

Alabama Medicaid Long Term Care Program

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STEPHANIE MCGEE AZAR
COMMISSIONER
ALABAMA MEDICAID AGENCY



AGENDA

- Nursing Home Overview
- Expenditures
- Funding
- Nursing Home Eligibility
- Home and Community-Based Services (HCBS) Waivers



Nursing Home Overview



Nursing Homes in Alabama

Number of Nursing Homes:

Accepts Medicaid: 218

Does not Accept Medicaid: 12

Total Number of Beds: 27,006

FY 2015

Unique Recipients: 25,438

Average Recipients: 16,189

Expenditures: \$945 million

Occupancy:

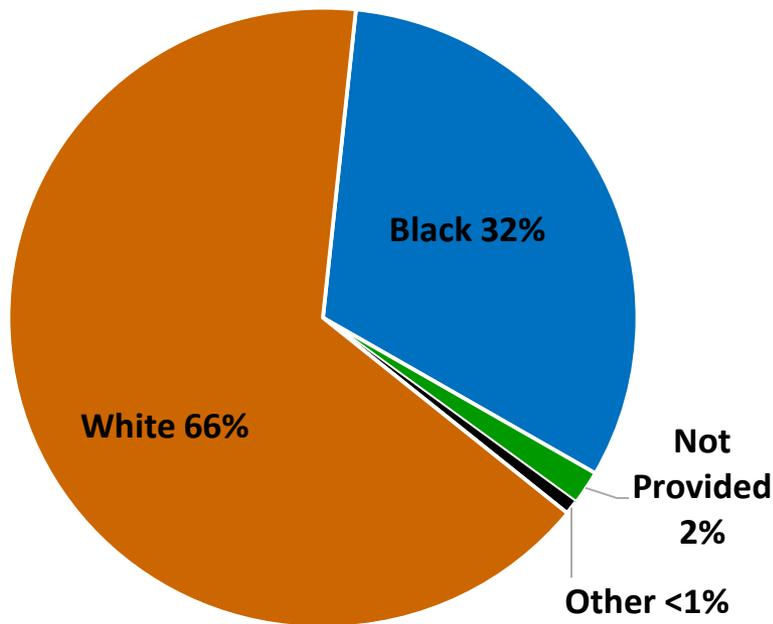
- Total nursing home occupancy (beds occupied/beds available): 87%
- Medicaid occupancy (Medicaid days/total days): 69%

Source: June 2015 cost reports

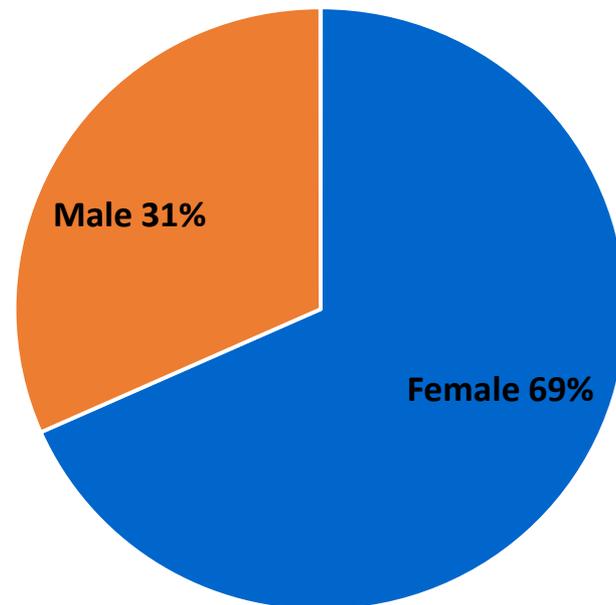


Nursing Home Expenditures by Race & Gender

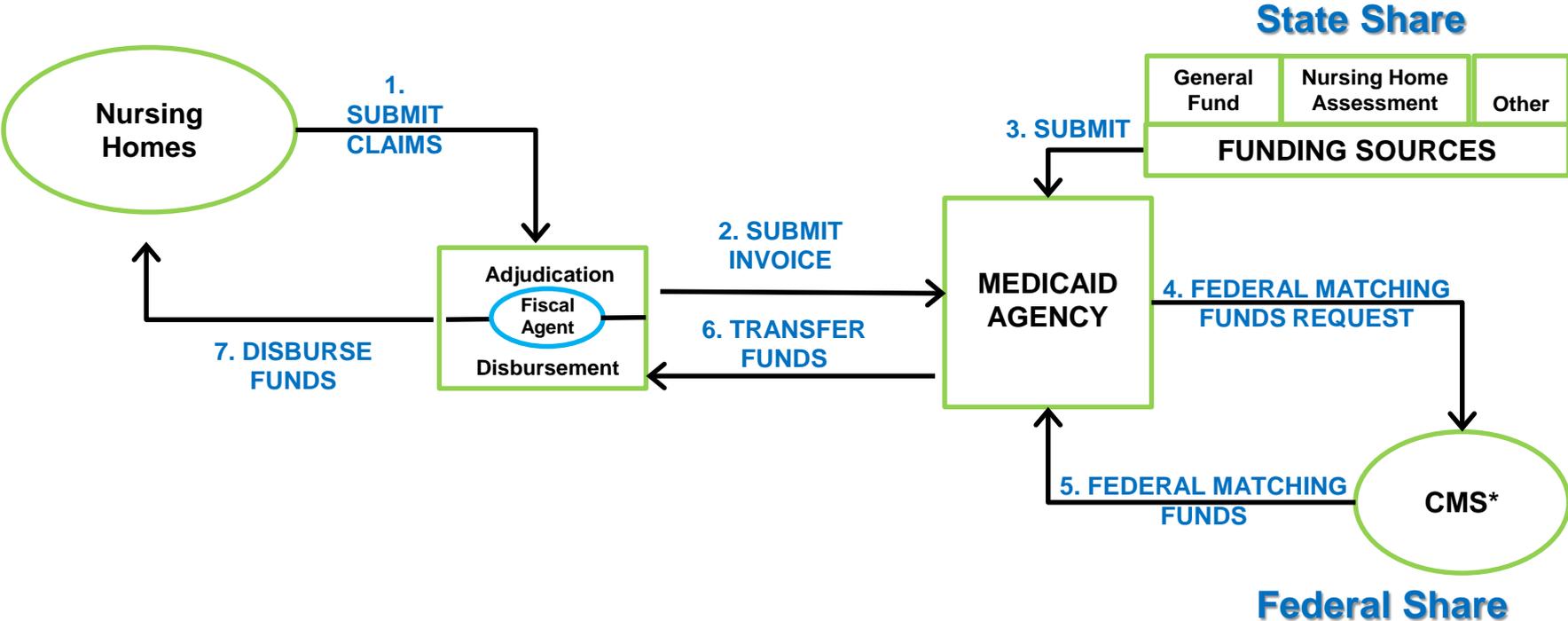
Nursing Home Expenditures By Race



Nursing Home Expenditures By Gender



Nursing Home Reimbursement Process (Paid Twice Per Month)



* Center for Medicare & Medicaid Services

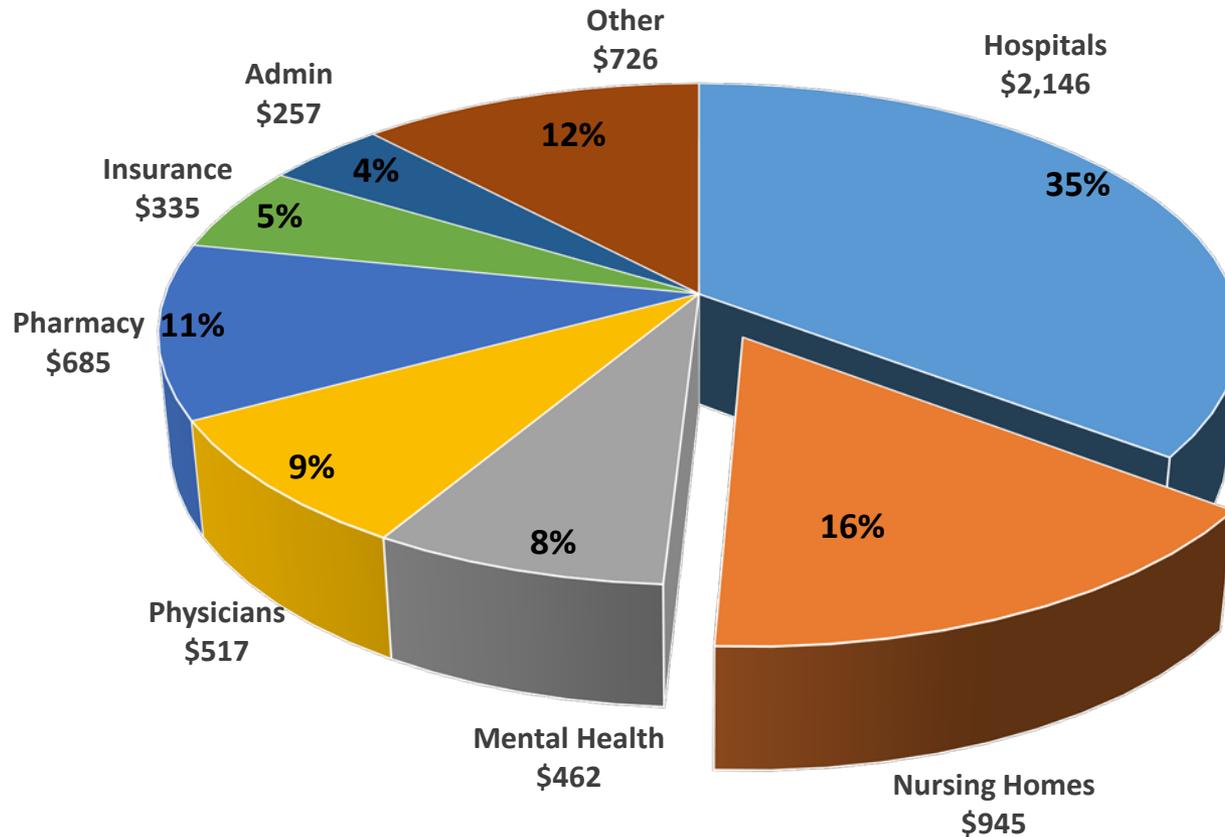


Nursing Home Expenditures



FY 2015 Medicaid Funding Analysis

Benefit Payments and Administrative Costs (in millions)



Benefit Payments: \$5.8 billion
96%



Nursing Home Reimbursement

- Nursing homes paid on a per diem basis
- Each nursing home's per diem rate is based on its allowable costs
 - Operating Costs, Direct Costs, Indirect Costs, and return on property investments
- Per diem is reduced based on recipient income (patient liability)
- All nursing homes submit a Medicaid cost report annually
- Cost reports are audited
 - All are desk reviewed annually
 - Onsite audits regularly
- Reimbursement methodology is codified in Alabama statute



What is included in per diem?

Nursing Home per diem covers the following services:

- Room and board
- Personal services and supplies (assistance with eating, hygiene needs, bath)
- Administration of medication (does not include payment for prescription drugs)
- Medically necessary over-the-counter drugs
- Nursing care and treatment supplies (needles, catheters, dressings)
- Safety equipment (wheelchairs, walkers, suction apparatus)



Nursing Home Program Recipients and Expenditures by Age: FY 2015

Age	Average Number of Nursing Home Recipients	Medicaid Expenditures for Nursing Facilities	% of Total	Average Annual Cost
0-5	11	\$927,104	0%	\$84,282
6-20	76	\$5,826,920	1%	\$76,670
21-64	3,514	\$215,168,489	23%	\$61,232
65-74	3,186	\$189,778,975	20%	\$59,567
75-84	4,366	\$256,177,343	27%	\$58,676
85 & Over	5,036	\$277,395,235	29%	\$55,082
	16,189	\$945,274,066	100%	\$58,389



Nursing Home Program

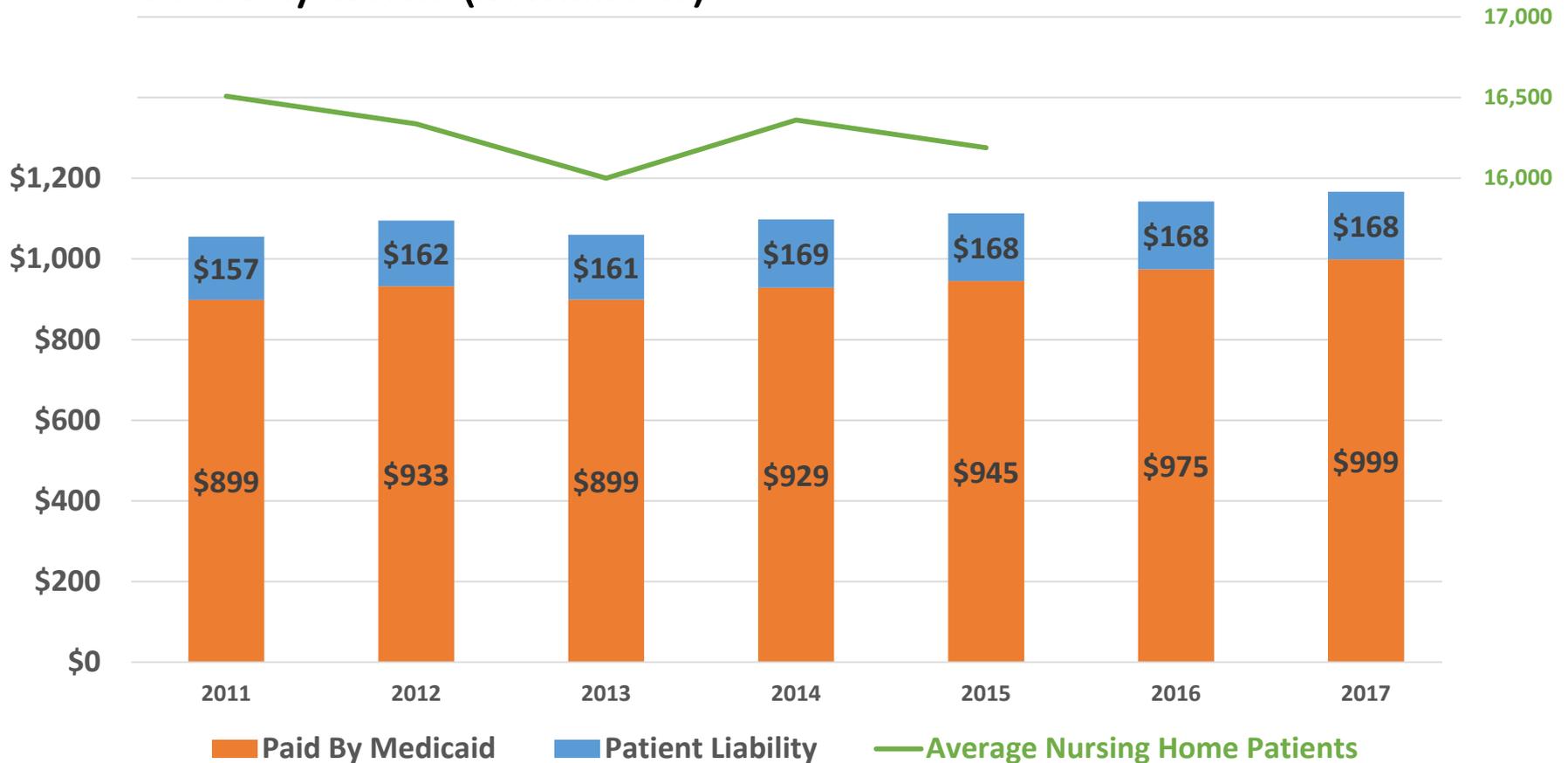
Nursing Home Patients and Expenditures

	Average Number of Nursing Home Recipients	Average Annual Cost of a Nursing Home Bed	Medicaid Expenditures for Nursing Facilities
2008	17,637	\$47,212	\$832,682,281
2009	17,254	\$50,763	\$875,858,049
2010	16,929	\$51,657	\$872,633,303
2011	16,509	\$54,438	\$898,684,381
2012	16,337	\$57,085	\$932,613,072
2013	16,001	\$56,210	\$899,428,257
2014	16,361	\$56,789	\$929,139,998
2015	16,189	\$58,389	\$945,274,066



Nursing Home Program Patient Liability: FY 2011-2017

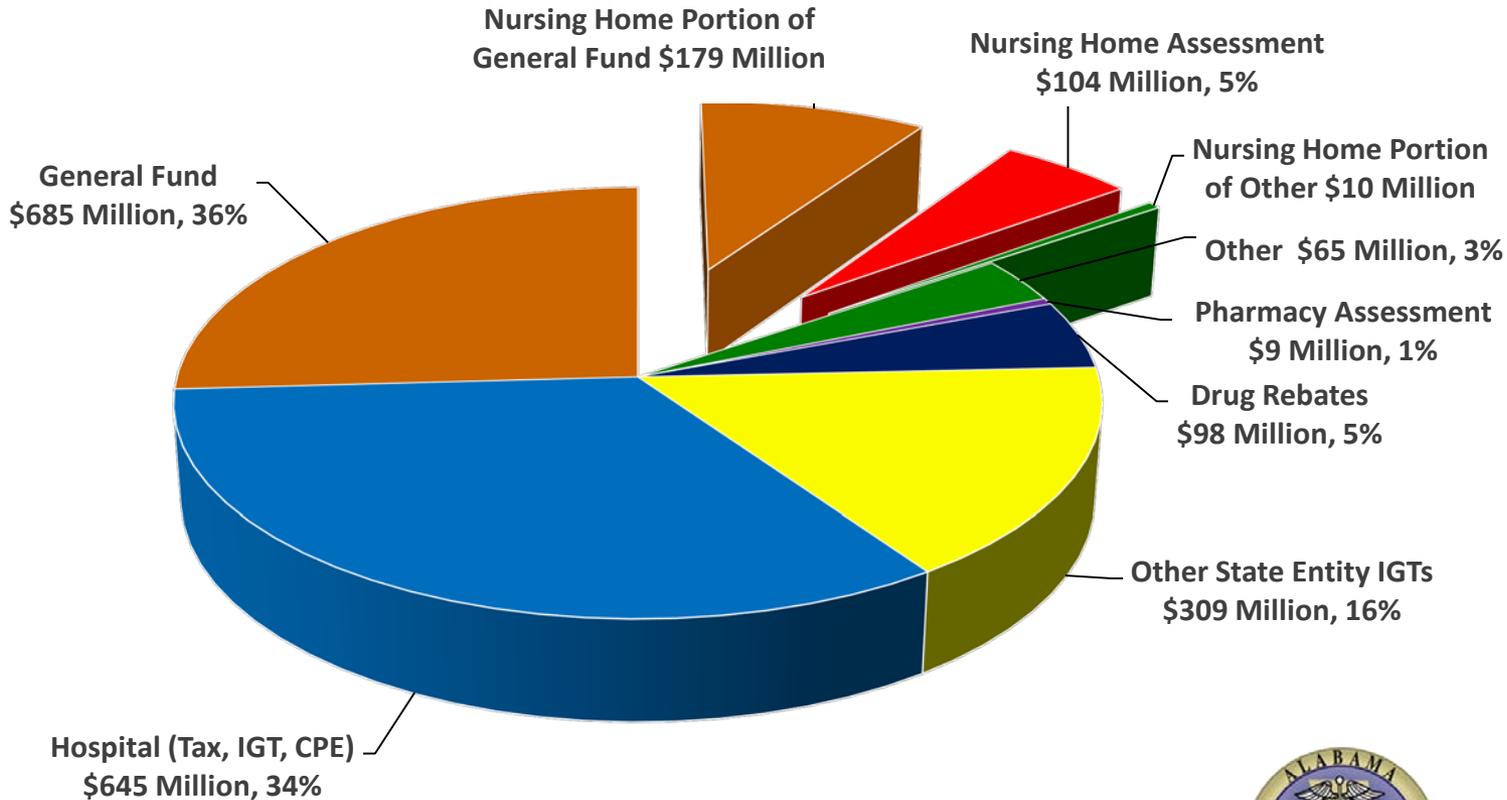
Gross Payments (in millions)



Nursing Home Funding



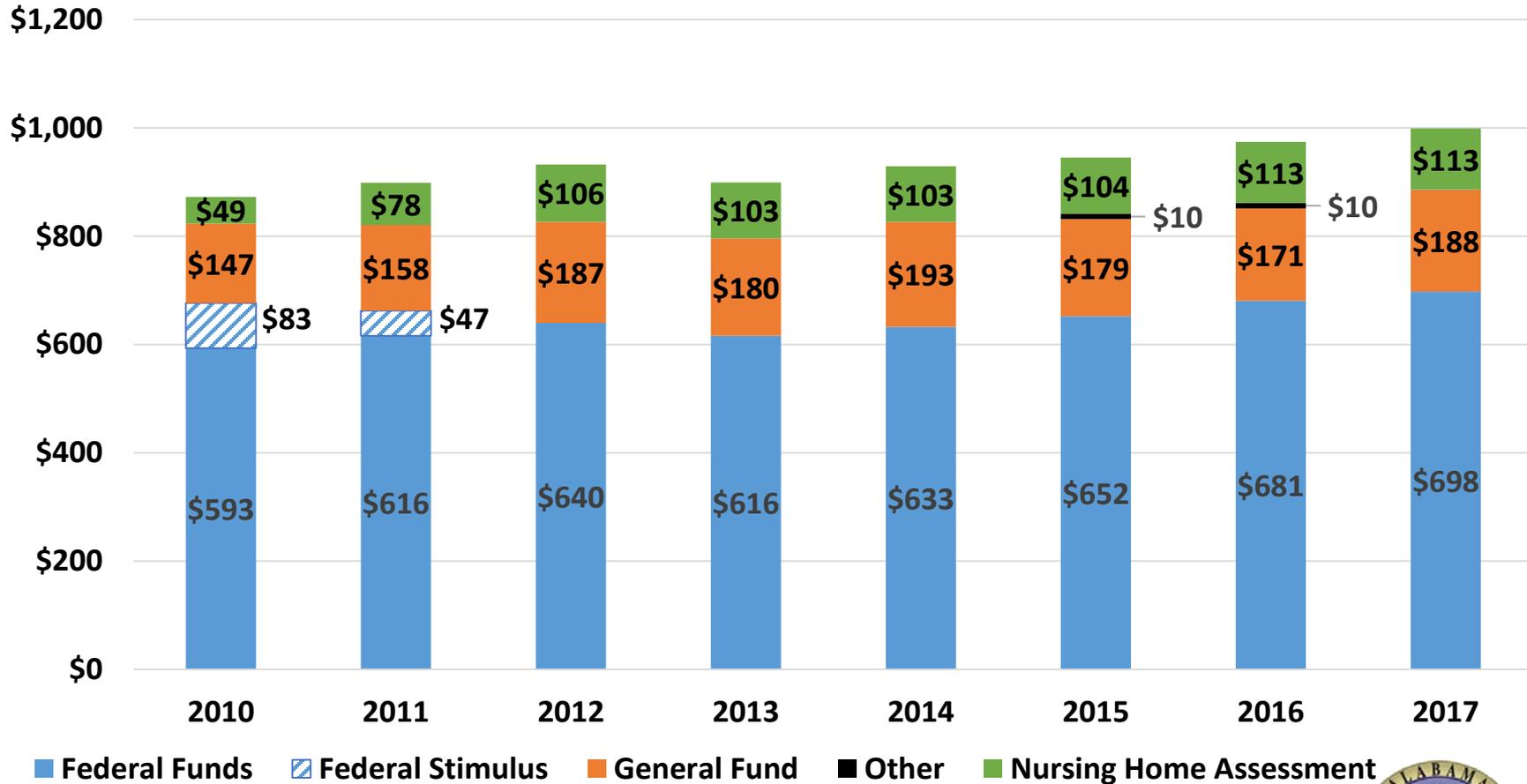
FY 2015 State Share Sources



Nursing Home Program

Nursing Home Assessment: FY 2010-2017

Amounts in millions



■ Federal Funds
 / Federal Stimulus
 ■ General Fund
 ■ Other
 ■ Nursing Home Assessment



Nursing Home Eligibility



Qualifying for Nursing Home Services

All applications for admission to a nursing facility, or equivalent level of care waivers, must meet medical and financial eligibility.

Nursing Home medical eligibility requires two or more admission criteria. The following are examples:

- Administration of potent and dangerous injectable medication or the administration of routine oral medications, eye drops, or ointment
- Restorative nursing procedures (gait, bowel and bladder training)
- Use of oxygen on a regular basis
- Comatose resident receiving routine medical treatment
- Administration of tube feeding by naso-gastric tube
- Assistance with at least one of the activities of daily living on an ongoing basis. (For example: eating, mobility, toileting, orientation, etc.)



Income Qualifications for Nursing Homes

INCOME AND OTHER ELIGIBILITY FACTORS

- Income must be less than \$2,199 per month
- Earned and unearned income is counted
- If countable income is over the limit, the application is denied
- Individual must be aged, blind or disabled and meet the nursing home level of care

Lists are not all inclusive

QUALIFYING INCOME TRUST

- Also known as Miller trust
- An applicant over the income may place all or part of income that causes ineligibility into a qualifying trust to become eligible
- Income must be deposited in the trust
- Income in or out of the trust pays for nursing home care up to the Medicaid rate
- Medicaid collects funds remaining in the trust upon the recipient's death to pay for recipient's care



Resources and Exclusions in Determining Nursing Home Eligibility

RESOURCES

- Resources must not be more than \$2,000 at the beginning of each month
- Application will be denied or terminated for excess resources
- Home can be excluded if:
 - Patient intends to return
 - Spouse or dependent remains in home
 - Property essential to self support or income producing
 - Patient making a bona fide effort to sell the property
- Claimant can be denied if equity value of home is more than \$552,000 (unless spouse or dependent remain in the home)

RESOURCE EXCLUSIONS

- Burial funds up to \$5,000 for applicant and \$5,000 for spouse
- \$5,000 face value life insurance
- Burial space, plot, gravesite, crypt, mausoleum, casket, etc.
- One automobile
- Personal property (household goods and personal effects such as furniture, appliance, wedding rings, etc. (this does not include investment items such as coin or antique collections))

Lists are not all inclusive



Summary for Nursing Home

- Medicaid is critical to the Nursing Homes in Alabama
- Nursing Home patient days are decreasing while costs are increasing due to inflation
- Nursing Home reimbursement methodology is set by state statute
- State has maximized provider assessments from the Nursing Home providers
- Medicaid is vital to the health care system of Alabama



Alabama Medicaid Home and Community Based Services (HCBS) Programs



HCBS Programs Overview



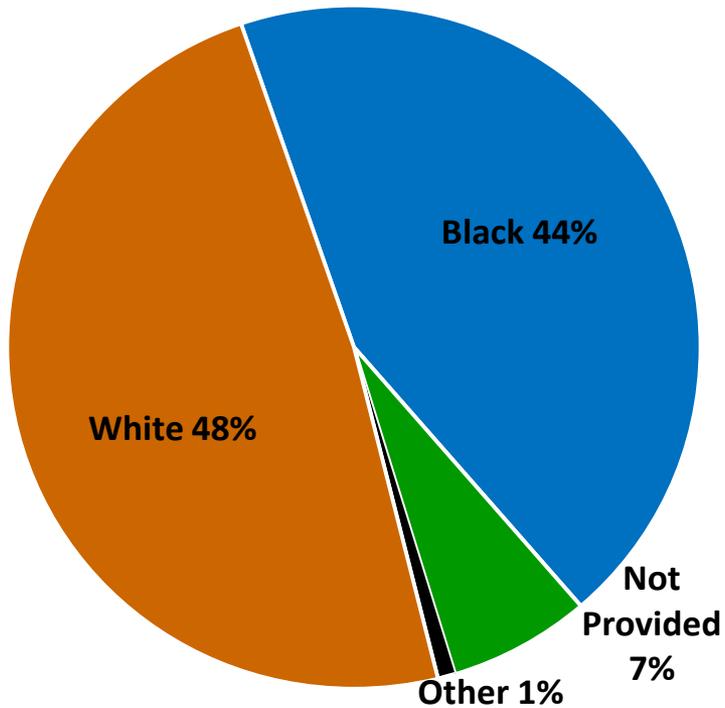
Home and Community Based Services (HCBS) description

- The waiver programs are called 1915(c) waivers, named after the section of the Social Security Act that authorized them.
- Under 1915(c) waiver authority, states can provide services not usually covered by the Medicaid program, as long as these services are required to keep a person from being otherwise institutionalized.
- This option is less costly than nursing home care. Medicaid is federally required to show budget neutrality and safety of recipients.
- Additionally, HCBS Waivers allow other State Agencies to draw federal dollars to support target populations.

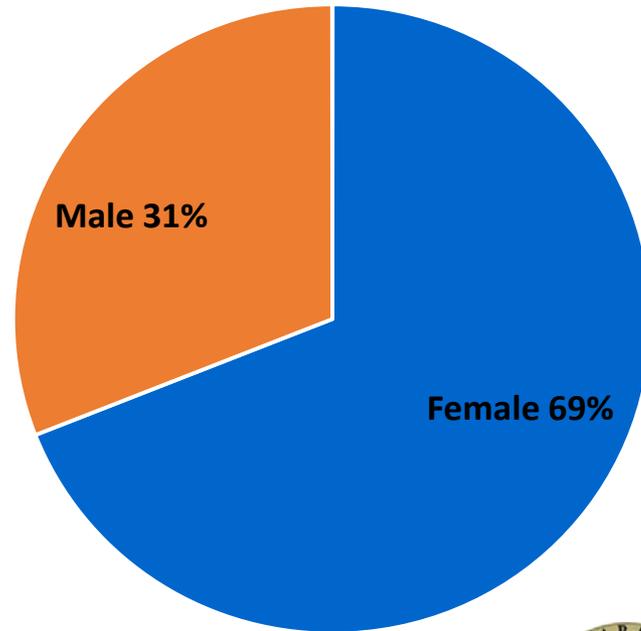


HCBS Program Expenditures by Race & Gender

HCBS Program Expenditures By Race



HCBS Program Expenditures By Gender



HCBS Program Information

Requires Nursing Home Level of Care

	Elderly and Disabled Waiver	State of Alabama Independent Living (SAIL) Waiver	Technology Assisted Waiver for Adults	HIV/AIDS Waiver	Alabama Community Transition (ACT) Waiver
Age Requirement	No age requirement	18 years and older	21 years and older	21 years and older	No age requirement
Enrollment Limit	9,205	660	40	150	200
Enrollment as of January 2016	6,590	432	35	42	37
2015 Expenditures	\$63,968,075	\$6,897,007	\$2,046,807	\$461,742	\$1,137,022
State Funding Source	Senior Services	Rehab Services	Medicaid	Medicaid	Medicaid

Expenditures include prior year cost settlements

Expenditures are for HCBS services only and do not include any additional expenditures for the recipient, including Pharmacy, Physician, and Hospital expenditures.



	Elderly and Disabled Waiver	State of Alabama Independent Living (SAIL) Waiver	Technology Assisted Waiver for Adults	HIV/AIDS Waiver	Alabama Community Transition (ACT) Waiver
Target Population	Individuals meeting the Nursing Facility Level of Care	Individuals with a specific medical diagnosis and meet the Nursing Facility Level of Care	Individuals with complex skilled medical conditions who are ventilator dependent or who have a tracheostomy and meet the Nursing Facility Level of Care	Individuals with a diagnosis of HIV or AIDS and related illnesses and meet the Nursing Home Level of Care	Individuals with disabilities or long term illnesses currently residing in a nursing facility and meet the Nursing Home Level of Care
Services Provided	<ul style="list-style-type: none"> • Case Management • Homemaker Services • Personal Care • Adult Day Health • Respite Care (Skilled and Unskilled) • Adult Companion Services • Home Delivered Meals 	<ul style="list-style-type: none"> • Case Management • Personal Care • Personal Assistance Service • Environmental Accessibility Adaptations • Personal Emergency Response • System (Initial Setup) • Personal Emergency Response • System (Monthly Fee) • Medical Supplies • Assistive Technology 	<ul style="list-style-type: none"> • Private Duty Nursing • Personal Care/Attendant Services • Medical Supplies • Assistive Technology 	<ul style="list-style-type: none"> • Case Management • Homemaker Services • Personal Care • Respite Care • Skilled Nursing • Companion Services 	<ul style="list-style-type: none"> • Case Management • Transitional Assistance • Personal Care • Homemaker Services • Adult Day Health • Home Delivered Meals • Respite Care (Skilled and Unskilled) • Skilled Nursing • Adult Companion Services • Home Modifications • Assistive Technology • Personal Emergency Response Systems (PERS) • Installation/Monthly Fee • Medical Equipment Supplies and Appliances • Personal Assistant Services (PAS)



Additional Community Living Initiatives

- **Gateway to Community Living** describes the Alabama Medicaid Agency's initiative to transition individuals from a nursing home to a home and community based setting.
- **Gateway to Community Living** is partially funded by the federal **Money Follows the Person** Rebalancing Grant demonstration. All administrative costs are covered at 100% federal and some services qualify for an enhanced FMAP.
- The **"Money Follows the Person"** Rebalancing Demonstration (MFP) is a CMS-sponsored project that helps States rebalance their long-term care systems and transition people with Medicaid from institutions to the community.

Federal Goals of Money Follows the Person:

- Make home and community based supports (HCBS) available in a manner that permits funding to "follow the person" to the most appropriate and preferred long-term care setting;
- Offer services to adequately support those individuals transitioning to community-based settings.



Transitions from 7/1/2013-12/31/2015

Participants Transitioned	Total months of HCBS Participation	Total savings calculated
47	484	\$1,215,900

Waiver Participation:

- 3 Enrolled in the Elderly and Disabled Waiver
- 1 Enrolled in the SAIL Waiver
- 43 Enrolled in the ACT Waiver

Length of Participation to Date:

- 7 Participants over 2 years of participation
- 10 Participants 1-2 years of participation
- 30 Participants 0-1 years of participation

Most Common Reasons for Not Transitioning:

- Participant doesn't qualify for HCBS Programs
- Participant doesn't have supplemental caregiver available (HCBS is not 24/7 care)
- Over 50 eligible participants can't find safe/affordable housing
- Participant doesn't want to participate in Waiver application and assessment (Minimum of 45 days)



What is the Program of All-Inclusive Care for the Elderly (PACE)?

PACE The PACE service package must include all Medicare and Medicaid covered services, and other services determined necessary by the interdisciplinary team for the care of the PACE participant. The PACE program receives a monthly capitated payment from Medicaid (and Medicare if applicable) and must provide all services a member will need.

Services Provided

- Primary Care (including doctor and nursing services)
- Adult Day Care
- Recreational Therapy
- Meals
- Dentistry
- Nutritional Counseling
- Social Services
- Laboratory/X-ray Services
- Social Work Counseling
- Transportation
- Hospital Care
- Medical Services
- Prescription Drugs
- Nursing Home Care
- Emergency Services
- Home Care
- Physical Therapy
- Occupational Therapy



PACE	The PACE program is a unique, capitated managed care benefit for the frail elderly
Age Requirement	55 years or older
Enrollment Limit	175
Current Enrollment	Monthly Average 171 (1 site, Mobile)
2015 Expenditures	\$6,801,420
State Funding Source	Medicaid
Target Population	Individuals meeting the Nursing facility level of care
Per Member Per Month	\$3,330



Waiver Expenditures



HCBS Program

Recipients and Expenditures by Age: FY 2015

Age	Average Number of HCBS Recipients	Medicaid Expenditures for HCBS	% of Total	Average Annual Cost
0-5	59	\$578,007	1%	\$9,797
6-20	343	\$3,846,604	5%	\$11,215
21-64	2,956	\$33,473,579	45%	\$11,324
65-74	1,616	\$15,011,102	20%	\$9,289
75-84	1,327	\$12,200,156	16%	\$9,194
85 & Over	969	\$9,401,207	13%	\$9,702
TOTALS	7,270	\$74,510,655	100%	\$10,249

- Medicaid expenditures are based on claims paid during the year and does not include prior year cost settlements.
- Medicaid expenditures are for HCBS services only and do not include any additional medical expenditures for the recipient including Pharmacy, Physician, and Hospital expenditures.



Waiver Funding



2015 HCBS Funding

HCBS Expenditures	Total Expenditures	Other Agency State Share	Medicaid General Fund
Elderly & Disabled Waiver	\$63,968,075	\$19,836,500	\$0
State of Alabama Independent Living (SAIL) Waiver	\$6,897,009	\$2,138,762	\$0
Technology Assisted Waiver for Adults	\$2,046,807		\$634,715
HIV/AIDS Waiver	\$461,742		\$143,186
Alabama Community Transition (ACT) Waiver	\$1,137,022		\$352,591
	\$74,510,655	\$21,975,262	\$1,130,492



Integrated Care Network (ICN)



Integrated Care Network Statute – Senate Bill 431-2015

Legislation allows for one or more ICNs	ICN Legislation, Section 2.3
ICNs are provider sponsored entities	ICN Legislation, Section 2.3
At-risk for comprehensive Medicaid medical and long-term care services	ICN Legislation, Section 2.9
Waiver application or amendments likely involved (likely with a 1915(b) waiver under which consolidation is an option)	ICN Legislation, Section 16
ICN requires collaboration certification	ICN Legislation, Section 15.c.1
ICN participants cannot also receive services from RCO	ICN Legislation, Section 3.a



Summary

- HCBS Waiver services are less costly than Nursing Home care
- HCBS Waivers allow Medicaid to cover services not usually covered by Medicaid
- Both Nursing Homes and HCBS Waivers are part of the ICN planning
- Medicaid is vital to the health care system of Alabama

