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Don Jordan, Secretary

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Home and Community Based Service Waivers and
the Money Follows the Person Grant Update



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Chairman Bethell and members of the Committee, thank you for the opportunity to appear before you today. I will present information today regarding six Home and Community Based Service Waivers that provide services to persons with disabilities including the number of individuals served and funding for each of the programs. I will also provide an update on the federal Money Follows the Person grant, including projections of the number of individuals that will be assisted by the grant.

Background

Medicaid waivers are federally approved requests to waive certain specified Medicaid rules. For instance, federal Medicaid rules generally allow states to draw down federal Medicaid funds for services provided in institutions for persons with severe disabilities. Many of the community supports and services provided to persons with disabilities such as respite care, attendant care services, and oral health care are not covered by the regular federal Medicaid program. Home and Community Based Services (HCBS) waivers give the state federal approval to draw down federal Medicaid matching funds for community supports and services provided to persons who are eligible for institutional placement, but who choose to receive services that allow them to continue to live in the community. The Center for Medicare and Medicaid Services (CMS) requires that the cost of services paid through HCBS waivers be, on the average, less than or equal to the cost of serving people in comparable institutions.

Developmental Disability Waiver (MR/DD)

The MR/DD Home and Community Based Waiver is designed to serve individuals who would otherwise require institutionalization in an Intermediate Care Facility for the Mentally Retarded (ICF/MR). This waiver allows eligible individuals opportunities to access community services and to make choices that increase their independence, productivity, and community integration. Examples of services provided through this program include:

- *Residential Services:* Supports provided in the individual's residential setting (outside the individual's family home) providing assistance, acquisition, retention and/or improvement in skills related to activities of daily living, such as personal grooming and cleanliness, bed making and household chores, and the social and adaptive skills necessary to enable the individual to reside in a non-institutional setting;

- *Day Services:* This service usually, but not necessarily always, is provided during “normal working hours”. Day services are regularly occurring activities that provide a sense of participation, accomplishment, personal reward, and personal contribution which serve as vehicles to maintain or increase adaptive capabilities, independence or integration and participation in the community;
- *Family/Individual Supports:* Support available to individuals who live in the family home. This service provides necessary support for individuals to meet their daily living needs and/or to insure the individual may stay in the family home;
- *Oral Health Services:* Accepted dental procedures that include diagnostic, prophylactic, and restorative care;
- *Assistive Services:* Services which meet an individual’s assessed needs by modifying or improving an individual’s home through the provision of adaptive equipment; and
- *Respite Care:* Temporary care provided to individuals designed to provide relief for the individual’s primary care givers.

Individuals served by this waiver include those who are determined financially eligible for Medicaid, those who are determined mentally retarded or developmentally disabled, and those who are in need of long term care services.

In FY 2008:

- The total expenditures were \$274,877,226 AF
- The average number of individuals served monthly was 6,849
- There was an increase in the average monthly number served from FY 2007 of 383

Physical Disability (PD) Waiver

The PD Home and Community Based Waiver is designed to serve individuals who would otherwise require institutionalization in a nursing facility. This waiver allows eligible individuals opportunities to access community services and to make choices that increase their independence. Individuals served by this waiver include those who are determined financially eligible for Medicaid, those who are determined disabled by Social Security disability standards, and those who are in need of long term care services to meet the normal activities of the day, i.e. bathing, dressing, and mobility.

Specific services available through the waiver include:

- *Personal Services:* Services that provide one or more persons assisting an individual with a disability with tasks which that individual would typically do for themselves in the absence of his/her disability. Such services may include assisting the individual in accomplishing the Activities of Daily Living (ADLs) or Instrumental Activities of Daily Living (IADLs). ADLs include bathing, grooming, toileting, transferring, feeding, and mobility. IADLs include shopping, housecleaning, meal preparation, laundry, and financial management;
- *Personal Emergency Response System (PERS) and Installation:* PERS are electronic devices which enable certain individuals at high risk of institutionalization to secure help in an emergency;
- *Sleep Cycle Support:* Provides non-nursing physical assistance and/or supervision during the

individual's normal sleeping hours in the individual's place of residence;

- *Oral Health Services*; and
- *Assistive Services*.

In FY 2008:

- The total expenditures were \$109,487,706 AF
- The average number of individuals served monthly was 6,512
- There was an increase in the average monthly number served from FY 2007 of 410
- There was no waiting list for this program on July 1, 2008

Traumatic Brain Injury (TBI) Waiver

The TBI Home and Community Based Waiver is designed to serve individuals who would otherwise require institutionalization in a Head Injury Rehabilitation Hospital. The HCBS Waiver services are provided at a significant cost savings over institutional care and provide an opportunity for each person to live and work in their home communities. Each of these individuals is provided an opportunity to rebuild their lives through the provision of a combination of supports, therapies and services designed to build independence.

A significant difference in this program is that it is not considered a long term care program. It is considered a rehabilitation program and consumers are expected to transition to another program upon completion of rehabilitation. Individuals currently receive four years of therapy and, if at that time progress in rehabilitation is not seen, the individual is transitioned to another program. In FY 2007 the average length of stay in this program was 1.64 years. This number relates to the consumers who transitioned from services during FY 2007. Services provided through this waiver include:

- *Rehabilitation Therapies*: Physical therapy, speech-language therapy, cognitive therapy, behavioral therapy, and drug and alcohol treatment;
- *Transitional Living Skills Training*: Services that help the individual to learn the skills necessary to be independent. Training in daily living skills such as cooking, bathing, grooming, social skills, and managing medical needs is provided;
- *Personal Services*;
- *Sleep Cycle Support*;
- *Personal Emergency Response Systems (PERS)*; and
- *Oral Health Services*.

In FY 2008:

- The total expenditures were \$ 8,781,564
- The average number of individuals served monthly was 197
- There was an increase in the average monthly number served from FY 2007 of 13
- There was no waiting list for this program on July 1, 2008

Technology Assisted (TA) Waiver

The TA Home and Community Based Waiver is designed to serve children ages 0 to 18 years who are medically fragile and technology dependent, requiring intense medical care comparable to the level of care provided in a hospital setting, for example, skilled nursing services. This program provides services to medically fragile children who would not be Medicaid eligible without the waiver and the waiver's ability to disregard parental income. Each child served through this waiver gains access to attendant care for independent living (ACIL) services under the Medicaid State Plan. These services are designed to ensure that the child's medical needs are addressed effectively in the child's family home, thereby eliminating the need for long term and or frequent hospitalization for acute care reasons.

The services provided through the TA Waiver include:

- *Case Management*
- *Respite Care*

In May of this year, SRS/Disability and Behavioral Health Services (DBHS) requested an amendment to this waiver. CMS has determined that the nursing services being provided through the ACIL program may not be provided through the Medicaid State Plan. We have requested this service be added as a waiver service. The funds will transfer from the state plan service to the waiver. SRS anticipates this to be a cost neutral change. DBHS is currently working with families and providers regarding this change.

These proposed changes to the waiver will increase the number of individuals served by the waiver. In FY 2008 the TA waiver served an average of 40 children per month. In FY 2009, this number will increase to over 300 due to the children being served by the Attendant Care for Independent Living Program (ACIL) will be served by the waiver. The ACIL program, in FY 2008 provided the nursing care to these children through the Medicaid State Plan. In FY 2009, this service will be provided through the TA Waiver.

- In FY 2008 the total expenditures for the TA Waiver were \$121,980
- In FY 2008 the total expenditures for the ACIL program were \$19,593,246

Serious Emotional Disturbance (SED) Waiver

The Home and Community Based Services Waiver for Youth with a Serious Emotional Disturbance allows federal Medicaid funding for community based mental health services for youth who are SED and who are at risk of being placed in a state mental health hospital. The SED Waiver determines the youth's Medicaid eligibility based on his/her own income separate from that of the family's. Once the youth becomes a Medicaid beneficiary he/she may receive the full range of all Medicaid covered services including the full range of community mental health services. In addition, the youth is eligible for specific services only available to youth on the SED Waiver which include:

- *Parent Support and Training:* Training and support necessary to engage the active participation of the family in the treatment planning process and the reinforcement of skills learned in the treatment

process;

- *Independent Living Skills Building*: Services to assist the youth in transitioning into adulthood including self-help, socialization, and adaptive skills;
- *Short Term Respite*: Supports designed to give the parents or other caregivers relief;
- *Wrap Around Facilitation*: Involvement of the youth's family and friends in designing a person centered, self-determined treatment plan that "wraps" all needed services around the youth;
- *Professional Resource Family*: A surrogate family who has special skills and expertise to treat and care for the youth in a family setting should the birth family, for whatever reason, be unable to; and
- *Attendant Care*: Direct support and supervision for the youth in their daily activities.

These SED Waiver services and other community mental health services and supports are critical in assisting the youth to remain successfully in his/her family home and community. The expenditures listed below reflect the costs of both the specific SED Waiver services and all other community mental health services provided on behalf of SED Waiver recipients.

In FY 2008, Kansas Health Solutions (KHS), the community mental health managed care organization, was paid \$39,270,613 to serve an average of 2,958 individuals per month. The actual amount paid to providers on behalf of the SED Waiver recipients will be reconciled to the amount paid to KHS. However, this reconciliation will not occur until after September 2008. Therefore, the actual costs of serving SED Waiver youth in FY 2008 will not be known until that reconciliation takes place.

Autism Waiver

The Autism Waiver is the newest of our HCBS waivers, with the first funding approved for FY 2008. The target population for the Autism Waiver is children with autism spectrum disorders (ASD), including autism, Aspergers' Syndrome, and other pervasive developmental disorders – not otherwise specified. The diagnosis must be made by a licensed medical doctor or Ph.D psychologist using an approved, autism-specific screening tool. Children are able to enter the program from the age of diagnosis through the age of five. Children receiving services through this waiver would be eligible for placement in a state mental health hospital if services were not provided through the waiver. A child will be eligible to receive waiver services for a time period of three years with an exception process in place to allow children who demonstrate continued improvement to continue services beyond the three year limit.

Services for this waiver include:

- *Consultative Clinical and Therapeutic Services (Autism Specialist)*: Consultative and therapeutic services are provided by the Autism Specialist and include assessment of the child and family's strengths and needs, development of the plan of care, training and technical assistance to the family and paid support staff in order to carry out the program, and monitoring of the child's progress;
- *Intensive Individual Supports*: Services designed to assist in acquiring, retaining, improving, and generalization of the self-help, socialization, and adaptive skills necessary to reside and function successfully in the home and community based settings. Services are provided through evidence-based and data-driven methodologies;
- *Peer Support and Training*: Services designed to provide the training and support necessary to

ensure active participation of the family in the treatment process and the ongoing implementation and reinforcement of skills learned throughout the treatment process.

Support and training is provided to family members to increase their ability to provide a safe and supportive environment in the home and community for the child;

- *Family Adjustment Counseling*: Provides counseling to the family members of the child with ASD in order to help them cope with the child's illness and the stress that accompanies both the initial diagnosis and the continuous, daily care required by the child. This will enable the family to manage stress and improve the likelihood that the child will continue to be cared for at home; and
- *Respite Care*

In FY 2008:

- The total expenditures were \$ 16,096
- The average number of individuals served monthly was 25

The Autism Waiver was implemented on January 1, 2008. At that time 25 children were selected through a random process to receive services. The other applicants were placed on the waiting list. Service providers were selected by families and services began as soon as possible. Therefore individuals did not receive waiver services for a full six month period during FY 2008.

Money Follows the Person (MFP) Grant

The Money Follows the Person Grant is a program that will impact the HCBS waivers by offering individuals in institutions an opportunity to move into the community if that is their choice.

The Kansas Money Follows the Person Project, "Community Choice", is a demonstration project that is designed to provide opportunities for individuals that are currently residing in qualified institutional settings to move into their home communities.

The primary features of the demonstration project are:

- Funded at an enhanced 80% federal match for the first 365 days the individual receives services in their home community;
- Provides for an estimated 963 individuals to leave institutional settings (i.e. ICF/MRs, and NFs);
- Provides an opportunity for Kansas to utilize the state savings created by the enhanced federal match to build capacity in local communities; and
- Will benefit Kansas through the addition of approximately \$37 million additional federal dollars over the next 5 years.

Conditions for transfer to the HCBS Waiver:

- Each person leaving the institutional setting must be eligible for the corresponding HCBS Waiver service;
- Each person must move directly from the demonstration project into the HCBS Waiver program without interruption / waiting for services; and
- The goal of MFP is for the money to follow the individual to the qualified HCBS Waiver

Money Follows the Person Projected Savings

The long term goal of the Money Follows the Person Grant is to rebalance the long term care budget by shifting funding from institutional budgets to community based services budgets as individuals make the decision to move back into the community. The intent is to offer individuals a choice, not to mandate they move to the community. This project is to assist those individuals in the process by providing education regarding community based options and, if needed, assistance in setting up a residence in the community.

The MFP Demonstration Project does provide for an enhanced FFP match during the first 365 days of individual participation. This enhanced match is designed as an offset for costs that are incurred during the transition period to ensure a successful community placement. Examples of the costs include “start up funds” to pay utility deposits, purchase basic living necessities, home modifications, but do exclude payment of room and board expenses.

Individuals started moving from institutions to the community on July 1, 2008. July 1 was the first day that the state was allowed to move individuals and begin receiving the enhanced match rate. As of July 15, 2008, four individuals have moved from an ICF/MR facility in Emporia and are now being served by the MR/DD Waiver. The facility, New Horizons, in Pittsburg, which is the last large bed private ICF/MR facility in the state, is now in the process of moving individuals into the community and upon completion will close the facility. This facility serves over fifty consumers. This week they are moving eleven persons to the community and will move eleven per week until all persons are moved. These individuals will receive services through the MR/DD Waiver.

The “savings” through Money Follows the Person translates into real dollars only when individuals move into a community setting from an institutional setting and the bed is closed behind the individual. This is demonstrated through the voluntary bed closure process as demonstrated above with New Horizons. This is considered a voluntary bed closure process utilized by the private ICFs/MR . This process would result in a decreased budget for private ICFs/MR and an increase in the MR/DD Waiver budget as a result of the transfers.

For nursing facilities and state ICFs/MR , the process is consistent in regards to individuals moving to the community. The difference is seen in regards to “savings”. As stated above, savings are only seen if the bed is closed. In nursing facilities and state ICFs/MR the beds may be refilled when there is a request by an individual for admission that requires the level of care provided by that facility. Therefore the beds are not closed. Further, even when a bed is closed only incremental savings are realized in the facility until an entire unit or wing of a facility can be closed.

HCBS WAITING LISTS

At this time there are two HCBS waivers that are maintaining waiting lists. The HCBS MR/DD waiver has approximately 1,359 individuals who have requested waiver services and are not receiving those services. There are an additional 798 individuals who have waiver services but have requested additional services and are waiting for those services.

The 2008 Legislature approved funding for an additional 20 children to be served by the Autism Waiver in FY 2009. The assessment process has begun to determine eligibility and needed services for these children. When this process is complete there will be approximately 140 individuals on a waiting list.

The HCBS PD and TBI waivers do not have waiting lists and individuals are accessing services as they are requested. Both of these waivers are projected to over-spend their allocations by the end of FY 2009. If additional funding is not received, it is anticipated that SRS will be required to implement a waiting list policy for both of these waivers.

REVIEW OF FUNDING INCREASES FOR DIRECT CARE STAFF

The 2008 Legislature allocated funding for a 2% rate increase for the MR/DD, PD, and TBI Waivers. This rate increase has been implemented. SRS met with stakeholders to discuss the use of the funding allocated for rate increases. SRS utilized their recommendations when possible. For the MR/DD Waiver a 2% rate increase was approved for all waiver services. For the PD waiver the reimbursement rates for Personal Services and Sleep Cycle Support were increased by 2%. For the TBI Waiver the reimbursement rates for Personal Services, Sleep Cycle Support, and Transitional Living Skills were increased by 2%.

Understanding the legislative intent of the 2% rate increase, I sent a June 6 memo to waiver providers encouraging them to be prudent in the use of the rate increase and encouraged them to direct the funding to those staff the legislature intended it to go to.

This concludes my testimony. I will now stand for questions.