



**State of Louisiana**  
Department of Health and Hospitals  
Office of the Secretary

January 3, 2012

The Honorable Joel T. Chaisson, II, President  
Louisiana State Senate  
P.O. Box 94183, Capitol Station  
Baton Rouge, LA 70804-9183

The Honorable Jim Tucker, Speaker  
Louisiana State House of Representatives  
P.O. Box 94062, Capitol Station  
Baton Rouge, LA 70804-9062

The Honorable Kay Katz, Chairwoman  
House Health and Welfare Committee  
Louisiana State House of Representatives  
P.O. Box 44486, Capitol Station  
Baton Rouge, LA 70804-4486

The Honorable Willie L. Mount, Chairwoman  
Senate Health and Welfare Committee  
Louisiana State Senate  
P.O. Box 94183, Capitol Station  
Baton Rouge, LA 70804-9183

The Honorable Jim Fannin, Chairman  
Joint Legislative Committee on the Budget  
P.O. Box 44486, Capitol Station  
Baton Rouge, LA 70804-4486

Re: January Quarterly Report for Act 305 of the 2010 Regular Session

Dear President Chaisson, Speaker Tucker, and Honorable Chairs:

In response to Act 305 of the 2010 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits this report. The bill requires DHH to submit quarterly reports to the House and Senate Committees on Health and Welfare and the Joint Legislative Committee on the Budget regarding the progress made in achieving sustainability in services for the New Opportunities Waiver, the Elderly and Disabled Adult Waiver, and the Long-Term Personal Care Services Program.

Implementation of a resource allocation system was mandated by the Louisiana Legislature during the 2008 Regular Session through HR 190 and SR 180, through HCR 142 of the 2009 Regular Session, and again in 2010 when Act 305 was signed into law. Even before these mandates, DHH recognized that a system that matches need and resources is necessary for the sustainability of the home and community-based service programs. Implementation of this system is consistent with national standards of practice. By imbedding resource allocation within each program office's person-driven planning process, the Office for Citizens with Developmental Disabilities (OCDD) and the Office of Aging and Adult Services (OAAS) are maintaining a responsive, flexible system that allows for unique individual planning and support differences.

Resource allocation establishes a balance such that fiscal savings are recognized, supporting the sustainability of community-based programs; acknowledges the uniqueness of each recipient and the challenges of developing any model/system that can work for everyone; and allows for flexibility when appropriate with a systematic review process and quality monitoring system. Both program offices conduct ongoing analysis of the fiscal and programmatic elements of the system to determine the impact of implementation and any need for modifications.

OAAS implemented Service Hours Allocation of Resources (SHARe) in the Elderly and Disabled Waiver and the Long-Term Personal Care Services (LT-PCS) program over a twelve month period beginning in March, 2009. SHARe accomplished a number of important results, including: 1) restoring cost-neutrality to the EDA waiver, ending the threat of federal sanctions; 2) serving over 5,000 additional recipients in the last two fiscal years, while still reducing spending for these services by 2 million; 3) avoiding costs of approximately \$28 million that would have been incurred by the continued enrollment growth in LT-PCS; and 4) limiting rate cuts to HCBS providers which would impact access to services. Most importantly, these reductions took place with no overall increase in the percentage of persons leaving the programs to enter a nursing home, which remains at a quarterly rate of only 2%.

OCDD began implementation of Resource Allocation in the New Opportunities Waiver (NOW) in October 2009. During the initial implementation this past fiscal year, the Office provided an allowance for current recipients to “phase-in” to their recommended Resource Allocation level over time. Concurrently, reviews were conducted to assure the health and safety needs of the recipient are met along with negotiations to explore options that will bring the person within the recommended allocation. Nonetheless, OCDD still averaged a savings of over \$12,000.00 per recipient per year when compared to the previous fiscal year costs. This resulted in a plan savings of \$6 million in FY 10 with a projected cumulative savings of over \$44 million by the end of FY 12. The NOW program expanded participation by 8.3 percent, with only a .48 percent expenditure growth in FY 11. The expansion of the program through efficiencies has reduced the wait time for services by four years.

Act 305 of the 2010 Regular Session required specific reporting of data that shows the progress made in achieving sustainability in home and community based services. In accordance with Act 305, the data reported below describes the number of recipients of certain services, the per person cost of those services, how those costs have changed, and related information such as the number of persons on waiting lists for services and the number of those who are receiving alternative services. There are notes on the following charts which define or describe specific data in more detail. The data continues to show that the efforts of OAAS and OCDD are moving the state towards a more sustainable community-based service model, serving more people at a lower per person average cost, yet continuing to shift the service setting from facilities into the community.

In summary, the Department’s accomplishments include:

- Lowering the average per recipient cost for home and community-based services through resource allocation.
- In FY 2011, the NOW program expanded participation by 8.3 percent, with only a .48 percent expenditure growth.
- In FY 2011, in the EDA and LT-PCS programs, the expansion of program participation was 9 percent, or 1,675 persons, with only a 3.75 percent expenditure growth.

Quarterly Data for Reporting Period July 1, 2011 – September 30, 2011, in accordance with Act 305  
Previous quarter results, as reported in HCR 142 of the 2009 R.S., are included for comparison

- a) The number of recipients served in the Long-Term Personal Care Services program, the Elderly and Disabled Adults Waiver program, and the New Opportunities Waiver program, and the average annual cost per recipient served in each program:

Reporting Measure	Program	Report Date									
		Jul'09	Oct'09	Jan'10	Apr'10	Oct'10	Jan'11	Apr'11	Jun'11	Oct'11	Dec'11
Number of Recipients	EDA	3,856	3,568	3,568	3,758	3,908	3,989	4,156	4,291	4,361	4,331
	LT-PCS	8,792	9,464	10,061	10,878	12,021	12,170	12,468	12,611	13,036	13,967
	NOW	6,372	6,516	6,811	6,919	7,046	7,167	7,385	7,489	7,628	7,823
Average annual cost per recipient	EDA	\$37,752	\$24,801	\$32,161	\$31,169	\$30,516	\$29,625	\$29,287	\$28,785	\$29,695	\$29,906
	LT-PCS	\$21,035	\$18,262	\$18,407	\$18,751	\$18,575	\$19,523	\$18,389	\$16,857	\$16,273	\$15,732
	NOW	\$70,472	\$68,528	\$67,541	\$65,844	\$64,408	\$62,964	\$61,628	\$59,794	\$59,461	\$59,103

- b) The number of recipients in each program whose annual cost of services exceeds the average cost for that program:

Reporting Measure	Program	Report Date									
		Jul'09	Oct'09	Jan'10	Apr'10	Oct'10	Jan'11	Apr'11	Jun'11	Oct'11	Dec'11
Number of recipients whose cost exceeds program average	EDA	1,799	1,753	1,733	1,782	1,962	2,032	2,192	2,167	2,182	2,138
	LT-PCS	2,527	4,755	5,144	5,754	6,476	6,924	6,992	6,666	6,396	5,850
	NOW	2,754	2,895	2,946	2,965	2,989	2,952	2,963	2,840	2,844	2,921

*\*annual cost of services/ service cost is defined as the approved costs in the annual plan of care for a waiver-participant. The plan of care is re-evaluated at least annually and may increase or decrease as the needs of the participant change.*

- c) The number of recipients in each program whose annual service cost has increased from the previous year:
- EDA: Eight hundred eighty-eight (888) EDA participants had their annual reassessment between July 1, 2011 and September 30, 2011. Six hundred forty-five (645) had an increase over their previous year's plan. The mean increase for those 645 was \$2,469 annually. The mean change from state fiscal year 2010 to state fiscal year 2011 for all 888 participants was an increase of \$783.
  - LT-PCS: Two thousand seven hundred ninety-six (2,796) LTPCS participants had their annual reassessment between July 1, 2011 and September 30, 2011. Seven hundred ninety-two (792) had an increase over their previous year's plan. The mean increase for those 792 was \$3,266 annually. However, the mean change from state fiscal year 2010 to state fiscal year 2011 for all 2,796 participants was a decrease of \$1,521.
  - NOW: Eight hundred seventy eight (878) had a new comprehensive plan of care (CPOC) that started between July 1, 2011 and September 30, 2011 and had a prior CPOC. Two hundred twenty four (224) or 25.5% had a cost increase. The median increase for those 224 was \$6,716 annually. However, the median change from state fiscal year 2009 to state fiscal year 2012 for all 878 CPOCs was a decrease of \$3,364.

d) The number of persons on waiting lists for each program:

Reporting Measure	Program	Report Date									
		Jul'09	Oct'09	Jan'10	Apr'10	Oct'10	Jan'11	Apr'11	Jun'11	Oct'11	Dec'11
Request for Services Registry	EDA	11,246	11,989	12,511	17,250	18,696	19,433	19,284	18,200	20,199	24,244
	NOW	9,287	9,263	9,440	9,372	9,453	9,838	10,011	9,887	8,135	8,329

e) The number of persons on waiting lists who are currently receiving services and the type of services they are receiving:

Reporting Measure	Program	Report Date									
		Jul'09	Oct'09	Jan'10	Apr'10	Oct'10	Jan'11	Apr'11	Jul'11	Oct'11	Dec'11
The number of persons on the EDA waiting list who are currently receiving services and the type of services they are receiving	LT-PCS	3,389	3,716	3,605	5,363	5,565	6,257	5,540	5,557	5,915	6,623
	ADHC	351	341	330	376	406	452	464	480	504	533
	NOW	47	47	41	47	86	77	87	90	109	119
	Supports	73	76	75	128	133	130	129	138	143	175
Reporting Measure	Program	Jul'09	Oct'09	Jan'10	Apr'10	Oct'10	Jan'11	Apr'11	Jun'11	Oct'11	Dec'11
The number of persons on the NOW waiting list who are currently receiving services and the type of services they are receiving	LT-PCS	272	210	212	208	196	213	165	177	132	152
	ADHC	28	22	23	15	16	16	14	15	19	19
	EDA	143	145	146	135	120	119	103	110	80	83
	ROW									6	4
	Supports	1,191	1,208	1,265	1,184	1,157	1,007	938	968	914	970

- f) The number of persons moved from an existing service to the New Opportunities Waiver and the additional cost or savings:

TRANSFER PROGRAM TYPE	TOTAL TRANSFERS SFY 2010-2011	TRANSFERS THRU 1ST QTR SFY 2011-2012	TRANSFERS THRU 2ND QTR SFY 2011-2012	TRANSFERS THRU 3RD QTR SFY 2011-2012	TRANSFERS THRU 4TH QTR SFY 2011-2012	ESTIMATED ANNUAL SAVINGS/ INCREASE
PRIVATE ICF/MR	54	18				-\$179,460
CHILDREN'S CHOICE	83	18				\$740,250
RESIDENTIAL OPTIONS	0	0				\$0
SUPPORTS WAIVER	163	35				\$1,524,810
NURSING HOME	1	1				\$23,532
SUPPORTS AND SERVICES CENTERS	64	24				-\$3,492,317
EDA & LT-PCS	25	10				\$265,030
ADHC & LT-PCS	2	2				\$64,288
<b>TOTAL</b>	<b>392</b>	<b>108</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-\$1,053,867</b>

#### CHART NOTES

- As of September 30, 2011, 295 persons have been certified into the New Opportunities Waiver (NOW) during state fiscal year 2011-2012.
  - 108 of these participants were previous recipients of the Medicaid programs listed above before their New Opportunities Waiver certification.
  - The savings/increase estimated is based on the average cost per recipient of each program as compared to the average cumulative 1st quarter average cost of the NOW.
  - Average cost information in this comparison does not include acute care.
  - The estimated decrease in cost of \$1,053,867 below the previous program cost will be adjusted each quarter to reflect updated expenditures and plan information.
- g) The average cost of persons receiving services from both the Long Term Personal Care Services program and the Elderly and Disabled Adults Waiver program:
- Effective July 1, 2010 persons enrolled in Elderly and Disabled Adults Waiver receive personal assistant services under the waiver and no longer utilize Long Term Personal Care Services.
- h) The average cost for persons receiving services in privately operated nursing facilities and privately operated intermediate care facilities for persons with developmental disabilities:

Reporting Measure	Program	Jul'09	Jan'10	Jan'11	Jul'11	Oct'11	Dec'11
Average annual cost institutional Services	NF	\$31,782	\$33,915	\$40,577	\$40,025	\$40,577	\$40,570
	ICF/DD	\$62,305	\$64,130	\$62,630	\$67,917	\$61,591	\$63,008

\* changed the NF reporting in Oct'11—using annualized monthly per capita expenditures—a better comparison to plan of care cost.

- i) The number of waiver recipients whose cost of care exceeds the average cost of the services being waived:

Reporting Measure	Program	Report Date					
		Jul'09	Jan'10	Jan'11	Jul'11	Oct'11	Dec'11
The number of waiver recipients whose cost of care exceeds the average cost of the services being waived*	EDA	n/a	n/a	142	194	165	211
The number of waiver recipients whose cost of care exceeds the average cost of the services being waived*	NOW	n/a	n/a	118	1463	2676	1438

*\*Waived cost is defined as the number of EDA/NOW participants whose approved waiver costs exceed the institutional average cost. Private nursing facility cost is used for EDA comparison while cost of all intermediate care facilities for persons with developmental disabilities is used for NOW comparison.*

*\*The 118 reflects the impact of the December payout due to the decrease in Louisiana's Federal Medicaid Assistance percentage (FMAP) in January, 2001.*

Thank you for allowing us to present information that shows the progress DHH has made in making improvements to and achieving sustainability in home and community-based services. We are happy to discuss this report with you should you have any questions or comments. Please contact me at (225) 342-7092 with any questions that you may have.

Sincerely,



Kathy Kliebert  
Deputy Secretary

Cc: David R. Poynter Legislative Research Library  
The Honorable Members of the House Health and Welfare Committee  
The Honorable Members of the Senate Health and Welfare Committee  
The Honorable Members of the Joint Legislative Committee on the Budget