialized Residential Care

- \$14.1 million for developing a new waiver option
- 430 slots in licensed Adult Foster Care or Homes for the Aged to support special needs care
- For consumers needing 24 hr support and supervision that cannot be provided at home
- Adds home and community based services option that most states now have
- Targeted for development within SPE areas
- Can provide community option for those otherwise requiring NF care
- **Senate Action: Did not support**

MI Choice Waiver Wait List

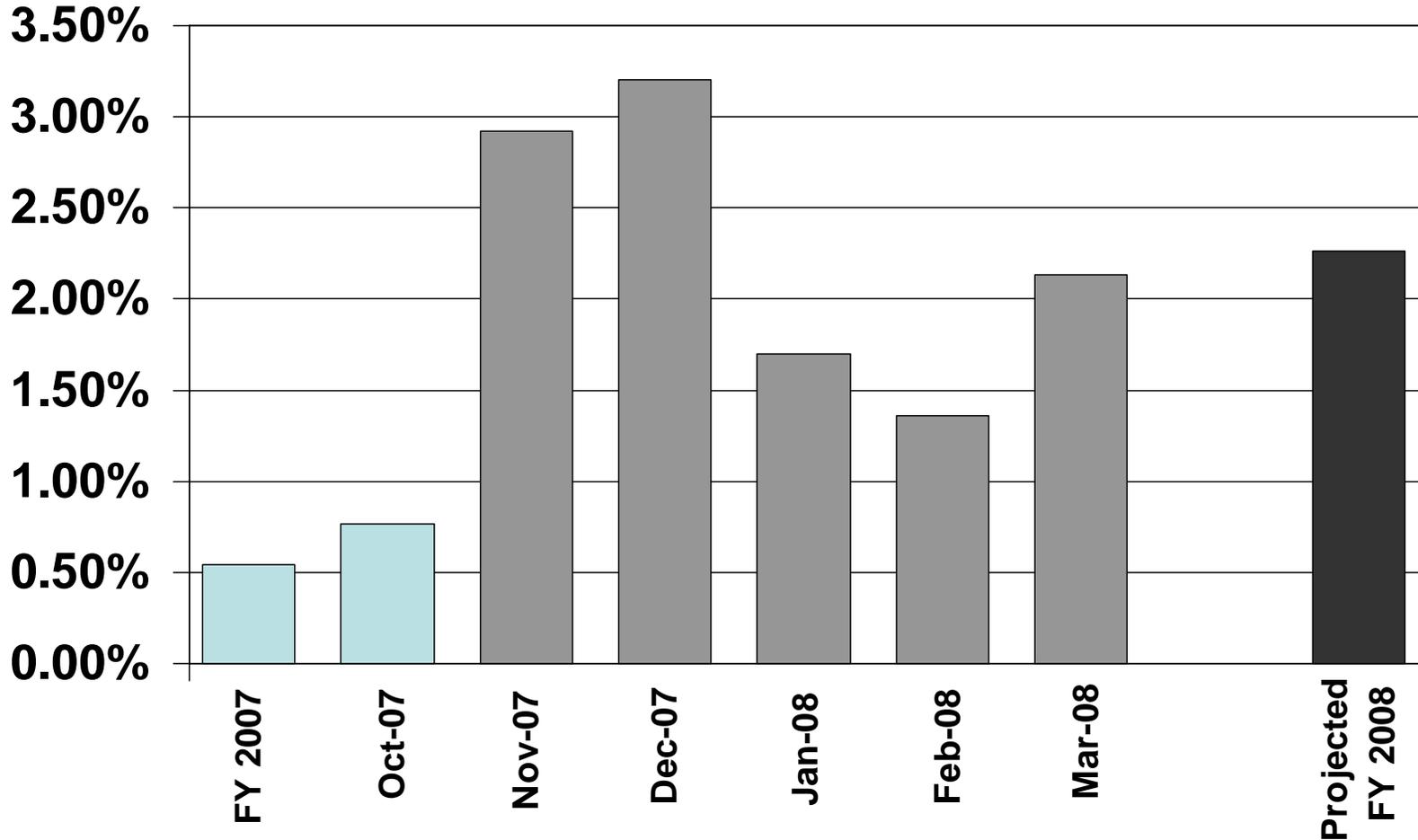
- \$10 million to address ~15% of MI Choice Wait List population
- Supports ~ 485 new MI Choice participants
- Allows MI Choice Wait List to be reduced
- 12% of Wait List population die or enter a NF during their wait
- Expansion targeted:
 - One-half in SPE areas
 - One-half in non-SPE areas
- **Senate Action: Supported \$636,800 Gross**

Sources of Nursing Facility Savings Targeted For Reinvestment

- “Level of Care” (LOC) determinations are running at lowered rates when conducted independently by SPE’s. This results in NF cost savings: \$5.8 million
- PACE expansion savings: \$10.4 million
- FY 08 & FY 09 transitions from NFs requiring minimal or no Medicaid LTC services: \$15.9 million

Nursing Facility Level of Care Determinations Percentage Found Ineligible

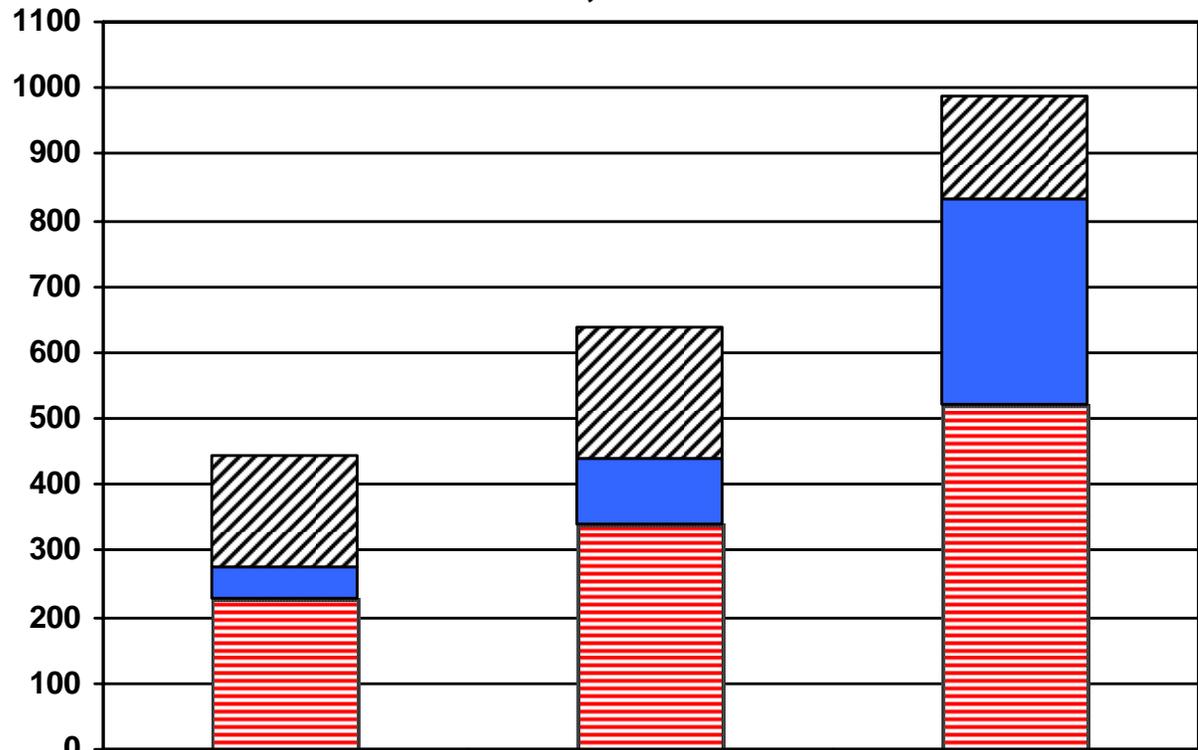
LTCCs started performing LOCDs November 1, 2007



FY 06, FY 07 & FY 08* NF TRANSITIONS

BY TYPE N = 2,070

Individuals requesting to move from a nursing facility to home & community-based care



	FY 2006	FY 2007	FY 2008*
▨ Not Transitioned	167	199	156
■ Other Community	48	101	307
▤ MI Choice	229	339	524

* FY 2008 Amounts are projected using activity to date and previous years trends.

Money Follows the Person CMS Grant

- Transition services for “individuals – in residence at least 6 months
- MFP grant supports MI Choice services: transfer \$7.5 million to Waiver
- Projected reduction in NF services costs
- Based on NF transition trends and enhanced NF transition Pathway
- FY 09 target: 400 transitionees

Feds Requires Savings Be Invested into Home Care

“CMS intends that once an individual has been transitioned to the community that savings over the cost of institutional services will then be *reinvested* into the States long term care system in order to increase the availability of Home and Community Based Services (HCBS). “

(Source: April 1, 2008 CMS letter to State Project Directors from Gale P. Arden, CMS Director)



Limit Nursing Facility Variable Cost Component

- Limits the NF rate increases to rate of inflation as determined by Centers for Medicare & Medicaid Services
- Holds annual variable rate increase closer to the CMS “Market Basket” index (~ 2.5%)
- Reduced increase in cost: (\$31.3) million
- Fairness in rate increases compared to other providers
- **Senate Action: Did not support**

Increase the Quality Assurance Assessment Retainer

- Proposed increases QAAP retained by state from \$39.9 to \$50.7 million
- Save \$10.7 million in general fund by increasing the retainer
- Would “lock in” retained revenue at 14.9% by statute.

Medicaid NF Per Diem Rate Michigan Ranks Near Top of Neighboring States*

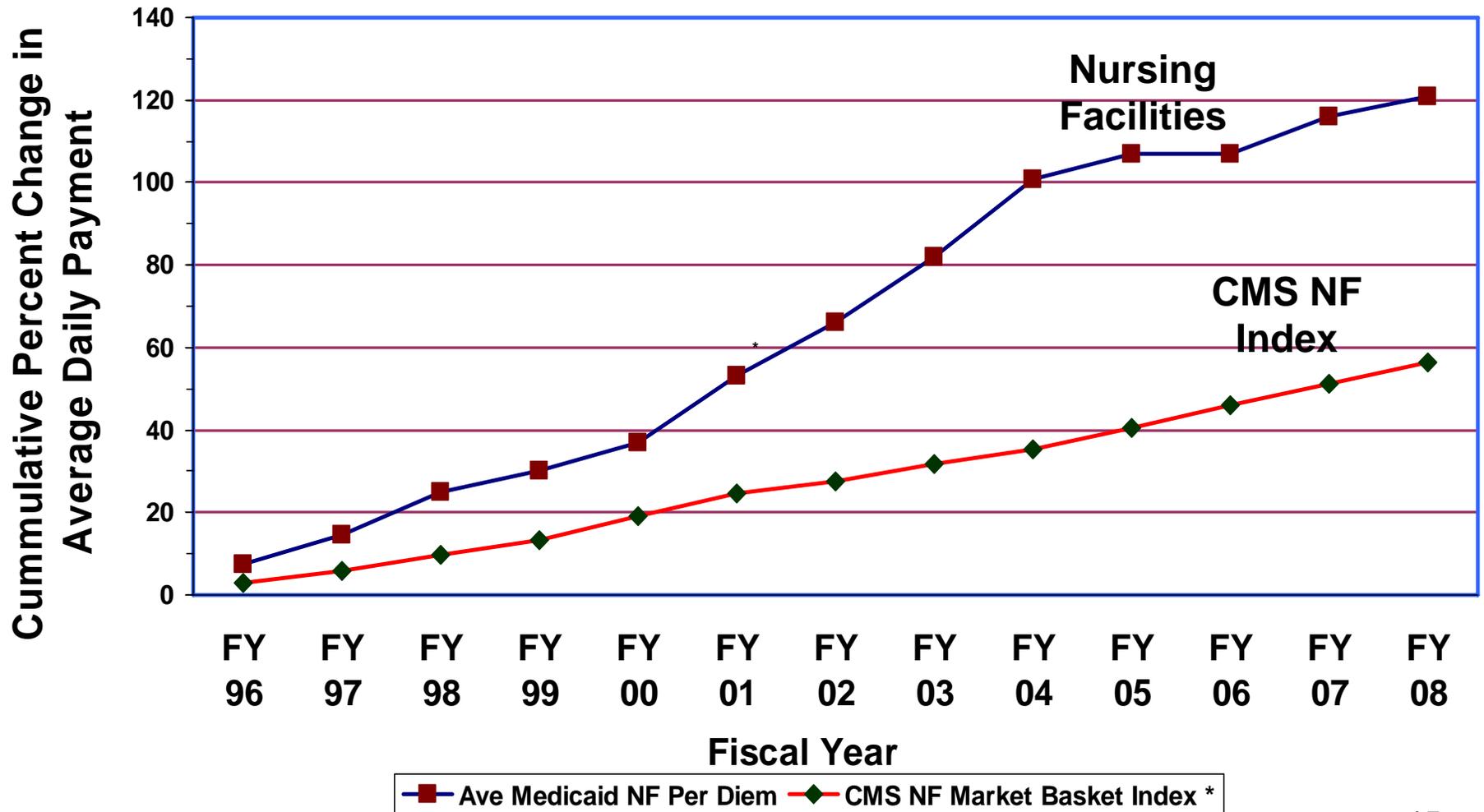
Rank	State	Rate	% of Michigan Rate
1	OH	\$144	121%
2	MI	\$119	100%
3	WS	\$110	92%
4	IN	\$103	87%
5	IL	\$ 90	76%

•Source: “Across the States, 2006 Supplement”, based on 2002 Data

NF Rates Have Increased At Rates Greater Than Inflation

- Reviewed cumulative Medicaid average daily payment rate increases for NF providers since FY 96
- NFs received an estimated cumulative increase of over 121% with QAAP included – over twice the rate of the CMS Global Insight Index thru FY 08

Change in Nursing Facility Daily Payments Vs. CMS NF Market Basket Index FY 96 – FY 08



1995 as Base Year

* Source: Global Insight Health Care Cost Review

Michigan's Long Term Care Connections

Informed Choice
Streamlined Access
Consumer Control

Nora Barkey
Michigan Department of Community Health:
Office of Long Term Care Supports and
Services

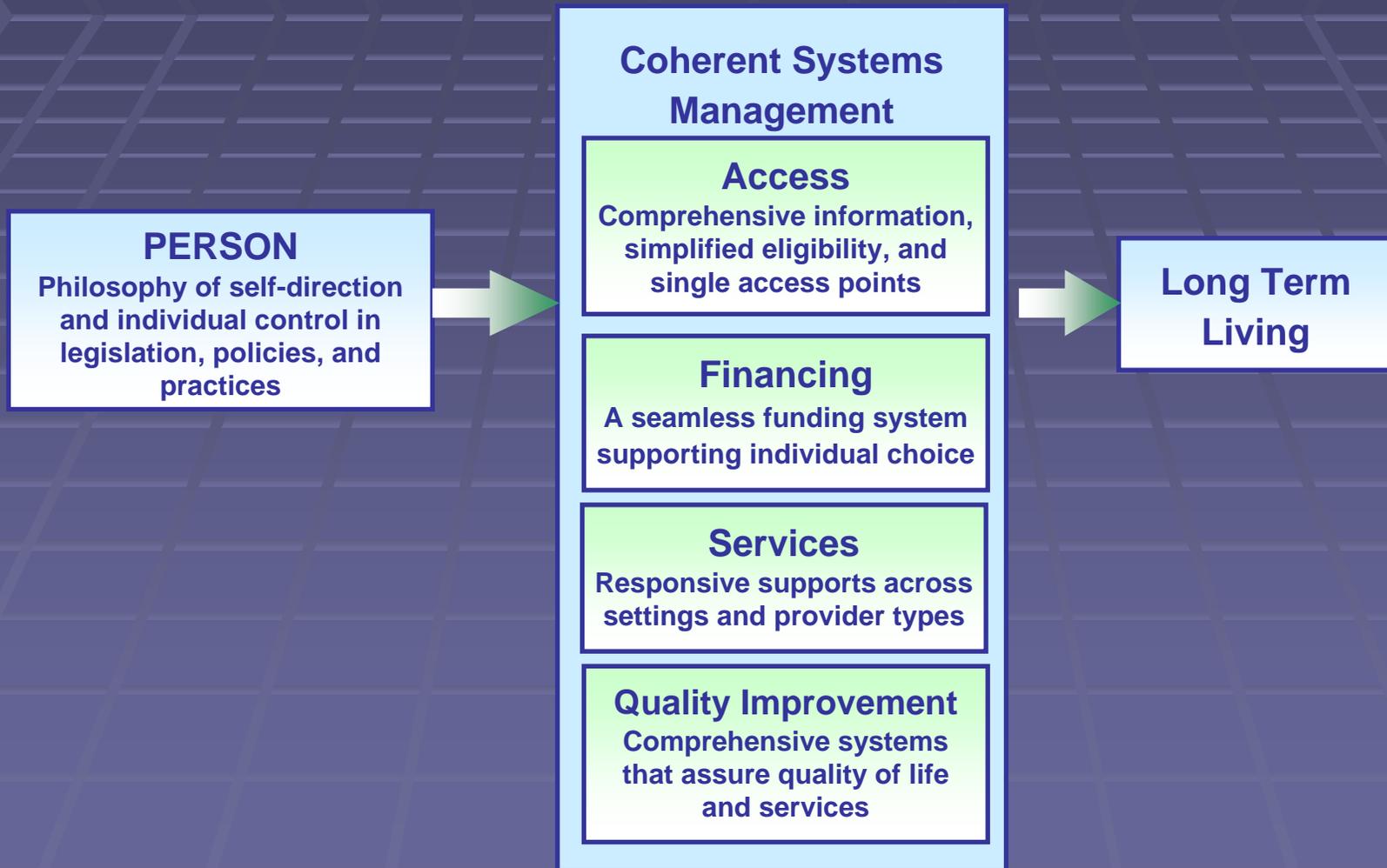


Long-Term Care
Connection

Why do we need the LTCC?

- No single place to go for comprehensive information and assistance
- Existing systems, providers and care networks are not well integrated
- Maze of programs difficult to navigate
- Costs of LTC are increasing and population is increasing
- Most people do not plan well for their LTC needs
- People can get “stuck” in LTC settings

Key Building Blocks



MI is working from and implementing a tested and successful model

- The national leaders in long term care have used ADRC/single entry point models.
- The states with the greatest success at promoting home and community based services have used single entry point models.

Vision

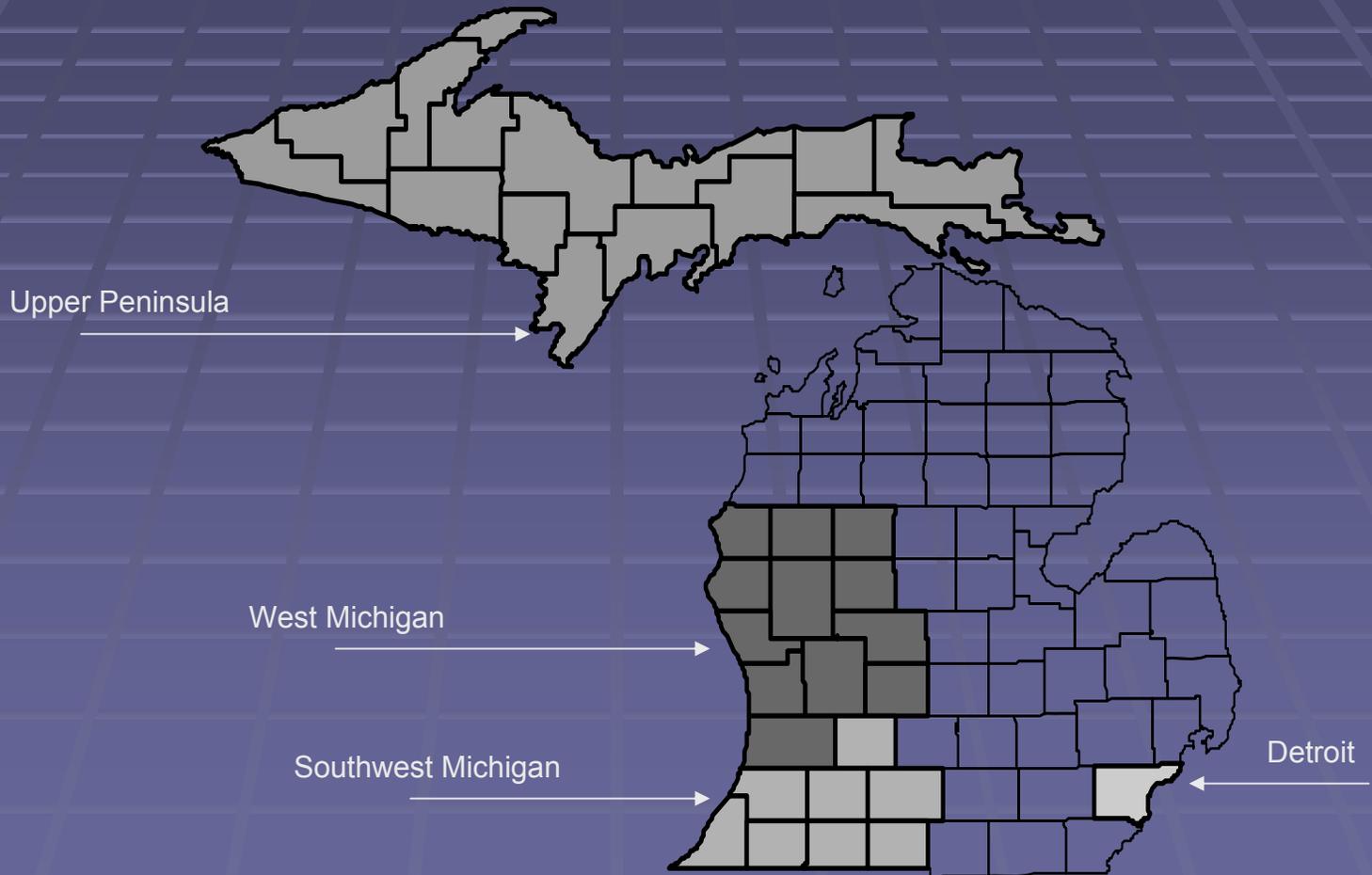
Each Long Term Care Connection site is a highly visible and trusted source of information and assistance about long term care, aiding Michigan residents with planning and access to needed services and supports, in accordance with their preferences.

Access To Information – Assistance - Services

Goal #1 - Provide consumers, caregivers and stakeholders with comprehensive information on long-term care options for current and future planning.

- Four LTCC Demonstration Projects
- Toll Free number
- Information and Assistance provided in over 33,000 contacts (calls, visits)

SPE DEMONSTRATIONS: Michigan's LTC Connections



Four Demonstration Sites

- **Detroit**

- Cities of Detroit, Grosse Pointe (GP), GP Farms, GP Park, GP Shores, GP Woods, Hamtramck, Harper Woods, Highland Park

- **Southwest Michigan**

- Barry, Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, and Van Buren counties

- **Western Michigan**

- Allegan, Ionia, Kent, Lake, Mason, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola and Ottawa counties

- **Upper Peninsula**

- Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon, and Schoolcraft counties

Calls – Oct 2007 to March 2008

- Number ▪ 13,698
- Type of callers
 - Consumer ▪ 31%
 - Caregiver ▪ 23%
 - Professional ▪ 18%
 - Other ▪ 26%
 - No Information ▪ 1.5%

Calls made for consumer

- 60 or older
 - Under 60 years of age
 - No information
- 74%
 - 16%
 - 10%

Where did caller hear about LTCC?

- Agency referral
 - LTC Facilities
 - Hospital/Dr/SW
 - Family/Friend
 - Media
 - Community
 - Other
 - Unknown
- 23%
 - 25%
 - 12%
 - 12
 - 4%
 - .4%
 - 10%
 - 14%

Reported Needs

October 2008 thru March 2008

(caller can have more than one need identified)

- Options Counseling and/or Level of Care Determination ■ 53%
- Basic needs/meals/housing ■ 30%
- HCBS including PACE ■ 25%
- Nursing facilities assisted living ■ 10%

Understanding & Planning

Goal #2 – Consumers explore and understand long-term care options with guidance from unbiased counselors.

- Resource Data Base with over 3,500 providers. Data Base includes for profit business as well as agency and government entities.
- 217 presentations to over 22,500 persons
- Long term care planning-using your resources, finding help you want, controlling your own budget.

Information and Assistance Survey Results

- Received Information I wanted 84.5%
- Understood the information 89.2%
- Person treated me with respect 95.3%
- Used information to make decisions 75.4%

PA 634

- Sec 109i 4)a Provide consumers and any others with unbiased information promoting consumer choice for all long-term care options, services, and supports.

Independent Entity: Governance

- Governing Board: Providers of direct service to consumers may not be members of the Governing Board nor may individual Governing Board members have a moneyed interest in the LTCC/SPE Agency. The Governing Board must have significant primary and secondary consumer representation.

Principles and Values of Person Centered Thinking

- Person Directed
- Capacity Building—Presume Competence
- Participation of Allies
- Informed Choice

Navigating System to Find Solutions

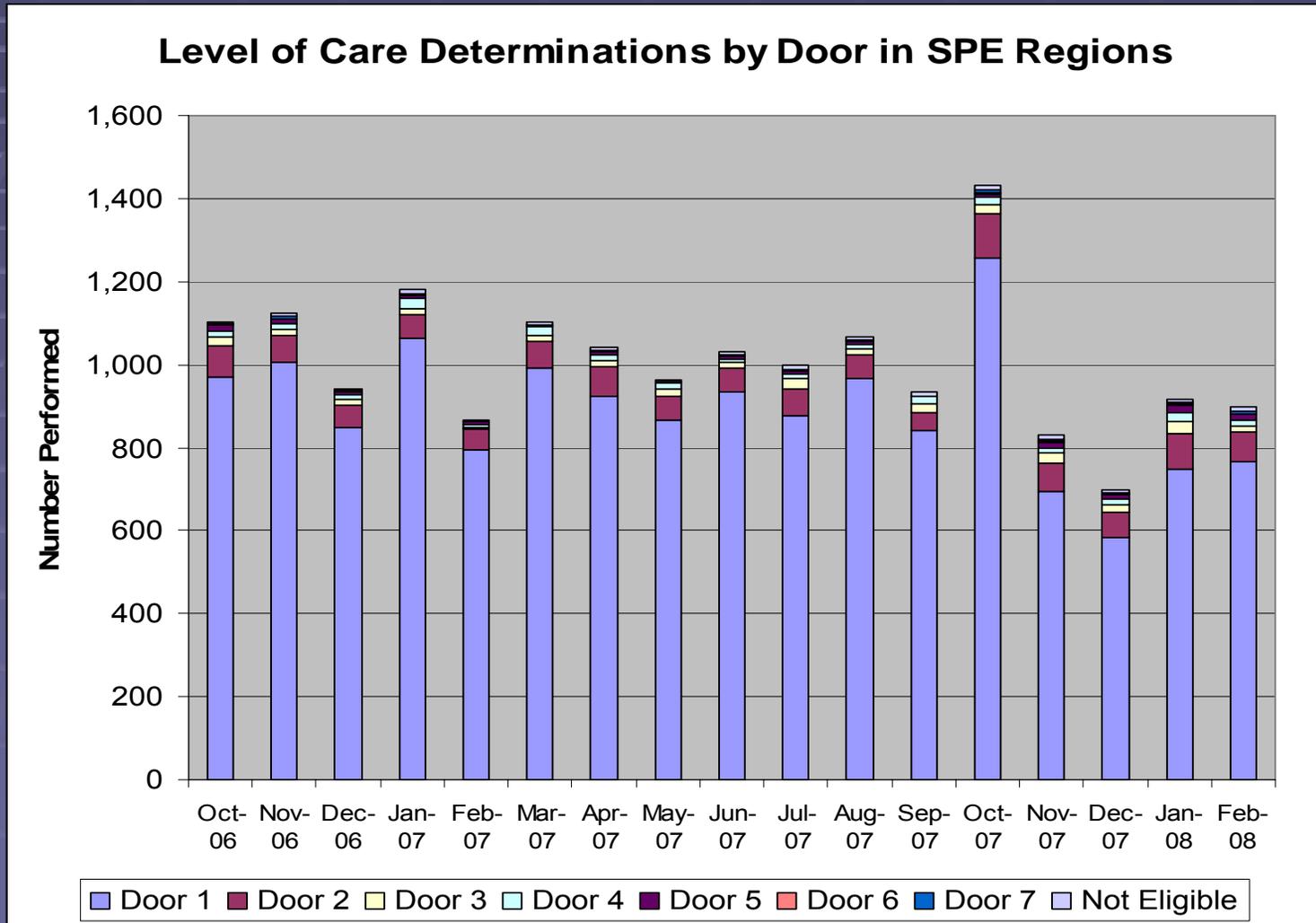
Goal #3 – Consumers receive options counseling for long-term care services, care settings, licensing, financing and benefit eligibility.

- Uniform, consistent standards, procedures and protocols are in place to determine functional eligibility.
- Medicare and Medicaid benefits are reviewed and understood.
- Consumers learn costs for care services and settings while learning to make the most of their resources.
- Conducted over 5,000 Level of Care Determinations (Nov 07-March 08)

PA 634

- Sec 109i 4(c) Assess consumers' eligibility for all Medicaid long-term care programs utilizing a comprehensive level of care assessment approved by the department of community health.
- Sec 109i (17) A single point of entry agency for long-term care shall serve as the sole agency within the designated single point of entry area to assess a consumer's eligibility for Medicaid long-term care programs utilizing a comprehensive level of care assessment approved by the department of community health.

LOC by "door"



Consumer Makes Information Decision

Goal #4 – Consumers make informed choices for residential settings and care services that best meet their needs and preferences, based on objective information, counsel and support.

- Consumers achieve control with the right information, at the right time to make their decisions.
- Over 8,000 persons received Options Counseling.
- Over 256 persons assisted with transition from Nursing Facility back to the community.

Options Counselors Expectations

- Listen
- Provide accurate and current information about the private and public benefits within the region.
- Present factors to be considered by the consumer— advantages and disadvantages of programs and benefits in respect to quality, compatibility with chosen lifestyle and residential setting, outcomes of most importance to the consumer, cost, available resources, etc.
- Provide information and technical assistance about accessing benefits.

Options Counselor work with consumer to develop the Long-Term Care Support Plan

PLANS INCLUDE:

- History and strengths
- Individual preferences and wishes
- Functional needs/health
- Financial and benefits status
- Informal supports (family, friends, neighbors) and current services
- Options—unbiased detailed information on an array of options, including but not limited to service environment, quality, risks, limitations, and capacity
- Goals and Actions
- Evaluate how available long term care options meet identified goals

Option Counselor Survey results

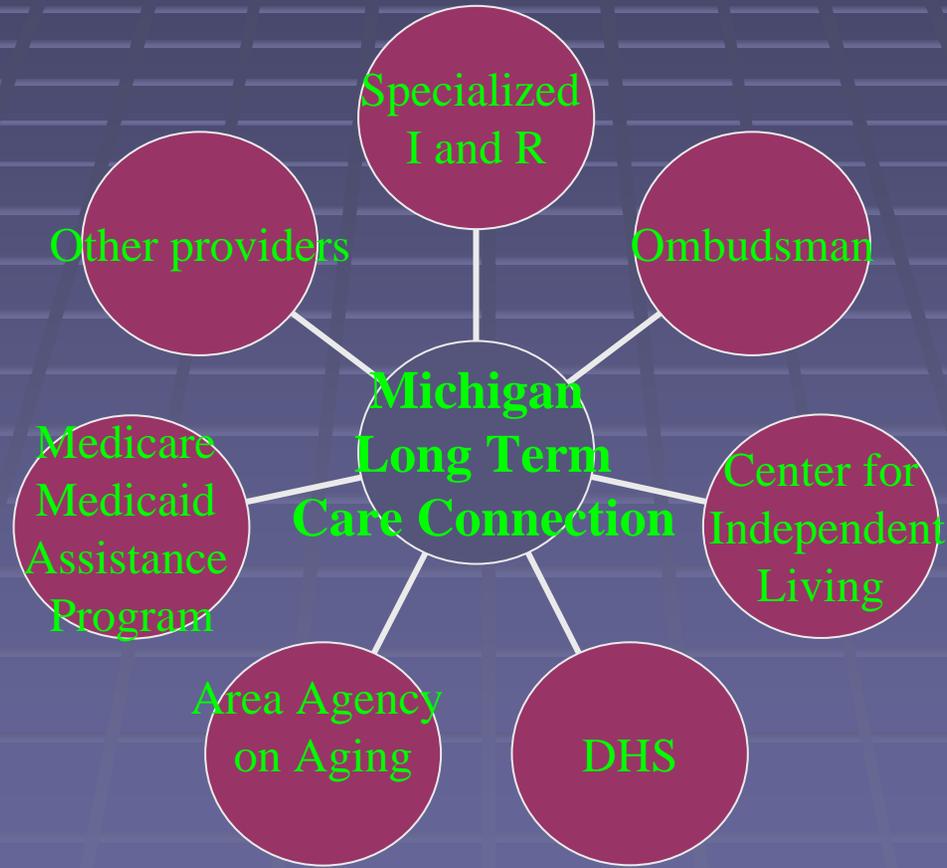
- The LTCC helped me figure out what I want my life to be like ■ 90%
- The LTCC helped me set my care goals ■ 86%
- The LTCC helped me learn how to advocate for myself ■ 90%
- MY OC presents me with a range of choices ■ 95%
- My OC discussed ways to pay for services ■ 82%

Moving from fragmentation to an understandable system

Goal #5 – The LTCC program creates an efficient, effective and responsive centralized hub to access long-term care services; the program capitalizes on the human and technical synergies of all stakeholders to meet the immediate and future long-term care needs of Michigan consumers.

- Vested partnerships generate system-wide thinking, system-wide improvements and system-wide efficiencies.
- Operational efficiencies and effectiveness contributes to flexibility.
- Flexibility contributes to continuous process improvement.

The HUB



Collaboration

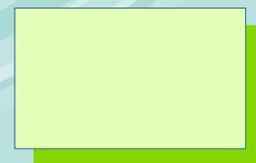
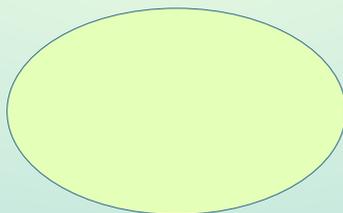
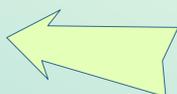
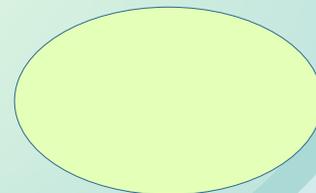
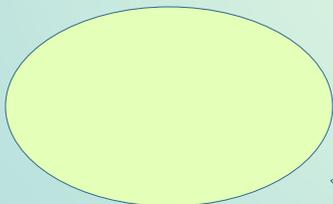
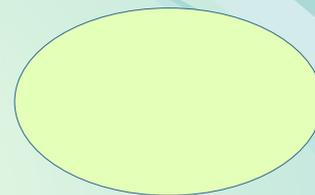
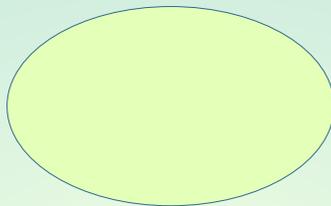
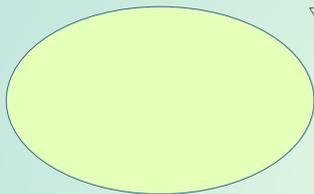
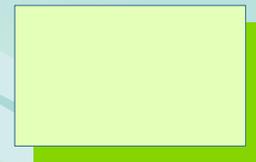
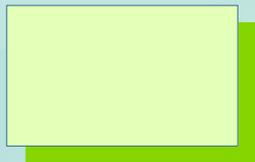
- Partnership Agreements between over 75 % of MI Choice Waiver and NF in the 4 regions.
- Increased collaborative efforts to find accessible and affordable housing for persons wishing to leave Nursing Facilities.

New and Improved Services

Goal #6 – Effective working partnerships with local stakeholders build the capacity to identify, evaluate and respond to unmet and changing consumer needs, fostering continuous improvement for long-term care system change.

- LTCC looks to the future
- Data system will collect unmet needs and consumer preference

Michigan SPE Project Teams



Michigan

Planning and Collaboration: An Inclusive Process

■ State Level Planning

- Interdepartmental workgroup
- Monthly Seminar for Demonstration Sites
- Stakeholders Open Forum
- Workgroups
 - Function Definition
 - MIS
 - Training
 - Quality management and Evaluation

■ Local

- Governing Board
- Advisory Board
- Local Partners
- Collaborative Agreements
- Systems Mapping
- Customer Feedback
- Local Report

Michigan's Long Term Care Connections



1-866-642-4582

<http://www.michigan.gov/ltc>

BarkeyN@michigan.gov

NURSING FACILITY TRANSITIONS

Update on Money Follows the Person Initiative

Long-Term Care Issues Forum

May 1, 2008

Michigan's transition program:

- Supports transition services for Medicaid nursing facility residents who express the desire to move to a home & community setting.
- Provides for transition costs to a home & community setting of the individual's choice, based upon a person-centered planning process.
- Assures needed services and supports through the Medicaid program, based upon functional and financial eligibility.
- Supports the Olmstead Supreme Court ruling.

NFT Program Types

- MI Choice
 - Nursing facility residents that enroll in the MI Choice waiver program upon transition
- Other Community
 - Nursing facility residents that do not enroll in the MI Choice program upon transition. These participants may utilize Adult Home Help, AFC, Assisted Living, or other community-based programs upon transition.
- Not/Not Yet Transitioned
 - Nursing Facility Residents assessed by a transition agent who have not transitioned to the community. Some of these candidates are still in the pipeline.

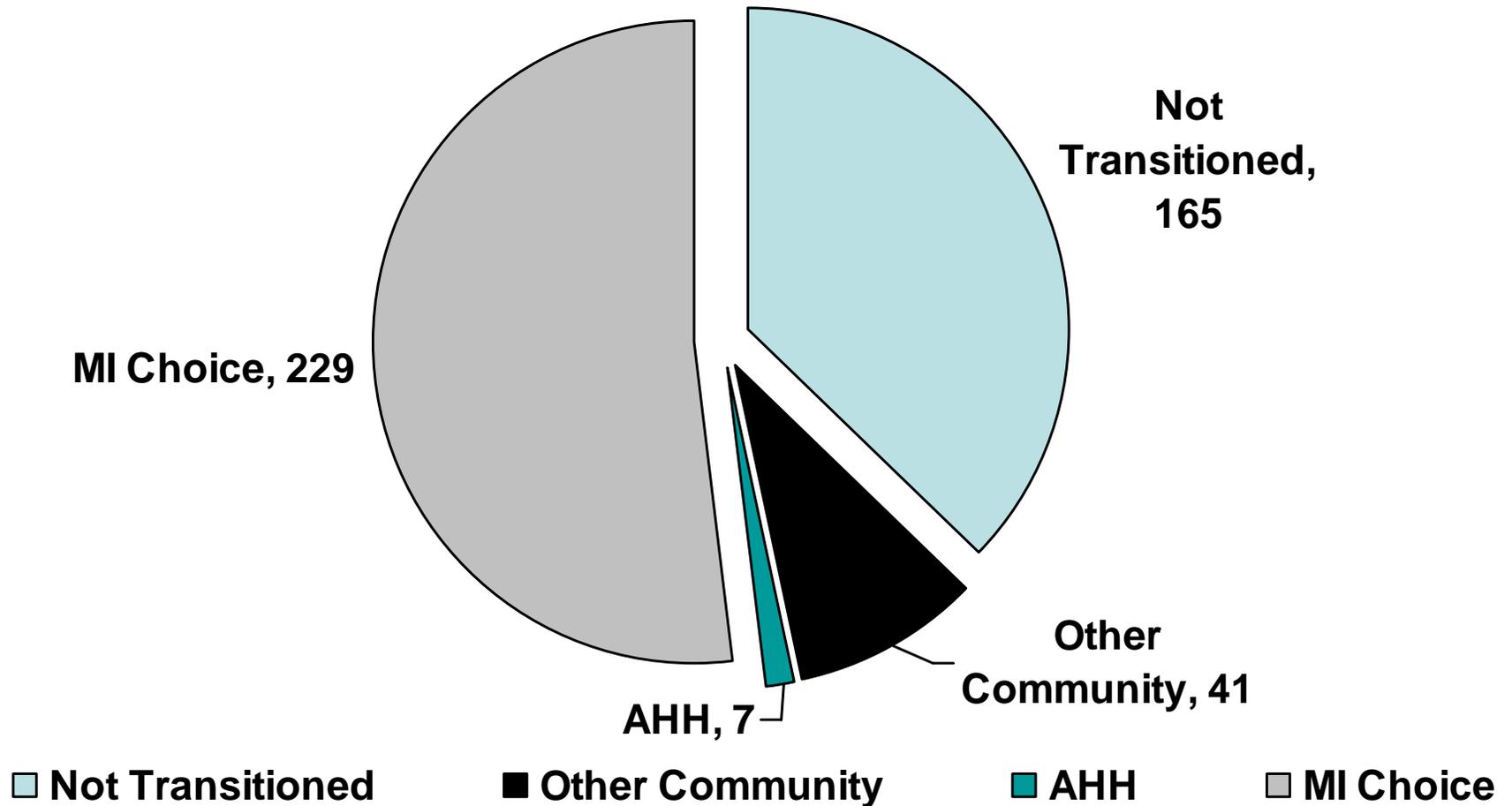
NFT Categories

- > 6 Months
 - Nursing facility residents that have resided in the facility for at least six months and may be eligible for MFP funds.
- < 6 Months
 - Nursing facility residents that have not resided in a nursing facility for six months and are not eligible for MFP funding.
- Diversion
 - Persons who do not reside in a nursing facility, but are at high risk of nursing facility placement without MI Choice services, and for whom MSA has approved additional MI Choice slot funding.

FY 2006 NF Transition Candidates

N = 442

N = 277 Transitioned

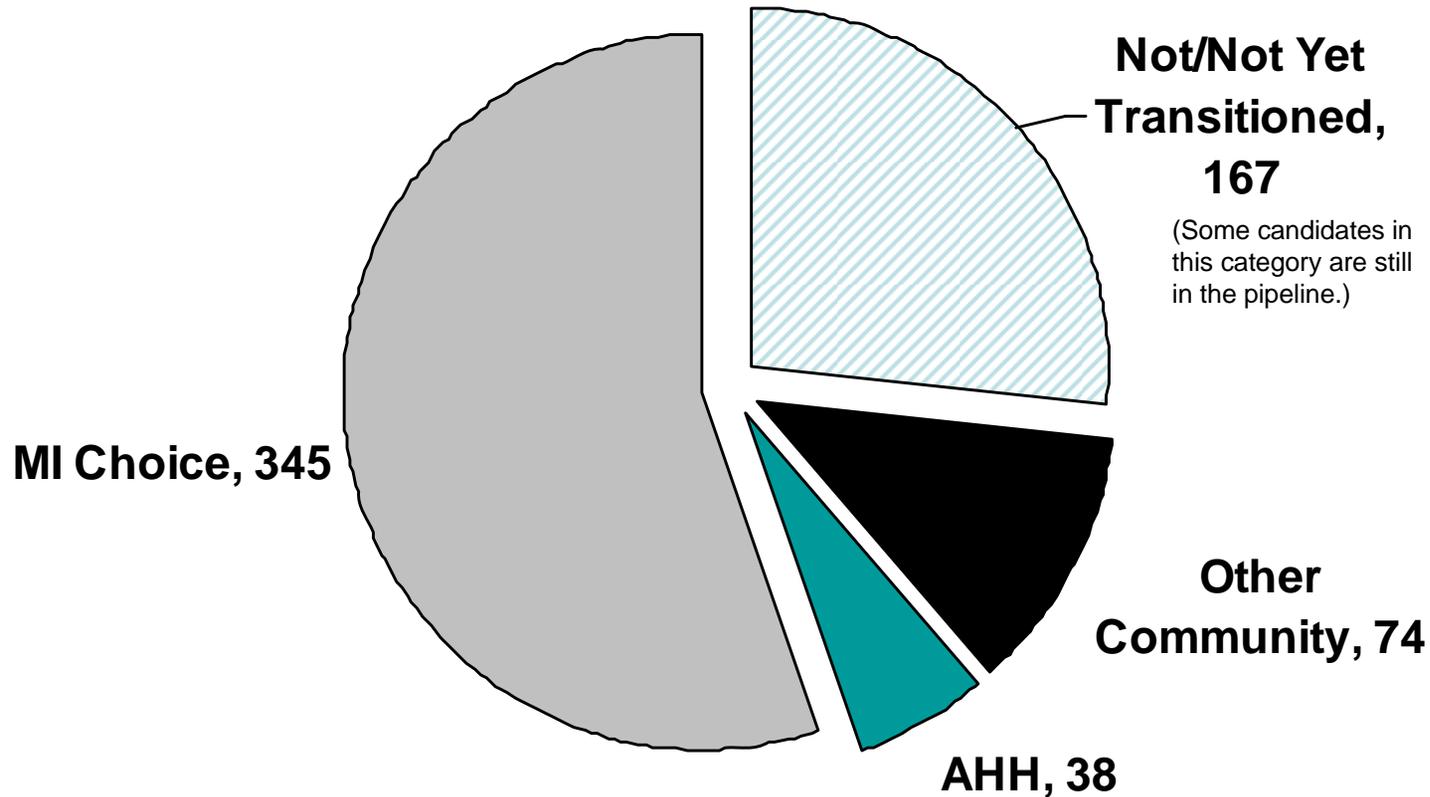


Updated 4/25/2008

FY 2007 NF Transition Candidates

N = 624

N= 457 Transitioned



□ Not/Not Yet Transitioned

■ Other Community

■ AHH

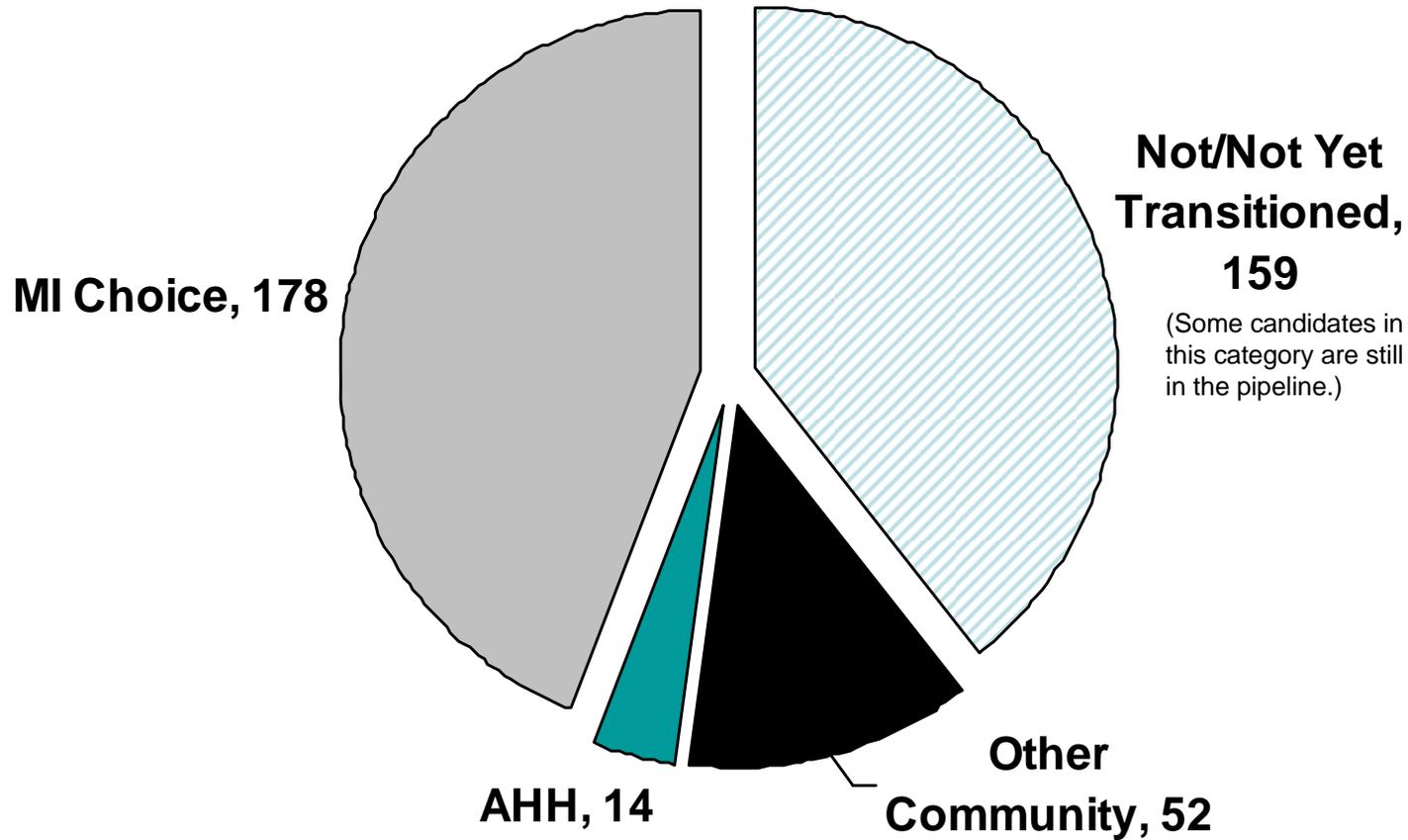
■ MI Choice

Updated 4/25/2008

FY 2008 NF Transition Candidates

N = 403 (Actual October 2007 - March 2008)

N = 244 Transitioned



□ Not/Not Yet Transitioned

■ Other Community

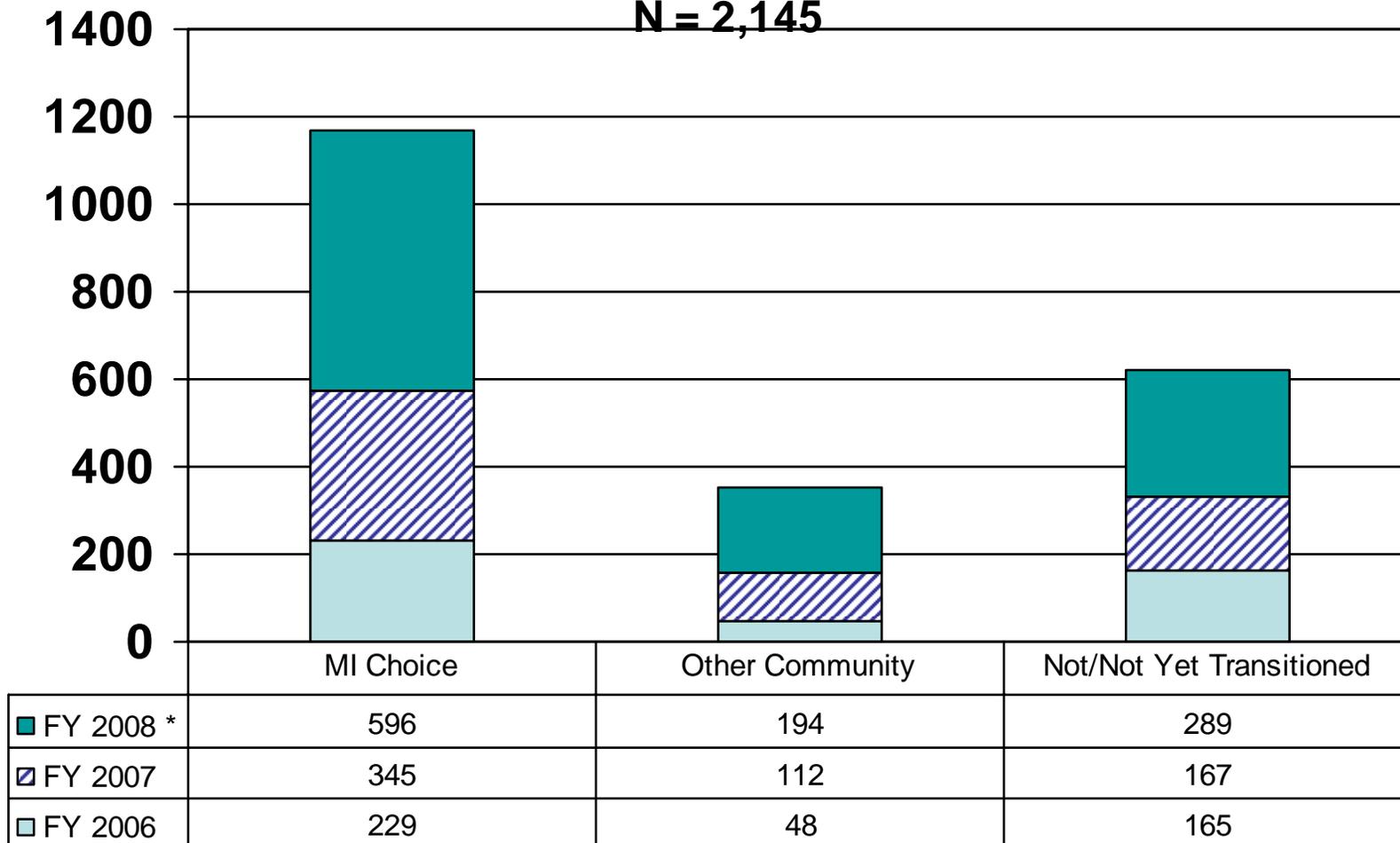
■ AHH

□ MI Choice

Updated 4/25/2008

FY 06, FY 07 & FY 08 NF Transition Candidates by Program Type

N = 2,145

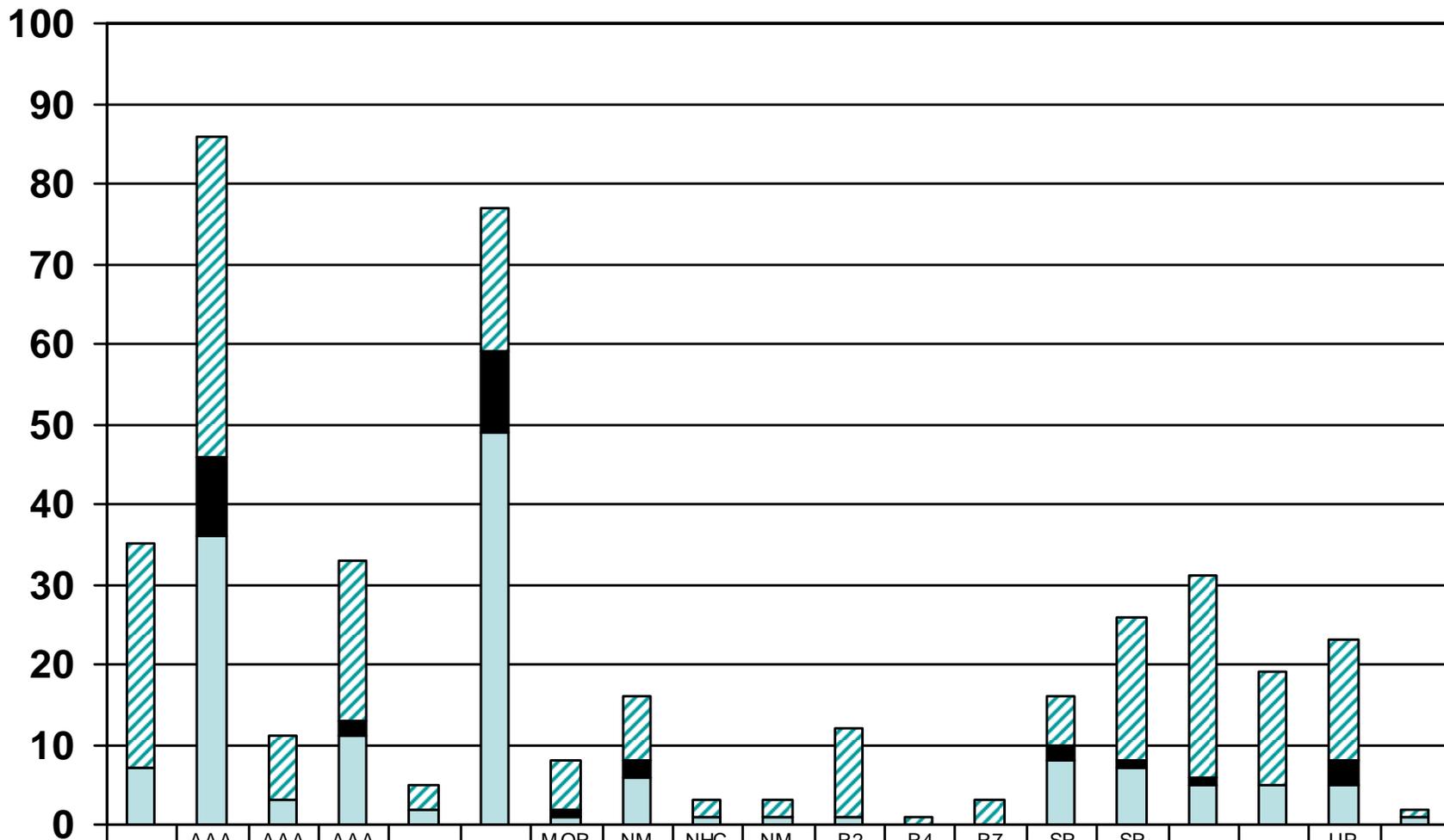


19% of Transitionees in FY 2006 did not need services in the community
 16% of Transitionees in FY 2007 did not need services in the community
 21% of Transitionees in FY 2008 did not need services in the community

* FY 2008 Amounts are projected using current activity and previous years experience.

Updated 4/25/2008

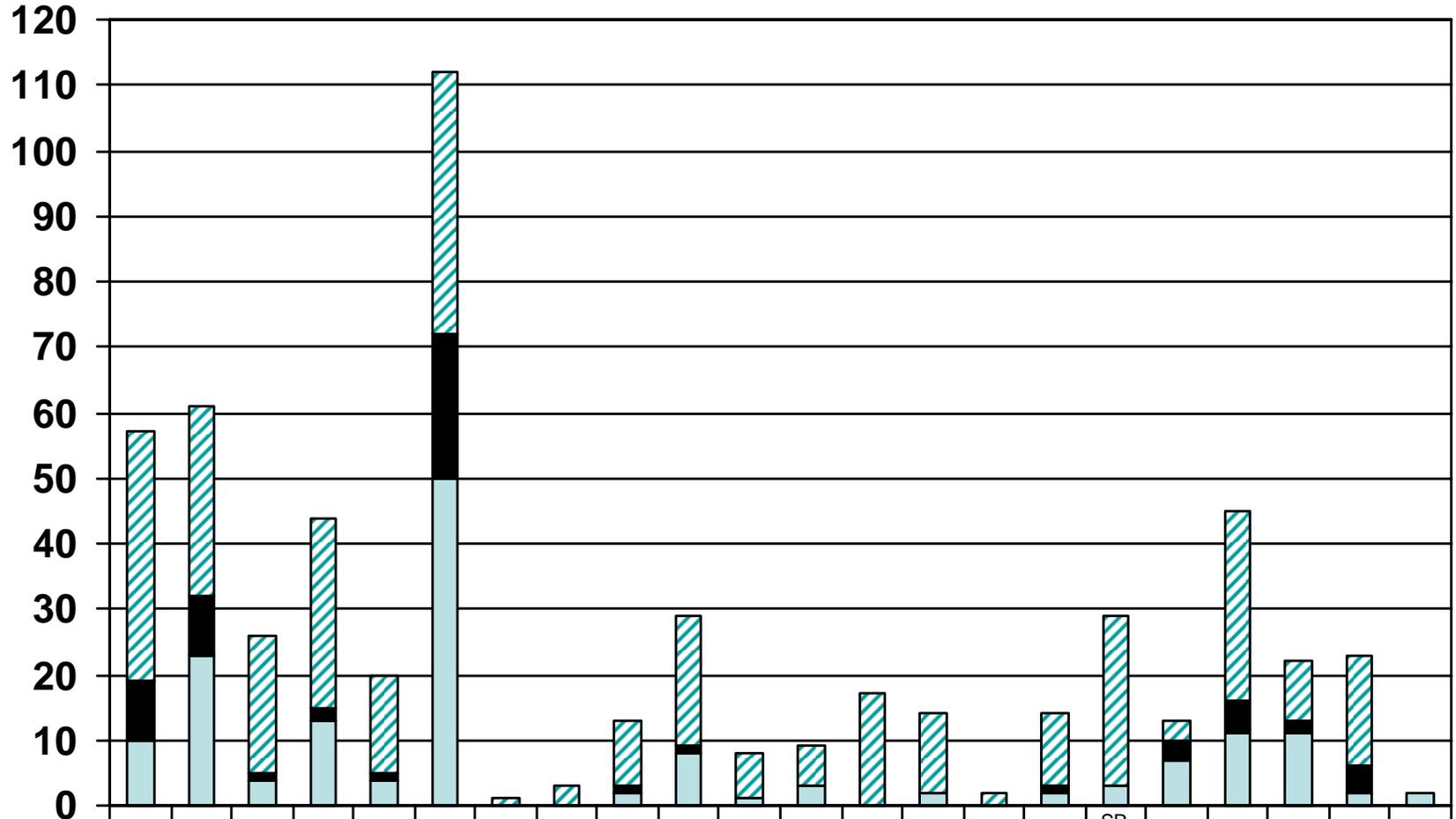
FY 2006 NF Transition Candidates by Waiver Agent



MI Choice	28	40	8	20	3	18	6	8	2	2	11	1	3	6	18	25	14	15	1
Other Community	0	10	0	2	0	10	1	2	0	0	0	0	0	2	1	1	0	3	0
Not/Not Yet Transitioned	7	36	3	11	2	49	1	6	1	1	1	0	0	8	7	5	5	5	1

Updated 4/25/2008

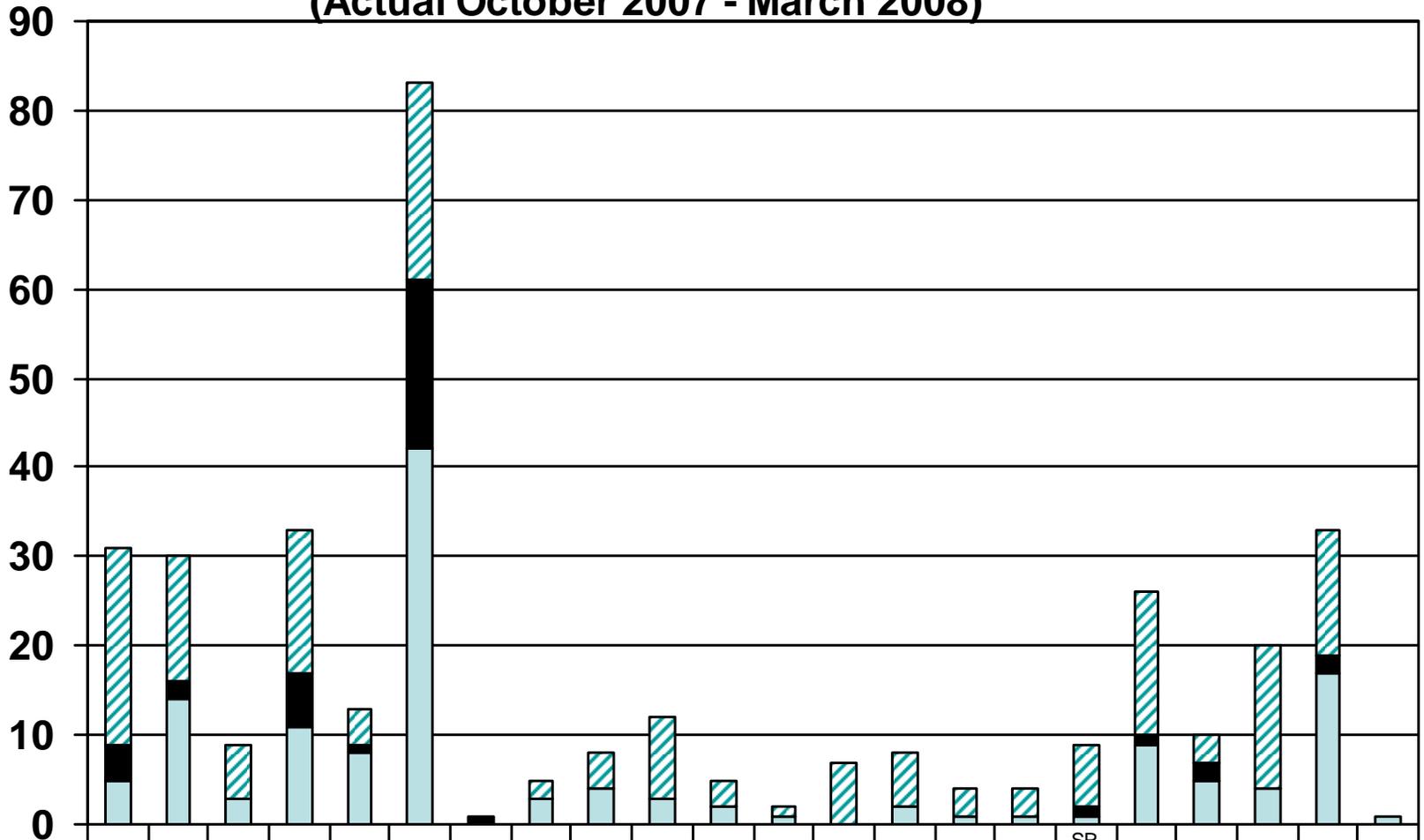
FY 2007 NF Transition Candidates by Waiver Agent



	A&D	AAA 1B	AAA NM	AAA WM	BB	DAA A	HHS R8	HHS R14	MOR C	NM CSA	NHC M	NM RHS	R2 AAA	R4 AAA	R7 AAA	SR RES	SR SVC S	TIC	TSA	TCO A	UP CAP	VAA A
MI Choice	38	29	21	29	15	40	1	3	10	20	7	6	17	12	2	11	26	3	29	9	17	0
Other Community	9	9	1	2	1	22	0	0	1	1	0	0	0	0	0	1	0	3	5	2	4	0
Not/Not Yet Transitioned	10	23	4	13	4	50	0	0	2	8	1	3	0	2	0	2	3	7	11	11	2	2

FY 2008 NF Transition Candidates by Waiver Agent

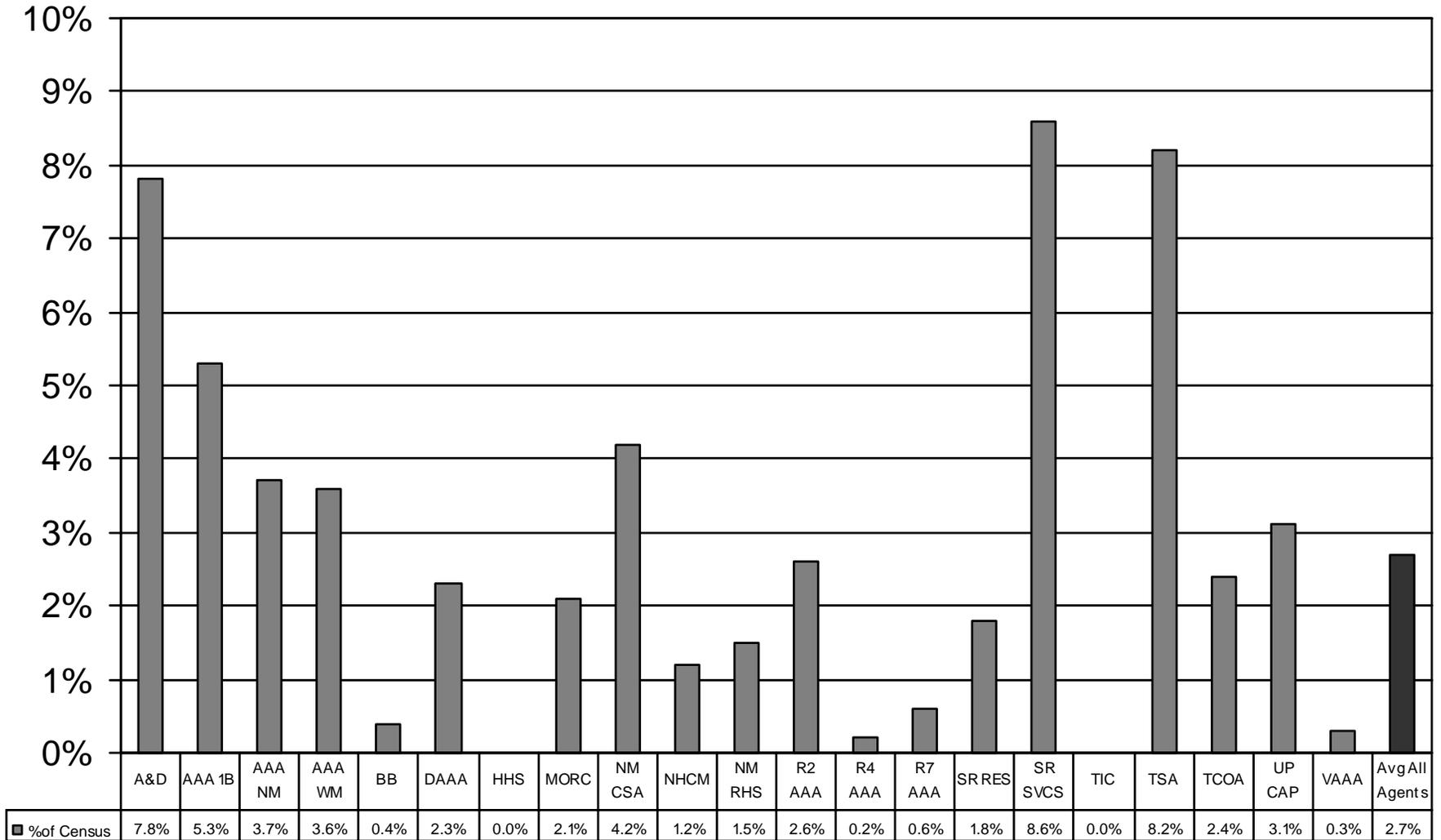
(Actual October 2007 - March 2008)



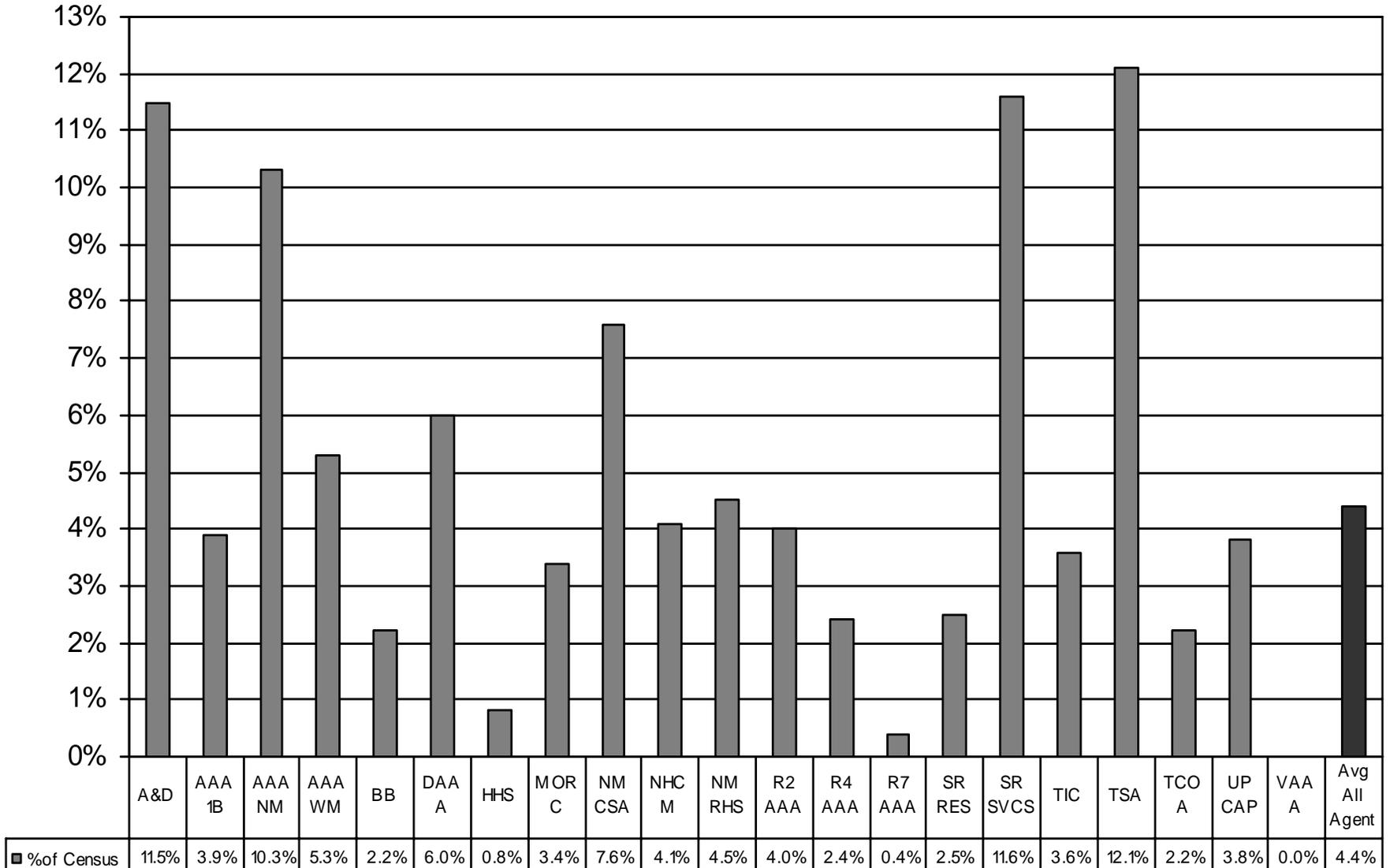
	A&D	AAA 1B	AAA NM	AAA WM	BB	DAA A	HHS R8	HHS R14	MO RC	NM CSA	NHC M	NM RHS	R2 AAA	R4 AAA	R7 AAA	SR RES	SR SVC S	TIC	TSA	TCO A	UP CAP	VAA A
MI Choice	22	14	6	16	4	22	0	2	4	9	3	1	7	6	3	3	7	16	3	16	14	0
Other Community	4	2	0	6	1	19	1	0	0	0	0	0	0	0	0	0	1	1	2	0	2	0
Not/Not Yet Transitioned	5	14	3	11	8	42	0	3	4	3	2	1	0	2	1	1	1	9	5	4	17	1

Updated 4/25/2008

FY 2006 NF Transitions as a Percent of Census by Waiver Agent



FY 2007 NF Transitions as a Percent of Census by Waiver Agent



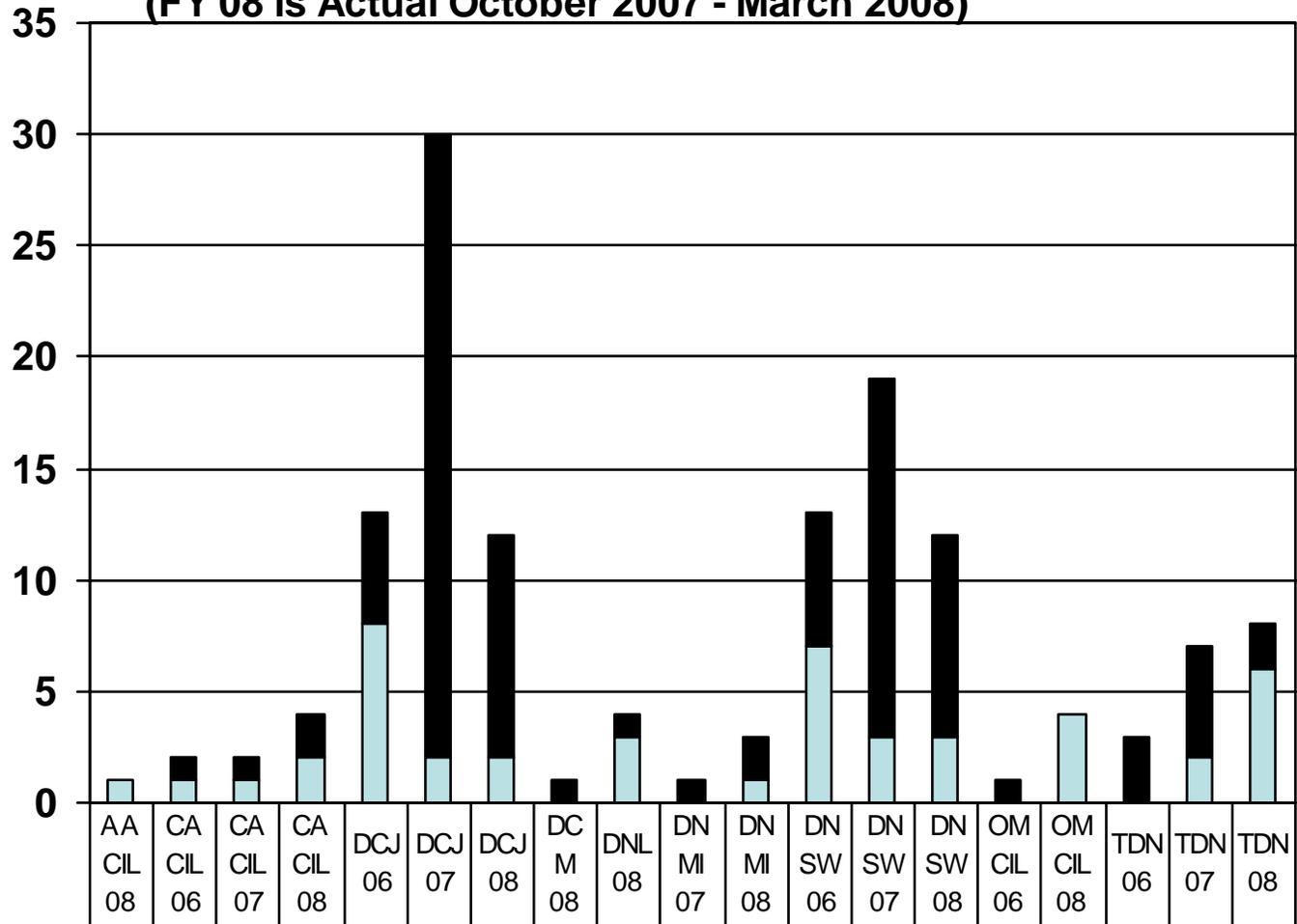
Updated 4/25/2008

Waiver Agent Codes

- A&D – A & D Home Health Care, Inc., Saginaw, MI
- AAA1B – Area Agency on Aging 1B, Southfield, MI
- AAANM – Area Agency on Aging of Northwest Michigan, Traverse City, MI
- AAAWM – Area Agency on Aging of Western MI, Grand Rapids, MI
- BB – Region 3B AAA @ Burnham Brook Center, Battle Creek
- DAAA – Detroit Area Agency on Aging, Detroit, MI
- HHS R8 – Health Options, Grand Rapids, MI
- HHS R14 – Health Options, Grand Rapids, MI
- MORC – Macomb Oakland Regional Center, Clinton Township, MI
- NMCSA – Northeast MI Community Service Agency, Inc., Alpena, MI
- NHCM – Northern Lakes Community Mental Health, Traverse City, MI
- NMRHS – Northern Michigan Regional Health System, Petoskey, MI
- R2 AAA – Region 2 Area Agency on Aging, Brooklyn, MI
- R4 AAA – Region 4 Area Agency on Aging, St. Joseph, MI
- R7 AAA – Region VII Area Agency on Aging, Bay City, MI
- SRRES – Senior Resources, Muskegon Heights, MI
- SRSVCS – Senior Services of Kalamazoo, Kalamazoo, MI
- TIC – The Information Center, Taylor, MI
- TSA – The Senior Alliance (AAA), Wayne, MI
- TCOA – Tri-County Office on Aging, Lansing, MI
- UPCAP – Upper Peninsula Area Agency on Aging, Escanaba, MI
- VAAA – Valley Area Agency on Aging, Flint, MI

FY 06, FY 07 & FY 08 Transitions by CILs

(FY 08 is Actual October 2007 - March 2008)



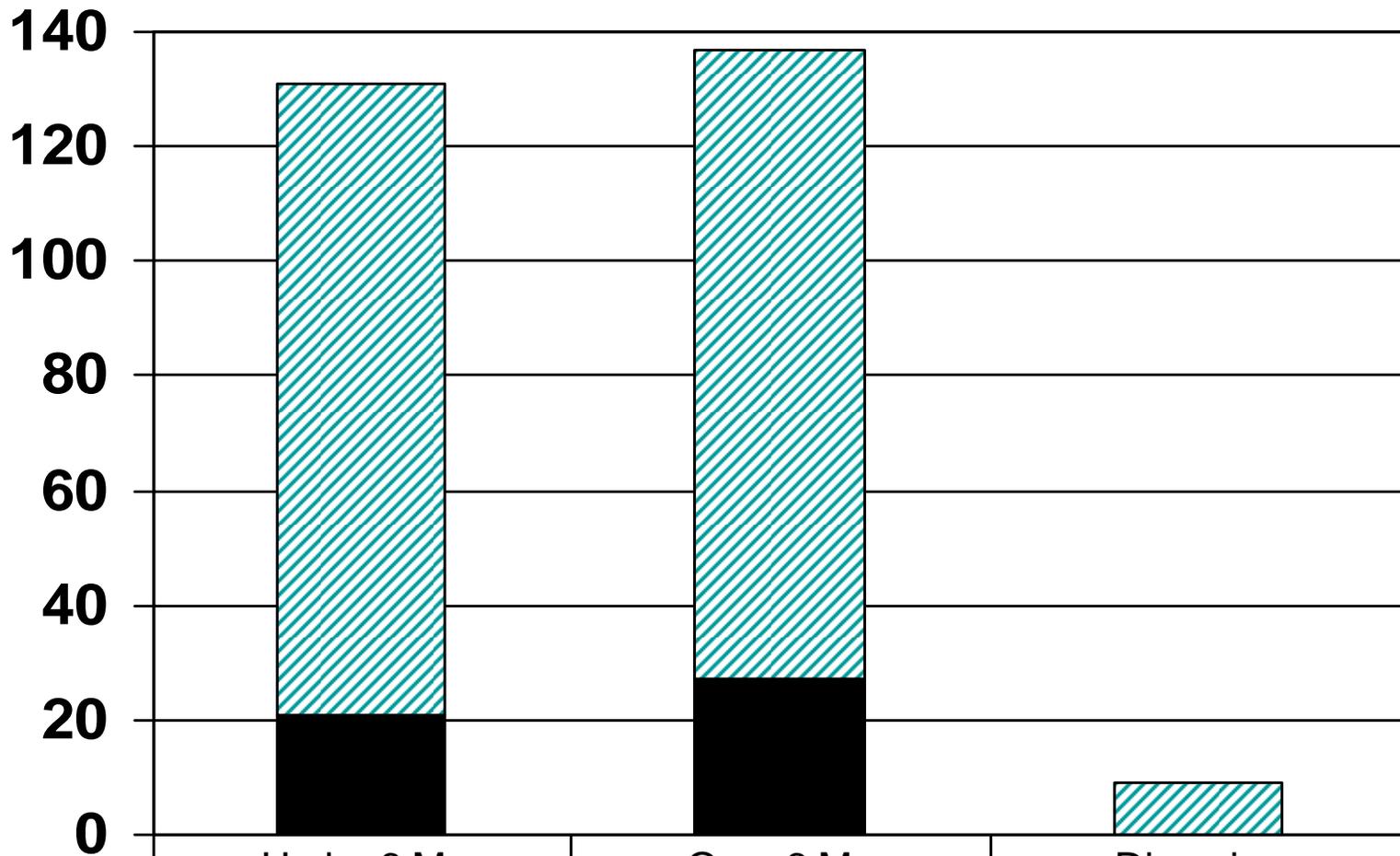
■ Other Community	0	1	1	2	5	28	10	1	1	1	2	6	16	9	1	0	3	5	2
□ Not/Not Yet Transitioned	1	1	1	2	8	2	2	0	3	0	1	7	3	3	0	4	0	2	6

Centers for Independent Living (CIL) Codes

- AACIL – Ann Arbor CIL, Ann Arbor
- CA – Capital Area CIL, Lansing
- DCJ – disABILITY Connections, Jackson
- DCM – Disability Connections, Muskegon
- DNL – Disability Network Lakeshore, Holland
- DNM – DN/Michigan, Midland
- DNSW – Disability Network /Southwest, Kalamazoo
- OMCIL – DN/Oakland & Macomb
- TDN – The Disability Network, Flint

FY 06 Nursing Facility Transition by Type

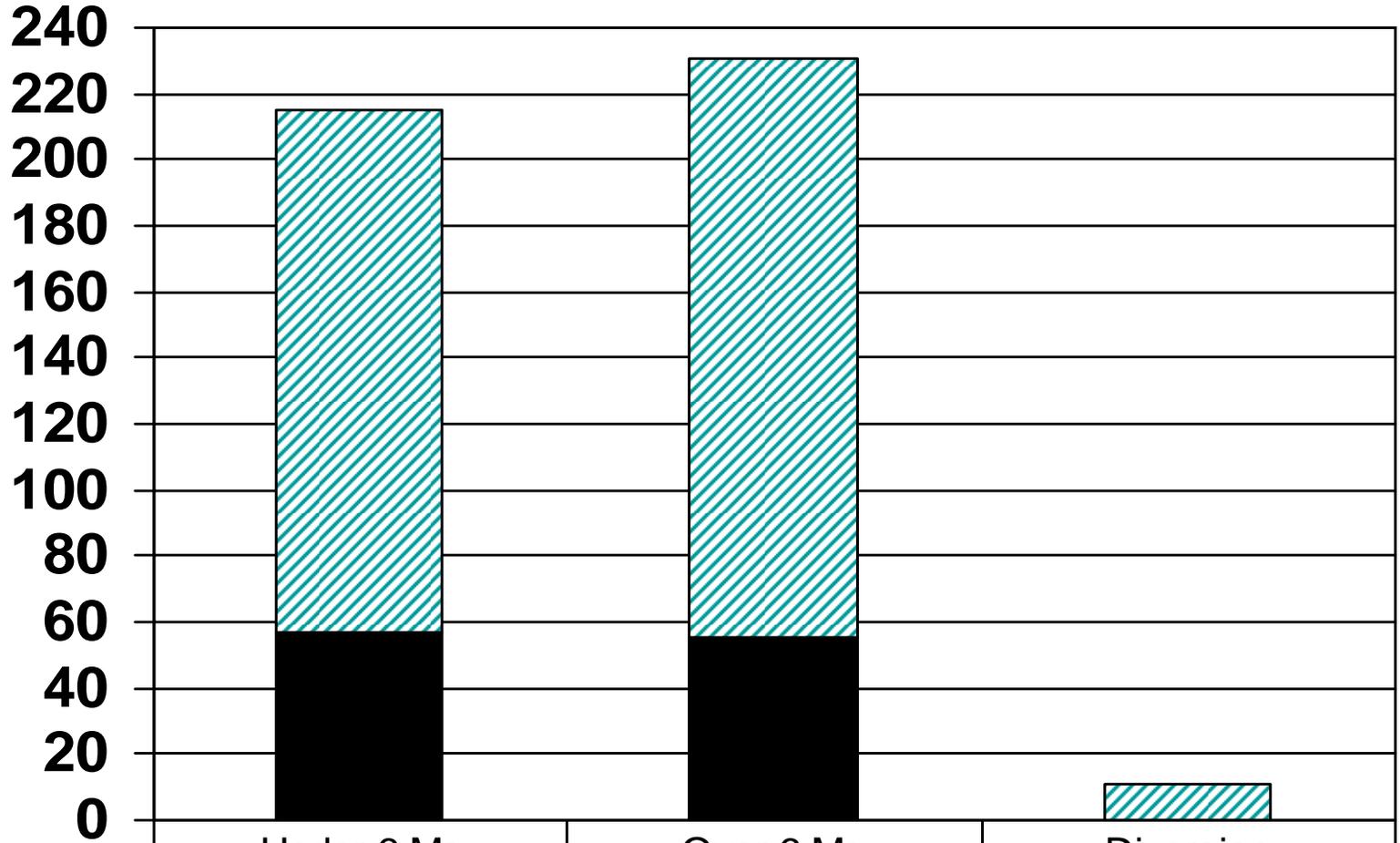
N = 277



MI Choice	110	110	9
Other Community	21	27	0

FY 07 Nursing Facility Transition by Type

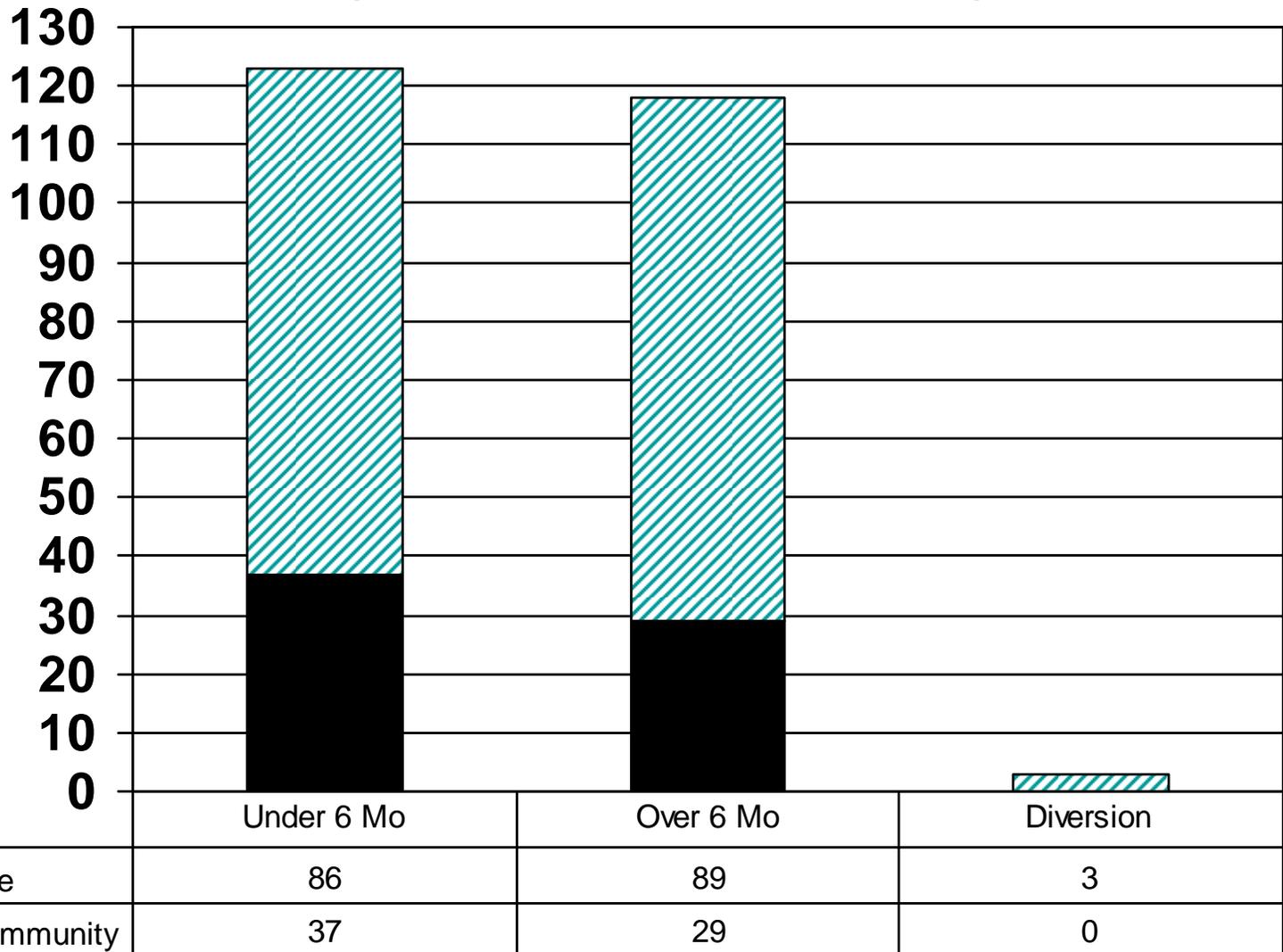
N = 457



MI Choice	158	176	11
Other Community	57	55	0

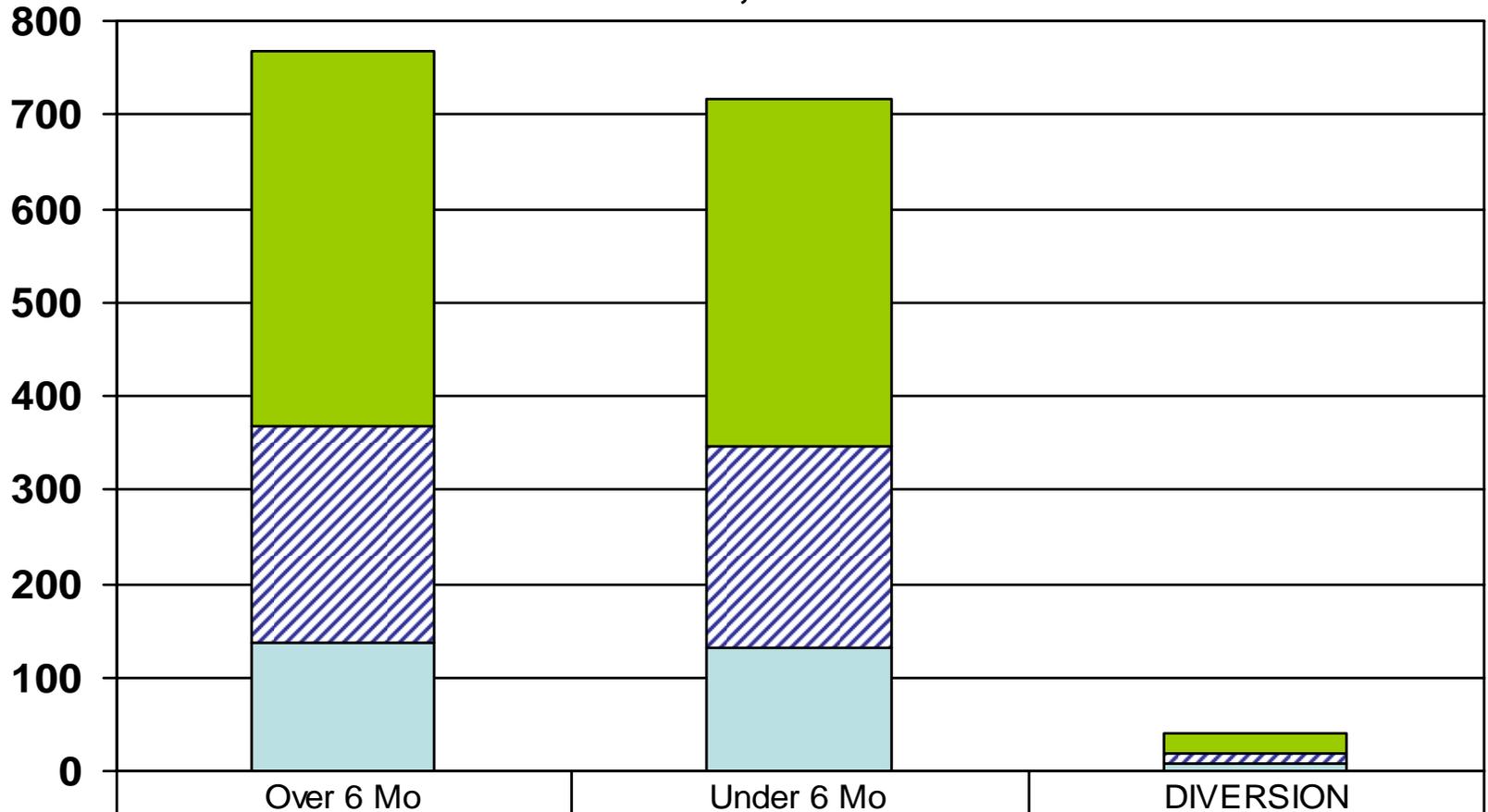
FY 08 Nursing Facility Transition by Type

N = 244 (Actual October 2007 - March 2008)



FY 06, FY 07 & FY 08* NFTS BY TYPE

N = 1,524

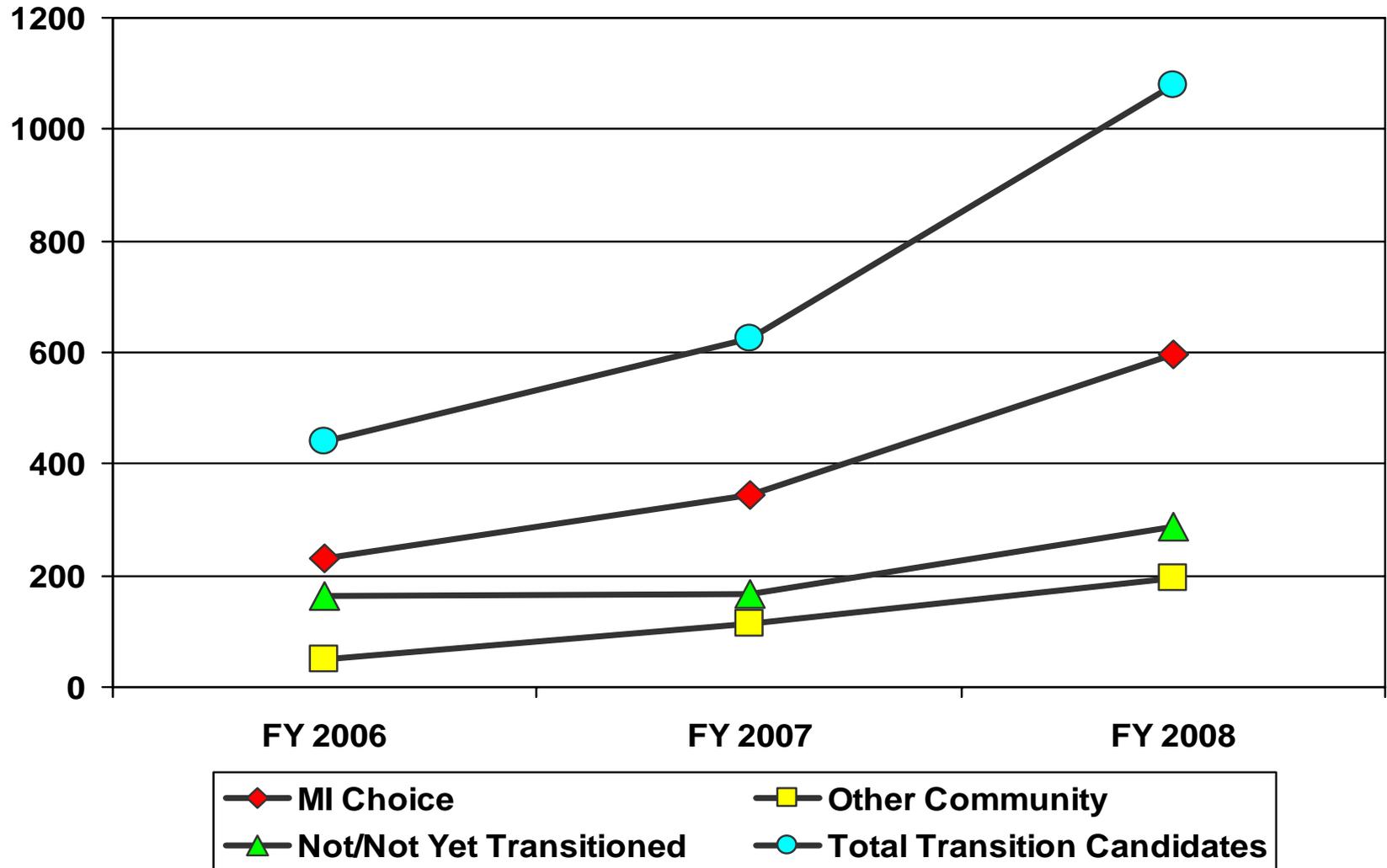


■ FY 2008 *	399	372	19
▨ FY 2007	231	215	11
□ FY 2006	137	131	9

* FY 2008 Amounts are projected using current activity and previous years experience.

Updated 4/25/2008

FY 06, FY 07 and FY 08* NF Transition Candidates



* FY 2008 Amounts are projected using current activity and previous years experience.

Updated 4/25/2008

**Medicaid Regulations - Proposed and/or Under Moratorium
Estimated Impact on Michigan**

Reduced Medicaid (Federal Share in thousands)

Regulation	Program	Comment:	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Total
Public Provider	Multiple		\$ 225,893	\$ 241,360	\$ 254,664	\$ 262,304	\$ 270,173	\$ 1,254,393
Provider Tax	Hospitals, HMOs, Nursing Homes, CMH	All provider taxes permissible under current laws. Final reg released 2/22/08	\$ 10,000					\$ 10,000
GME	Teaching Hospitals		\$ 104,464	\$ 108,365	\$ 111,009	\$ 111,009	\$ 111,009	\$ 545,855
Hospital Outpatient	Hospitals	Reg not likely to impact Michigan Medicaid	\$ -					\$ -
Rehabilitation	Multiple		\$ 21,497	\$ 22,142	\$ 22,806	\$ 23,490	\$ 24,195	\$ 114,130
Rehabilitation	Developmental Disabilities	Applies to as many as 30,000 people who reside in community settings	\$ 304,155	\$ 313,279	\$ 322,678	\$ 332,358	\$ 342,329	\$ 1,614,798
School Based Services	Transportation and Administrative Outreach		\$ 22,000	\$ 22,660	\$ 23,340	\$ 24,040	\$ 24,761	\$ 116,801
Case Management	School Based Services		\$ 35,441	\$ 36,504	\$ 37,599	\$ 38,727	\$ 39,889	\$ 188,161
Case Management	Children's Waiver	About 400 children with serious mental and physical disabilities	\$ 400	\$ 412	\$ 425	\$ 437	\$ 451	\$ 2,125
Case Management	CSHCS		\$ 276	\$ 284	\$ 293	\$ 302	\$ 311	\$ 1,465
Case Management	Home Help		\$ 11,600	\$ 11,800	\$ 11,900	\$ 12,000	\$ 12,100	\$ 59,400
Case Management	Office of Services to the Aging		\$ 550	\$ 567	\$ 583	\$ 601	\$ 619	\$ 2,920
Case Management	Mental Health & Substance Abuse. No fiscal data available	Cost information not available. Do not anticipate loss of services, but impact on how services are delivered at the local level						\$ -
			\$ 736,276	\$ 757,374	\$ 785,296	\$ 805,268	\$ 825,836	\$ 3,910,049