

Bobby Jindal
GOVERNOR



Bruce D. Greenstein
SECRETARY

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

October 1, 2011

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: October 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 April 1, 2011 – June 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	Jan'10	Jan'11	Jul'11	Oct'11
Number of Recipients	EDA	3,856	3,568	3,989	4,291	4,361
	LTPCS	8,792	10,061	12,170	12,611	13,036
	NOW	6,372	6,811	7,167	7,489	7,628
Average annual cost per recipient	EDA	\$37,752	\$32,161	\$29,625	\$28,785	\$29,695
	LTPCS	\$21,035	\$18,407	\$18,523	\$16,857	\$16,273
	NOW	\$70,472	\$67,541	\$62,964	\$59,794	\$59,461

- 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	Jan'10	Jan'11	Jul'11	Oct'11
Number of recipients whose cost exceeds program average	EDA	1,799	1,733	2,032	2,167	2,182
	LTPCS	2,527	5,144	6,924	6,666	6,396
	NOW	2,754	2,965	2,952	2,840	2,844

**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 eight (808) EDA participants had their annual reassessment between April 1, 2011 and June 30, 2011. Six hundred thirty-nine (639) had an increase over their previous year's plan. The average increase for those 639 was \$2,370 annually. However, the average change from state fiscal year 2010 to state fiscal year 2011 for all 808 participants was an increase of \$1,223.
 - LT-PCS: Two thousand five hundred sixty-three (2,563) LTPCS participants had their annual reassessment between April 1, 2011 and June 30, 2011. Six hundred ninety-six (696) had an increase over their previous year's plan. The average increase for those 696 was \$3,080 annually. However, the average change from state fiscal year 2010 to state fiscal year 2011 for all 2,563 participants was a decrease of \$1,550. The average hours of this service was 26 hours per week which is three hours less than that of the previous year plan.
 - NOW: One thousand six hundred thirty-eight (1,638) NOW participants had a new comprehensive plan of care (CPOC) that started between April 1, 2011 and June 30, 2011 and had a prior CPOC. Five hundred forty-six (546) or 33.3% had a cost increase. The median increase for those 546 was \$3,601 annually. However, the median change from state fiscal year 2009 to state fiscal year 2010 for all 1,638 CPOCs was a decrease of \$1,337.

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

Reporting Measure	Report Date				
	Jul'09	Jan'10	Jan'11	Jul'11	Oct'11
EDA Waiting List	11,246	12,511	19,433	18,200	20,199
NOW Waiting List	9,287	9,440	9,838	9,887	8,135

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	Jan'10	Jan'11	Jul'11	Oct'11
The number of persons on the EDA waiting list who are currently receiving services and the type of services they are receiving	LTPCS	3,389	3,605	6,257	5,557	5,915
	ADHC	351	330	452	480	504
	NOW	47	41	77	90	109
	Supports	73	75	130	138	143
The number of persons on the NOW waiting list who are currently receiving services and the type of services they are receiving	LTPCS	272	212	213	177	132
	ADHC	28	23	16	15	19
	EDA	143	146	119	110	80
	ROW					6
	Supports	1,191	1,265	1,007	968	914

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

TRANSFER PROGRAM TYPE	TOTAL TRANSFERS SFY 2009-2010	TRANSFERS THRU 1ST QTR SFY 2010-2011	TRANSFERS THRU 2ND QTR SFY 2010-2011	TRANSFERS THRU 3RD QTR SFY 2010-2011	TRANSFERS THRU 4TH QTR SFY 2010-2011	ESTIMATED ANNUAL SAVINGS/ INCREASE
PRIVATE ICF/MR	67	11	34	41	54	-\$321,732
CHILDREN'S CHOICE	71	24	43	60	83	\$3,655,403
SUPPORTS WAIVER	254	32	100	122	163	\$7,684,309
NURSING HOME	5	1	1	1	1	\$12,585
SUPPORTS AND SERVICES CENTERS	42	4	25	36	64	-\$8,789,696
EDA & LT-PCS	39	4	14	19	25	\$725,100
ADHC & LT-PCS	1	0	1	2	2	\$68,684
TOTAL	479	76	218	281	392	\$3,034,653

CHART NOTES

1. As of June 30, 2011, 795 persons have been certified into the New Opportunities Waiver (NOW) during state fiscal year 2010-2011.
2. 392 of these participants were previous recipients of the Medicaid programs listed above before their New Opportunities Waiver certification.
3. The savings/increase estimated is based on the average cost per recipient of each program as compared to the average cumulative 4th quarter average cost of the NOW.
4. Average cost information in this comparison does not include acute care.

5. The estimated increase in cost of \$3,034,653 above 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	Report Date				
		Jul'09	Jan'10	Jan'11	Jul'11	Oct'11
Average annual cost	NF	\$31,782	\$33,915	\$40,577	\$40,025	\$40,577
Institutional Services	ICF/DD	\$62,305	\$64,130	\$62,630	\$67,917	\$61,591

* 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:

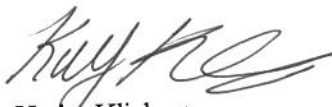
Reporting Measure	Program	Report Date				
		Jul'09	Jan'10	Jan'11	Jul'11	Oct'11
The number of waiver recipients whose cost of care exceeds the average cost of the services being waived*	EDA	n/a	n/a	142	194	165
The number of waiver recipients whose cost of care exceeds the average cost of the services being waived*	NOW	n/a	n/a	118	1,463	2,676

*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