

HOME AND COMMUNITY-BASED WAIVER PROGRAM REPORT

(FY2006 Appropriation Bill - Public Act 154 of 2005)

August 1, 2006

Section 1689(2): Report of existing and future allocations & expenditures for the home and community-based waiver program by region and the net cost savings from moving individuals from a nursing home to the home and community-based services waiver program and the amount of funds transferred.

*Michigan Department
of Community Health*



**Jennifer M. Granholm, Governor
Janet Olszewski, Director**

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH FY 2006 BOILERPLATE REPORTING REQUIREMENT

Progress on Medicaid Home and Community-Based Services Program FY 2006 Third Quarter Report

Boilerplate Section 1689

Priority in enrolling additional persons in the Medicaid home and community based services program shall be given to those who are currently residing in nursing homes or who are eligible to be admitted to a nursing home if they are not provided home and community based services.

The Michigan Medicaid Long-Term Care Taskforce outlined a bold agenda to transform Michigan's long-term care system. The recommendations include requiring person-centered planning in LTC, improving access by establishing *Money Follows the Person* principles, establishing single point of entry programs, supporting and sustaining prevention activities that ensure independent living, promoting meaningful consumer participation in the long-term care system through an LTC Commission, establishing a new quality management system for all of long-term care, developing a stronger direct care workforce, and adapting financing structures that maximize resources. In response to the recommendations, the Governor issued Executive Order 2005-14, establishing the Office of Long-Term Care Supports and Services within the Michigan Department of Community Health, and charged it with the implementation of the Task Force recommendations.

Four pilot Single Points of Entry have been developed to streamline the informational maze faced by seniors and their families. These "one stop" shops will serve 47% of Michigan's LTC population when fully operational. MDCH has contracted with four separate independent entities to develop local resources that will assist Michigan's Senior citizens and disabled community with identifying their individual desires through a person centered planning process and to implement these goals within the resources available and program guidelines of Michigan's long term care system.

In addition, the Michigan Department of Community Health (MDCH) has prioritized nursing facility residents for utilizing MI Choice resources. MDCH guarantees resources above the current year's contract amount for nursing facility residents who have resided in the facility for six consecutive months. Nursing Facility Transitions into the MI Choice Program are tracked on a quarterly basis. The MI Choice Waiting List grants priority status regardless of length to all nursing facility resident within the current year's contract amounts.

The department shall implement screening and assessment procedures to assure that no additional Medicaid eligible persons are admitted to nursing homes that would be more appropriately served by the Medicaid home and community based services program.

The decision of where an individual will live is a matter of personal choice that depends on the preferences and desires of the individual. The Michigan Medicaid Long Term Care level of care determination does not mandate which long term care program an individual may choose. The department follows federal guidelines mandating that all recipients whether they are served in the community or an institutional setting meet the same functional eligibility requirements. This is accomplished by the Michigan Medicaid Level of Care Determination developed in partnership with the University of Michigan's Institute of Gerontology. Individuals with demonstrated need are then offered the choice of services. Depending on the individual circumstances and the unique eligibility criteria of the various programs, an individual may be offered Nursing Facility services, MI Choice Waiver Service, Home Help Services, or PACE services. An individual is free to choose the program and setting that best meets their individuals' preferences.

Michigan has an Independence Plus Grant that also contains a project component to develop training to introduce the principles of person-centered planning in the MI Choice Waiver program. In addition, Michigan was awarded a Robert Wood Johnson Foundation Cash & Counseling grant to incorporate the elements of self-direction in the MI Choice waiver program. In June 2006, Michigan submitted to CMS a waiver amendment that allows self-direction of personal care, homemaking, respite, chore, and non-medical transportation services. The amendment also adds fiscal intermediary services. These policies will affect not only Medicaid funded services but also the state-funded Care Management services that are provided through a majority of the waiver agencies for individuals not eligible for the MI Choice waiver. These funds are provided through the Office on Services to the Aging.

The following is a summary of functional/medical eligibility reviews performed to date and findings:

**Michigan Medicaid Nursing Facility Level of Care Determination
Third Quarter FY 2006
LOC Determinations
3rd Quarter FY 2006**

Provider Type	April		May		June	
	Ineligible	Total	Ineligible	Total	Ineligible	Total
17	0	9	0	0	0	10
60	15	2362	12	2572	14	2506
61	1	239	5	245	5	203
62	2	130	0	101	0	85
63	0	25	0	15	0	21
77	20	293	15	306	12	291
Total	38	3058	32	3239	31	3116
Ineligible	1.2%		0.9%		0.9%	
Eligible		98.8%		99.1%		99.1%

Data includes duplicate LOCDs; margin of 4-5%

MDCH implemented revised functional/medical eligibility criteria effective November 1, 2004. Currently, all participants enrolled in the MI Choice Program are eligible for nursing home level of care, according to federal Medicaid guidelines. The MI Choice Program meets the requirement that all persons must meet the nursing facility level of care and thus are at risk for institutionalization.

If there is a net decrease in the number of Medicaid nursing home days of care during the most recent quarter in comparison with the previous quarter in comparison with the previous quarter and the net cost savings attributable to moving individuals from a nursing home to the home and community based services waiver program, the department shall transfer the net cost savings to the home- and community based services waiver.

The MI choice waiver program has transitioned three hundred fifty one individuals into the MI Choice Waiver program during Fiscal Year 2006. These transitions were reported in the MI Choice Waiting List Report. This represents a savings of approximately \$1,561,950 in the first three quarters of FY 2006.¹ The ability of Michigan

¹ These cost savings are estimates based on analyzed transitions which took place in FY 2005. Using this data, we estimated cost savings of approximately \$1,170 per month per individual.

senior citizens to age in the setting of their choice offers a measure of dignity and respect that goes far beyond the fiscal savings.

Within 30 days of the end of each fiscal quarter, the department shall provide a report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies that details existing and future allocations for home and community based waiver program by regions as well as the associated expenditures. The report shall include information regarding the net cost savings from moving persons from a nursing home to the home and community based services waiver program and the amount of funds transferred.

The table below identifies the funds allocated to each MI Choice Program for FY 2006. Since providers are prospectively reimbursed based on the projected number of participants each month, and providers have 180 days from the service date to submit a 'suppressed' claim, there is no accurate account of actual quarterly expenditures at this time. Included below are the prospective reimbursement payments to date by waiver program. These prospective payments are cost settled to assure that only payments for delivered services that meet all program requirements are reimbursed.

Waiver Program	FY 2006 Allocation	FY 2006 Payments²
A & D Home Health Care	\$3,601,194	\$2,610,678
AAA 1-B	\$11,830,803	\$9,405,126
AAA of Northwest Michigan	\$2,486,217	\$1,673,733
AAA of Western Michigan	\$6,036,065	\$3,929,340
Burnham Brook Center	\$7,199,744	\$4,970,467
Detroit AAA	\$9,791,666	\$6,295,474
Home Health Services, Inc.	\$6,481,295	\$3,602,589
Information Center	\$2,314,851	\$1,719,549
MORC	\$3,751,425	\$2,515,327
NEMSCA	\$2,531,973	\$1,707,413
Northern Lakes Community Mental Health Authority	\$2,240,607	\$1,577,721
Northern Michigan Regional Health System	\$1,639,764	\$1,089,877
Region 2 Area Agency on Aging	\$3,995,931	\$2,733,938
Region IV AAA	\$5,505,223	\$3,653,246
Region VII AAA	\$5,053,190	\$3,313,288
Senior Alliance	\$1,788,813	\$1,295,476
Senior Resources	\$5,463,466	\$3,767,782
Senior Services	\$2,493,090	\$1,769,066
Tri-County Office on Aging	\$6,607,348	\$4,466,971
Upper Peninsula AAA	\$6,422,238	\$4,196,145
Valley AAA	\$3,404,519	\$2,443,454
Total	\$100,639,422.00	\$68,736,660.00

² This data is based on the Home and Community Based Services, Elderly and Disabled (HCBS/ED) Expenditure Report for FY 2005-06 as of July 31, 2006.