

Bobby Jindal
GOVERNOR



Alan Levine
SECRETARY

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

October 15, 2009

The Honorable Michael J. "Mike" Michot, Chair
Joint Legislative Committee on the Budget
State Capital
P.O. Box 44294
Baton Rouge, LA 70804

Dear Senator Michot:

In response to House Concurrent Resolution No. 142 (HCR 142) of the 2009 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits the enclosed report. The resolution directs the Department of Health and Hospitals to submit written quarterly reports regarding costs and other pertinent data for the New Opportunities Waiver, the Elderly and Disabled Adult Waiver, and the Long-Term Personal Care Services Program.

The Office for Citizens with Developmental Disabilities, the Office of Aging and Adult Services, and the Bureau of Health Services Financing within DHH are available to discuss the enclosed report and recommendations with you and the members of the Joint Legislative Committee on the Budget. Please contact Ray Dawson, DHH Medicaid Deputy Director, at (225) 342-1353 with any questions or comments you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Levine".

Alan Levine
Secretary

Enclosures

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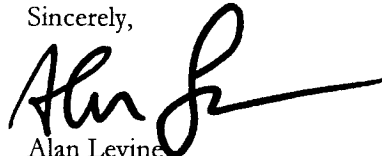
The Honorable Willie Mount, Chair
Senate Health and Welfare Committee
State Capital
P.O. Box 94183
Baton Rouge, LA 70804

Dear Senator Mount:

In response to House Concurrent Resolution No. 142 (HCR 142) of the 2009 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits the enclosed report. The resolution directs the Department of Health and Hospitals to submit written quarterly reports regarding costs and other pertinent data for the New Opportunities Waiver, the Elderly and Disabled Adult Waiver, and the Long-Term Personal Care Services Program.

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

October 15, 2009

The Honorable Kay Katz, Chair
House Health and Welfare Committee
State Capital
P.O. Box 44486
Baton Rouge, LA 70804

Dear Representative Katz:

In response to House Concurrent Resolution No. 142 (HCR 142) of the 2009 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits the enclosed report. The resolution directs the Department of Health and Hospitals to submit written quarterly reports regarding costs and other pertinent data for the New Opportunities Waiver, the Elderly and Disabled Adult Waiver, and the Long-Term Personal Care Services Program.

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Sincerely,

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Alan Levine
Secretary

Enclosures



State of Louisiana

Department of Health and Hospitals
Office of the Secretary

TO: House Committee on Health and Welfare
Senate Committee on Health and Welfare
Joint Legislative Committee on the Budget

FROM: Alan Levine, Secretary

SUBJECT: HCR 142 of the 2009 Regular Session – second status report

DATE: October 15, 2009

As directed in HCR 142 of the 2009 Regular Session, the following response is provided by the Department of Health and Hospitals. The first report was submitted on July 1, 2009.

HCR 142- Second Report - October 2009

- 1) The number of recipients served in the Long Term/Personal Care Services Program (LT-PCS), the Elderly & Disabled Adults Waiver (EDA), and the New Opportunities Waiver (NOW), and the average annual cost per recipient served in each program.
 - a. Number of Recipientsⁱ
 - i. EDA: 3,568
 - ii. LT-PCS (without EDA): 9,464
 - iii. NOW 6,516
 - b. Average Annual Care Plan Approved Cost
 - i. EDA: \$34,801ⁱⁱ
 - ii. LT-PCS (without EDA): \$18,262ⁱⁱⁱ
 - iii. NOW: \$68,528
- 2) The number of recipients in each program whose annual cost of service exceeds the average cost for that program.
 - a. EDA: 1,753 (49%)
 - b. LT-PCS (without EDA): 4,755 (50%)
 - c. NOW: 2,895 (45%)

3) The number of recipients in each program whose annual service costs increased from the previous year.

- a. EDA: 115 (20%) of 577 new care plans beginning between 7/1/2009 and 9/1/2009
 - i. The median increase for those 115 was \$3,236 annually. However, the median change from 2008 to 2009 for all 577 care plans was a decrease of \$8,404 (21% reduction)
- b. LT-PCS (without EDA): 275 (31%) of 877 new care plans beginning between 7/1/2009 and 9/1/2009
 - i. The median increase for those 275 was \$2,995 annually. However, the median change from 2008 to 2009 for these 877 care plans was a decrease of \$2,808 (12% reduction).
- c. NOW: 267 (18%) of 1,478 with new care plans 7/1/09 to 9/30/09 AND had a prior CPOC, had a cost increase.

4) The number of persons on the waiting lists for each program^{iv}

- a. EDA: 11,989
- b. NOW: 9,263

5) The number of persons on waiting lists who are currently receiving services and the type of service they are receiving.

- a. EDA
 - i. 3,716 LT-PCS
 - ii. 341 ADHC waiver
 - iii. 47 NOW waiver
 - iv. 76 Supports waiver
- b. NOW
 - i. 210 LT-PCS
 - ii. 22 ADHC waiver
 - iii. 145 EDA waiver
 - iv. 1,208 Supports waiver
 - v. 780 Support coordination through a non-waiver service (EPSDT, Ventilator Assistance, First time mothers)

6) The number of persons moved from an existing service to the New Opportunities Waiver and the additional cost or savings for each program.

- a. Summarization chart follows.

SUMMARY OF NOW RECIPIENTS TRANSFERRED FROM OTHER MEDICAID PROGRAMS

TRANSFER PROGRAM TYPE	ANNUALIZED AVG. COST PER RECIPIENT	TRANSFERS	ESTIMATED ANNUAL SAVINGS/INCREASE
ICFMR		0	\$0
CHILDREN'S CHOICE	\$13,126	15	\$165,015
SUPPORTS WAIVER	\$9,324	46	\$680,938
NURSING HOME		0	\$0
SUPPORTS & SERVICES CENTER	\$205,444	3	-\$543,951
EDA & LT-PCS	\$34,764	6	-\$63,822
ADHC		0	\$0
TOTAL		70	\$238,180

OCDD Chart Notes:

- As of September 30, 2009, there were 164 new NOW participants since July 1, 2009.
 - 70 of these participants were transfers from the Medicaid programs listed above.
 - The average annual cost per recipient for the first quarter of SFY 10 for each program was used to determine their pre-transfer estimated cost.
 - The actual first quarter NOW cost of the 70 recipients transferred was used to compare the recipient's change in cost. Of the 70 recipients transferred, 45 had expenditures in the first quarter that produced an average cost of \$24,128 per recipient. We expect that cost to increase quarterly over the course of the state fiscal year.
 - Average cost information does not include acute care costs.
 - The estimated increase in cost of \$238,180 above the previous program will be adjusted each quarter to reflect actual expenditures.
- 7) The average cost of persons receiving services from both the Long Term/Personal Care Services Program and the Elderly & Disabled Adults Waiver Program.
- a. \$35,264^v
- 8) The average cost for persons receiving services in privately operated nursing facilities and privately operated Intermediate Care Facilities for persons with developmental disabilities.
- a. Nursing Facility Cost: \$33,915^{vi}
 - b. ICF-DD Cost: \$59,203^{vii}

APPEAL INFORMATION:

OAAS -

This information is not a requirement of the HCR; however, the Department felt it important to apprise the committees on the impact resource allocation is having. A major effect of implementing of resource allocation in the Office of Aging and Adult Services (OAAS) has been a dramatic increase in appeals, as recipients exercise their right to appeal individual reductions in Medicaid-funded services. In the first five months since appeals began to hit the system, the average number of appeals per month for LT-PCS rose 173%, from about 40 per month to about 109 per month. Appeals for the waiver program rose 260% from an average of about 25 a month to 91 a month. OAAS is currently averaging 174 per month for the two programs combined. This has strained resources in OAAS and the DHH Bureau of Appeals (BOA).

It also has the effect in some cases of delaying implementation of the reductions. Persons have 30 days from notification of the reduction in which to appeal, but if they appeal within 10 days, the appeal is suspensive, that is, the current level of services continues until the case is decided. About half the appeals to date are still pending. Of the appeals that have gone to hearing, the agency has been upheld in 93% of the cases, sustaining a reduction in services. A number of appeals have also been resolved administratively without a hearing and with the level of services remaining within the resource allocation amount.

OCDD –

OCDD is in the initial stages of implementation of the new Guidelines for Support and resource allocation. OCDD has completed 15 state office reviews and most have been resolved. There have not been any formal appeals of the NOW resource allocation at this time.

EDA / LTPCS Notes:

ⁱ The number of recipients is calculated as the number of individuals with approved care plans to start on or before September 30, 2009. Includes all plans approved on or before September 20, 2009.

ⁱⁱ Based on 3,568 annual EDA care plans – includes LT-PCS services, if applicable

ⁱⁱⁱ Based on 9,464 annual LT-PCS (without EDA) care plans

^{iv} Based on reassessments scheduled to begin July 1, 2009 through September 30, 2009; the costs were calculated using current rates to adjust for the recent reductions.

^v Unduplicated count within each list is as of September 30, 2009.

^{vi} Based on 3,504 annual EDA care plans – only those with LT-PCS services

^{vii} Based on the SFY-0809 372 report MW-S-71-A(S)

^{viii} Based on daily rate for private ICF's, including patient liability