



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

August 2, 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: July 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 Act 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 does the following: 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 Adult (EDA) 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) reducing actual spending on these services in state FY 10 by \$19 million dollars from the previous year, yet serving over 2,300 more recipients; 3) avoiding costs of \$11 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 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 LTPCS 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, 2010 – March 31, 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:

		Report Date							
Reporting Measure	Program	Jul'09	Oct'09	Jan'10	Apr'10	Oct'10	Jan'11	Apr'11	Jul'11
Number of Recipients	EDA	3,856	3,568	3,568	3,758	3,908	3,989	4,156	4,291
	LTPCS	8,792	9,464	10,061	10,878	12,021	12,170	12,468	12,611
	NOW	6,372	6,516	6,811	6,919	7,046	7,167	7,385	7,489
Average annual cost per recipient	EDA	\$37,752	\$34,801	\$32,161	\$31,169	\$30,516	\$29,625	\$29,287	\$28,785
	LTPCS	\$21,035	\$18,262	\$18,407	\$18,751	\$18,575	\$18,523	\$18,389	\$16,857
	NOW	\$70,472	\$68,528	\$67,541	\$65,844	\$64,408	\$62,964	\$61,628	\$59,794

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

		Report Date							
Reporting Measure	Program	Jul'09	Oct'09	Jan'10	Apr'10	Oct'10	Jan'11	Apr'11	Jul'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
	LTPCS	2,527	4,755	5,144	5,754	6,476	6,924	6,992	6,666
	NOW	2,754	2,895	2,965	2,965	2,989	2,952	2,963	2,840

*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 fifty four (854) EDA participants had their annual reassessment between January 1, 2011 and March 31, 2011. Six hundred fifty-six (656) had an increase over their previous year's plan. The median increase for those 656 was \$912 annually. However, the median change from state fiscal year 2010 to state fiscal year 2011 for all 854 participants was an increase of \$615.
 - LT-PCS: One thousand nine hundred twenty-seven (1,927) LT-PCS participants had their annual reassessment between January 1, 2011 and March 31, 2011. Five hundred and three (503) had an increase over their previous year's plan. The median increase for those 503 was \$2,260 annually. However, the median change from state fiscal year 2010 to state fiscal year 2011 for all 1,927 participants was zero (\$0).
 - NOW: One thousand eight hundred nine (1,809) had a new Comprehensive Plan of Care (CPOC) that started between October 1, 2010 and March 31, 2011 and had a prior CPOC. Four hundred thirty-eight (438) or 24.2% had a cost increase. The median increase for those 438 was \$4,851 annually. However, the median change from state fiscal year 2010 to state fiscal 2011 for all 1,809 CPOCs was a decrease of \$1,379.

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

		Report Date							
Reporting Measure		Jul'09	Oct'09	Jan'10	Apr'10	Oct'10	Jan'11	Apr'11	Jul'11
EDA Waiting List		11,246	11,989	12,511	17,250	18,696	19,433	19,284	18,200
NOW Waiting List		9,287	9,263	9,440	9,372	9,453	9,838	10,011	9,887

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

		Report Date							
Reporting Measure	Program	Jul'09	Oct'09	Jan'10	Apr'10	Oct'10	Jan'11	Apr'11	Jul'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	3,716	3,605	5,363	5,565	6,257	5,540	5,557
	ADHC	351	341	330	376	406	452	464	480
	NOW	47	47	41	47	86	77	87	90
	Supports	73	76	75	128	133	130	129	138
Reporting Measure	Program	Jul'09	Oct'09	Jan'10	Apr'10	Oct'10	Jan'11	Apr'11	Jul'11
The number of persons on the NOW Waiting List who are currently receiving services and the type of services they are receiving	LTPCS	272	210	212	208	196	213	165	177
	ADHC	28	22	23	15	16	16	14	15
	EDA	143	145	146	135	120	119	103	110
	Supports	1,191	1,208	1,265	1,184	1,157	1,007	938	968

- 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		-\$482,078
CHILDREN'S CHOICE	71	24	43	60		\$2,671,920
SUPPORTS WAIVER	254	32	100	122		\$5,819,644
NURSING HOME	5	1	1	1		\$12,097
SUPPORTS AND SERVICES CENTERS	42	4	25	36		-\$5,655,240
EDA & LT-PCS	39	4	14	19		\$562,856
ADHC & LT-PCS	1	0	1	2		\$70,530
TOTAL	479	76	218	281	0	\$2,999,729

CHART NOTES:

1. As of March 31, 2011, 609 persons have been certified into the New Opportunities Waiver (NOW) during state fiscal year 2010-2011.
2. 281 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 2nd quarter average cost of the NOW.
4. The average cost information in this comparison does not include acute care.
5. The estimated increase in cost of \$2,999,729 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 the 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	Oct'09	Jan'10	Apr'10	Oct'10*	Jan'11	Apr'11	Jul'11
Average annual cost Institutional Services	NF	\$31,782	\$33,915	\$33,915	\$33,915	\$37,480	\$40,577	\$40,577	\$40,025
	ICF/DD	\$62,305	\$64,476	\$64,130	\$64,468	\$64,302	\$62,630	\$71,014	\$67,917

* Changed the NF reporting in Oct'10 – 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:

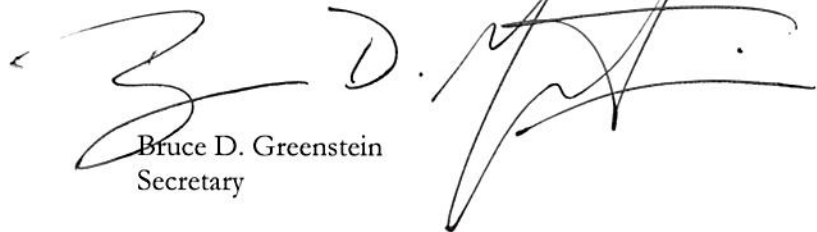
Reporting Measure	Program	Report Date							
		Jul'09	Oct'09	Jan'10	Apr'10	Oct'10	Jan'11	Apr'11	Jul'11
The number of waiver recipients whose cost of care exceeds the average cost of the services being waived*	EDA	n/a	n/a	n/a	n/a	1,502	142	166	194
The number of waiver recipients whose cost of care exceeds the average cost of the services being waived*	NOW	n/a	n/a	n/a	n/a	1,453	1,307	*118	1,463

*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 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, 2011.

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 Kathy Kliebert, DHH Deputy Secretary, at (225) 342-7092 with any questions that you may have.

Sincerely,



Bruce D. Greenstein
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

Regular Session, 2010

HOUSE BILL NO. 1185

BY REPRESENTATIVE NOWLIN

ACT No. 305

AN ACT

To enact Part LXIX of Chapter 5 of Title 40 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 40:1300.321 through 1300.323, relative to long-term care; to provide for legislative findings and purpose; to provide for definitions; to provide for certain reimbursements and procedures in the Medicaid state plan as it relates to long-term care services for the elderly, the disabled, and persons with developmental disabilities; to provide for promulgation of rules by the Department of Health and Hospitals; to provide for a date for promulgation of the rules by the Department of Health and Hospitals; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Part LXIX of Chapter 5 of Title 40 of the Louisiana Revised Statutes of 1950, comprised of R.S. 40:1300.321 through 1300.323, is hereby enacted as follows:

PART LXIX. THE HOME-AND COMMUNITY-BASED

LONG-TERM CARE ACT

§1300.321. Legislative findings; purpose

A. The Legislature of Louisiana hereby finds that Medicaid currently spends in excess of seven hundred eighteen million dollars annually on a variety of home- and community-based programs to address the long-term care needs of our citizens who are elderly or have severely disabling conditions. These expenditures constitute in excess of sixteen percent of all Medicaid costs for health care services delivered by private providers.

B. Expenditures for Medicaid home- and community-based long-term care supports and services accounts for fifteen percent of the total growth of Medicaid spending in the past five years.

1 C. Despite the substantial financial commitment that the legislature has made
2 to provide home- and community-based long-term care services, many Louisiana
3 residents are still required to wait for years to receive the services they need.

4 §1300.322. Definitions

5 As used in this Part:

6 (1) "Adult with disability" means an individual who is twenty-one to sixty-
7 four years of age and disabled according to Medicaid standards or the Social Security
8 Administration's disability criteria.

9 (2) "Department" means the Department of Health and Hospitals or its
10 successor in the role of designated state agency under Title XIX of the Social
11 Security Act or any successor Act providing funding for medical care for the poor.

12 (3) "Elderly" means an individual who is sixty-five years of age or older.

13 (4) "Long-term care services" means the following services provided
14 pursuant to Louisiana's approved Medicaid state plan for medical assistance:

15 (a) Long-term personal care services.

16 (b) Adult day health care waiver services.

17 (c) Children's Choice Waiver services.

18 (d) Elderly and Disabled Adult Waiver services.

19 (e) New Opportunities Waiver service.

20 (f) Supports waiver services.

21 (5) "Person with developmental disability" means an individual of any age
22 who has a developmental disability as defined in R.S. 28:451.2(12).

23 (6) "State plan for medical assistance" means the plan promulgated by the
24 department in accordance with its role as designated state agency under Title XIX
25 of the Social Security Act or any successor Act providing funding for medical care
26 for the poor.

27 §1300.323. Medical assistance programs

28 A. The department shall adopt rules and regulations in accordance with the
29 Administrative Procedure Act with regards to the following:

1 (1) Taking actions necessary to complete implementation of the resource
2 allocation models for the New Opportunities Waiver, the Elderly and Disabled
3 Adults Waiver, and the Long-Term Personal Care Services program by July 1, 2012.

4 (2) Developing an objective formula to determine the staff needed to
5 appropriately regulate and monitor the various home- and community-based
6 programs to control fraud and abuse, to ensure program regulations are adhered to
7 and services are delivered in a quality manner, and to report the department's
8 findings.

9 (3) Changing the policy on the allocation of waiver slots so that the office
10 for citizens with developmental disabilities and the office of aging and adult services
11 may allocate all Centers for Medicare and Medicaid Services-approved waivers, such
12 as Children's Choice, Supports, Residential Options and Adult Day Health Care,
13 based upon individual need and cost-effectiveness, as long as individual needs are
14 met with the alternative waivers.

15 (4) Developing and implementing a budget neutral pilot program in selected
16 areas of the state for an integrated, coordinated, prepaid delivery model for long-term
17 care services for the elderly and people with adult-onset disabilities.

18 (5) Submitting quarterly reports, the first report being submitted no later than
19 October 1, 2010, to the House and Senate committees on health and welfare and the
20 Joint Legislative Committee on the Budget. Each report shall include:

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

25 (b) The number of recipients in each program whose annual cost of services
26 exceeds the average cost for that program.

27 (c) The number of recipients in each program whose annual service cost has
28 increased from the previous year.

29 (d) The number of persons on waiting lists for each program.

1 (e) The number of persons on waiting lists who are currently receiving
2 services and the type of services they are receiving.

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

5 (g) The average cost of persons receiving services from both the Long-Term
6 Personal Care Services program and the Elderly and Disabled Adults Waiver
7 program.

8 (h) The average cost for persons receiving services in privately operated
9 nursing facilities and privately operated intermediate care facilities for persons with
10 developmental disabilities.

11 (i) The number of waiver recipients whose cost of care exceeds the average
12 cost of the services being waived.

13 (j) Other pertinent data as requested by the committees.

14 B. The rules and regulations shall be promulgated no later than October 1,
15 2010. The department shall also submit to the secretary of the United States
16 Department of Health and Human Services the necessary revisions to the state plan
17 for medical assistance and the various approved waivers that are necessary to
18 conform those documents with the provisions of this Part.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____