

IMPROVE THE QUALITY OF SERVICES TO MEDICAID RECIPIENTS

(FY2006 Appropriation Bill - Public Act 154 of 2005)

January 1, 2007

Section 1687: (1) From the funds appropriated in part 1 for long-term care services, the department shall contract with a stand alone psychiatric facility that provides at least 20% of its total care to Medicaid recipients to provide access to Medicaid recipients who require specialized Alzheimer's disease or dementia care. (2) The department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the effectiveness of the contract required under subsection (1) to improve the quality of services to Medicaid recipients.

*Michigan Department
of Community Health*



Jennifer M. Granholm, Governor
Janet Olszewski, Director

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH
FY2006 BOILERPLATE REPORTING REQUIREMENT**

**Progress on Pine Rest Dementia Living Center Pilot Project
FY2006 Annual Report**

Section 1687(1)

“Contract with stand-alone psychiatric facility to provide access to Medicaid beneficiaries requiring specialized/Alzheimer’s care.”

The Pine Rest Dementia Living Center is a five bed, inpatient State pilot program located within Pine Rest Christian Mental Health Services, intended to provide behavioral rehabilitation for Medicaid clients with a diagnosis of Alzheimer’s disease/dementia and who display significantly inappropriate behaviors as a result of their condition. Costs for the program are based on a per diem of \$400 per day for each client, resulting in a total FY ’06 budget of \$366,000. At the conclusion of FY ’06 Pine Rest had billed a total of \$318,290 of the \$366,000 budget, \$47,710 below the allowed budget for the FY. The reduced payment is a result of the program’s inpatient status which requires clients to be responsible for paying a portion of their own room and board (patient pay), collected directly from the client by Pine Rest on a monthly basis. A representative of DCH is responsible for monitoring and approving payments to Pine Rest (monthly) before payment has been remitted, as well as to provide guidance and technical assistance to Pine Rest and DHS as needed.

The following is a monthly cost breakdown of the Pine Rest Dementia Living Center Project as reported by MDCH:

**Pine Rest Dementia Living Center Pilot Project
FY 2006 Cost Breakdown**

MONTH	TOTAL CARE COST	PATIENT PAY AMT.	MDCH BILLABLE AMT.
April-06	\$36,000	\$1,618	\$34,382
May-06	\$37,200	\$1,618	\$35,582
June-06	\$72,400	\$4,717	\$67,683
July-06	\$49,600	\$3,929	\$45,671
August-06	\$50,800	\$3,514	\$47,286
Sept-06	\$91,200	\$3,514	\$87,686
TOTAL FY06	\$337,200	\$18,910	\$318,290

Section 1687(2)

“Report on the effectiveness of the contract to improve quality of services to Medicaid recipients who require specialized Alzheimer’s disease or dementia care.”

In August 2006 an independent program evaluation was conducted by Kim Motter, RN, from HHS, Health Options. The evaluation concluded that this program provides significantly needed services in a timely manner to a currently underserved population and efficiently and effectively addresses participant’s health, welfare and safety while involved. Issues to be addressed by Pine Rest, as identified in the evaluation, included challenges with discharge planning and charting requirements. The evaluation provides baseline elements for making these improvements for FY '07.