

MEMO

To: Office of Management & Budget
From: Brian J. Hartman, on behalf of the following organizations:

Disabilities Law Program
Developmental Disabilities Council
Governor's Advisory Council for Exceptional Citizens
State Council for Persons with Disabilities

Subject: Division of Services for Aging & Adults with Physical Disabilities FY 13 Budget
Date: November 2, 2011

Please consider this memo a summary of the oral presentation of Brian J. Hartman Esq. on behalf of the Disabilities Law Program ("DLP"), Developmental Disabilities Council ("DDC"), Governor's Advisory Council for Exceptional Citizens ("GACEC"), and the State Council for Persons with Disabilities ("SCPD"). Although input could be provided on several aspects of the DSAAPD budget, we are addressing one (1) component today, i.e., attendant services.

ATTENDANT SERVICES

As you may know, the Division administers an attendant services program in collaboration with two non-profit contractors, Easter Seals and JEVS Human Services.¹ Attendant services are subsidized to permit participants to engage in employment, attend school, or avoid institutionalization. This is a true "statewide" program. According to the latest RFP, 46% of participants live in New Castle County, 26% live in Kent County, and 28% live in Sussex County. Historically, the most prevalent disability diagnoses of participants have been Quadriplegia; Multiple Sclerosis (MS); and Cerebral Palsy.

Qualitatively, this program enjoys a terrific "track record". As reflected in the latest consumer satisfaction ratings compiled during the summer of 2011, participants are overwhelmingly positive in their assessment of the program.²

¹ DSAAPD, Easter Seals, and JEVS summaries of the program are included as Attachment "A".

²The "impact" on participant well being is also underscored by 2011 Easter Seal statistics confirming that 90% of enrollees characterized their life as "greatly improved" and 10% "somewhat improved" by the program.

INQUIRY	EASTER SEALS	JEVS
	PERCENTAGE OF FAVORABLE (AGREE OR STRONGLY AGREE) SURVEY RESPONSES	PERCENTAGE OF FAVORABLE (AGREE OR STRONGLY AGREE) SURVEY RESPONSES
STAFF ACCESSIBLE	100%	100%
STAFF COURTEOUS	100%	100%
STAFF KNOWLEDGEABLE/ RESPONSIVE TO CONCERNS	100%	99%
FINANCIAL ACCOUNTING TIMELY/ACCURATE	100%	97%
STAFF NOTIFIES OF ACTIVITIES	100%	96%
STAFF HELPFUL IDENTIFYING ATTENDANTS	100%	100%
CLIENTS SATISFIED OVERALL OR WOULD RECOMMEND PROVIDER	100%	100%
AVERAGE % OF FAVORABLE RESPONSES	100%	99%

Individual comments are also compelling:

- Through my attendant, I can do things I NEVER did before, it's such a blessing.
- Been very happy with their services
- The flexibility of the schedule makes living with disabilities somewhat manageable since my needs vary each week.
- PAS is allowing me to become the person I want to be.

Quantitatively, the Department would like to increase capacity in this program. As you may know, an AARP report issued in September ranked Delaware 50th among the states in “percent of Medicaid and state-funded LTSS (long-term services and supports) spending going to home-and community-based services for older people and adults with physical disabilities.”³ Likewise, Delaware ranked 48th in the “number of people with disabilities directing own services”. Id. Such rankings underscore the justification for expanding capacity to divert “at risk” individuals from nursing home placements to the self-directed attendant services program. Delaware Medicaid is the primary payor for 57% of nursing home residents and annual private nursing home costs exceed \$77,000 and public nursing home costs exceed \$170,000. [Attachment “C”]. In contrast, non-Medicaid attendant services program participants cost an average of \$17,674.⁴ Individuals provided attendant services under a Medicaid waiver are even less costly given the federal Medicaid match.

Recommendation

DSAAPD currently provides attendant services to 207 participants in the E&D waiver and 20 participants with State General Funds. [Attachment “D”] In addition, 43 participants are served with \$760,000 in Tobacco funds. DSAAPD has requested an increase in Tobacco funds from \$760,000 to \$1,317,273 to cover 41 more individuals (32 waiting list; 9 nursing home diversion). I understand that the Delaware Health Fund Advisory Committee has voted to approve that request. I highly recommend OMB support for inclusion of the increased funds in the FY13 budget.

Thank you for your consideration.

Attachments

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³A copy of the AARP Delaware Fact Sheet and a responsive September 28, 2011 News Journal article are included as Attachment “D”.

⁴D currently services 43 participants with \$760,000 in Tobacco funds, i.e., an average cost of \$17,674. [Attachment “D”]

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SERVICES

- Assistance for Caregivers
- Home and Community-Based Services
- Information and Supports
- Residential Care
- Rights and Protections

INFORMATION

Attendant Services

Program/Service description	<p>The goal of attendant services is to support persons with disabilities who need ongoing assistance. The program helps to maintain independence by allowing persons to work, complete their education, and/or to avoid living in a highly supervised setting. The client (or his/her surrogate) has control over the use of services. The services are provided based on the client's lifestyle, preferences, and abilities.</p> <p>See also: Personal Care Services.</p>
Public funding source(s)*	<ul style="list-style-type: none"> • State funds • Tobacco settlement funds
Who is eligible	Delaware residents aged 18 and older with disabilities who meet specific social, financial, and physical criteria
Where it is available	Statewide
Who to contact for information or enrollment	Contact the Division of Services for Aging and Adults with Physical Disabilities by phone or e-mail .
Related internet links	<ul style="list-style-type: none"> • Family Caregiver Alliance Hiring In-home Help Factsheet (http://www.caregiver.org/caregiver/isp/content_node.jsp?nodeid=407) • Center for Personal Assistance Services (http://www.pascenter.org/home/index.php)

*Public funding means that the program is paid for, in part or in whole, by the government. Some publicly-funded programs have eligibility requirements and provide services at low cost or no cost to people who qualify. Most of these programs and services though, are also available to people who are able to pay privately (with their own money). For more information, please see the [Sources of Funding](#) section of this web site.

Last Updated: Monday November 29 2010

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Attachment "A"

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HOME

SERVICES

- Assistance for Caregivers
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INFORMATION

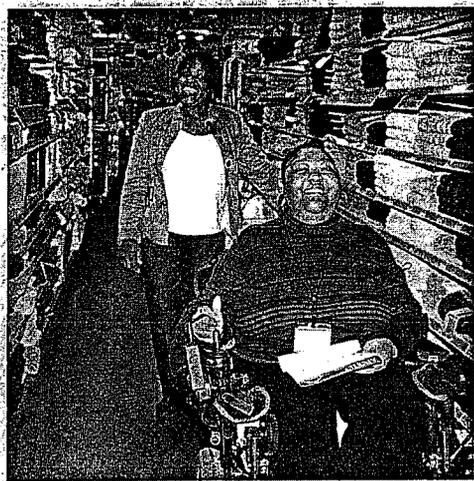
Personal Care

<p>Program/Service description</p>	<p>Personal care services are provided for persons who need help at home or outside the home because of illness or disability. The services are designed to help persons to continue living independently. Specific activities may include assistance with personal hygiene (for example, bathing or shaving), meal preparation, shopping, light housekeeping, and other services.</p> <p>Under the Medicaid Waiver for the Elderly and Disabled individuals can choose to receive agency-based personal care services or self-directed personal care services. Agency-based personal care services are provided by aides from home health or personal assistance services agencies. Self-directed personal care services are provided by personal care attendants hired and supervised by the individual receiving care. Individuals who elect to self-direct personal care services receive assistance from Support for Participant Direction providers.</p>
<p>Public funding source(s)*</p>	<ul style="list-style-type: none"> • State Funds • Social Services Block Grant (SSBG) • Older Americans Act (OAA) • Medicaid Waiver for the Elderly and Disabled
<p>Who is eligible</p>	<p>Delaware residents 18 years of age and older who met specific medical eligibility criteria. Depending on the funding source, persons may also be required to meet certain income and resource criteria.</p>
<p>Where it is available</p>	<p>Statewide</p>
<p>Who to contact for information or enrollment</p>	<p>Contact the Division of Services for Aging and Adults with Physical Disabilities by phone or e-mail.</p>
<p>Related internet links</p>	<ul style="list-style-type: none"> • National Association for Home Care • National Resource Center for Participant-Directed Services

*Public funding means that the program is paid for, in part or in whole, by the government. Some publicly-funded programs have eligibility requirements and provide services at low cost or no cost to people who qualify. Most of these programs and services though, are also available to people who are able to pay privately (with their own money). For more information, please see the [Sources of Funding](#) section of this web site.

Last Updated: Monday November 29 2010

Personal Attendant Services



For adults with physical disabilities, the Personal Attendant Services program (PAS) allows people with disabilities to maintain independent lifestyles, to live in the community and make choices concerning their personal assistant needs. Individuals with disabilities taking part in the Personal Attendant Services Program choose and hire their own Personal Attendant and work with them based on their individual needs. If you need a personal attendant and qualify through the Delaware Division of Services for the Aging and Adults with Physical Disabilities (DSAAPD), our staff can help you with the selection, hiring and training of the personal attendant. You become the employer.

Easter Seals is a resource to help you succeed in your employer/employee relationship. To find out DSAAPD's eligibility criteria, contact them at: DSAAPDinfo@state.de.us or call 1-800-223-9074.



[DOWNLOAD LATESHA'S STORY](#)

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Easter Seals Delaware and Maryland's Eastern Shore, 61 Corporate Circle, New Castle, DE 19720-2405 Easter Seals and its affiliate organizations are 501(c)(3) nonprofit organizations.



Personal Attendant and Personal Assistance Services (PAS) empower individuals with disabilities to maintain their independence at home and remain active in their community. Individuals receive service coordination and financial management services, which support them in the process of hiring their own personal care attendant. Individuals can hire a friend, neighbor, or relative to help them with their personal care needs. Our experienced staff can also assist individuals in finding personal care attendants who can work at the participant's requested days and times.

Are you 18 or over with a disability and want control of your own services?

Do you want the choice to hire your own personal attendant to provide your personal care?

JEVS Supports for Independence can help. We tailor your services to meet your needs!

Service Coordination Includes

- An experienced Coordinator to support you in creating an individualized service plan (ISP)
- Assistance with setting you up as an employer so you can hire personal care attendants to meet your needs

Your Personal Attendant can help you with

- Bathing, dressing, grooming, toileting, meal preparation, and transferring
- Light housekeeping such as cleaning and doing laundry
- Errands and tasks such as food shopping and visits to the pharmacy

Financial Management Services Include

- Orientation to the program for you and your employees
- A competitive pay rate for your employees
- Human Resources support that helps you find a personal attendant to fit your needs
- Completing reference and background checks.
- Assistance with establishing and maintaining workers' compensation accounts
- Assistance with payroll
- Assistance with managing employment taxes
- A phone activated time and attendance system to ensure accuracy in recording hours worked
- A convenient call in system to confirm the hours your personal care assistant has worked

Would you like a FREE one of a kind training to help you in your role as an employer?

JEVS Supports for Independence offers a free Consumer Directed Training Series for all individuals enrolled in our Self-Directed Services Programs.

Consumer Directed Training

The JEVS SFI Consumer Directed Training Series supports program participants in their role as employers. This one of a kind training consists of video and written

components that cover 11 topics essential to creating an effective relationship between the participant and his or her attendant. This training is the result of a team effort involving important contributions from self-directing participants, attendants, and SFI staff.

Eligibility for Personal Attendant Services

- A Delaware State Resident who is 18 years of age or older
- Applicant must possess a severe, chronic disability that significantly impairs his or her ability to perform the essential activities of daily living in an independent manner either at home or in the community
- Disability must be medically verified and expected to last for a continuous period of no fewer than 12 months

Enrollment for Personal Attendant Services

Eligibility and enrollment are determined by the Division of Services for Aging and Adults with Physical Disabilities (DSAAPD).

TF: 1-800-223-9074

TTY: (302) 453-3837

Email: DSAAPDinfo@state.de.us

Eligibility for Personal Assistance Services

- A Delaware state resident who is at least 18 years of age
- Applicant must possess a severe, chronic physical, mental or developmental disability which significantly impairs the applicant's ability to perform the essential activities of daily living in an independent manner at home and in the community
- The applicant's chronic disability must be medically verified and expected to last for a continuous period of no fewer than 12 months

Enrollment for Personal Assistance Services

Eligibility and enrollment are determined by the Division of Medicaid and Medical Assistance (DMMA) or a Contracting Agency.

TF: 1-800-372-2022

TEL: (302) 255-9500

We Speak Your Language

JEVS Supports for Independence is dedicated to meeting your needs in a variety of languages. Our bilingual staff will create a supportive environment in which participants with limited English proficiency can have questions answered and their needs met.

Cost

Personal Attendant Services may be available at no cost or through cost sharing. Cost sharing, if applicable, is determined by the enrolling agency.

Personal Assistance Services are available at no cost for eligible participants.



Delaware: 2011 State Long-Term Services and Supports Scorecard Results

Raising Expectations: A State Scorecard on Long-Term Services and Supports for Older Adults, People with Physical Disabilities, and Family Caregivers is the first of its kind: a multi-dimensional approach to measure state-level performance of LTSS systems that provide assistance to older people, adults with disabilities, and family caregivers. The full report is available at www.longtermscorecard.org

Scorecard Purpose: Public policy plays an important role in LTSS systems by establishing who is eligible for assistance, what services are provided, how quality is monitored, and the ways in which family caregivers are supported. Actions of providers and other private sector forces also affect state performance, either independently, or in conjunction with the public sector. The *Scorecard* is designed to help states improve the performance of their LTSS systems so that older people and adults with disabilities in *all* states can exercise choice and control over their lives, thereby maximizing their independence and well-being.

Results: The *Scorecard* examines state performance across four key dimensions of LTSS system performance. Each dimension is composed of 3 to 9 data indicators, for a total of 25 indicators. All 50 states and the District of Columbia were ranked. Delaware ranked:

Overall 32

- Affordability and access 27
- Choice of setting and provider 49
- Quality of life and quality of care 7
- Support for family caregivers 28

State ranks on each indicator appear on the next page.

Impact of Improved Performance: If Delaware improved its performance to the level of the highest-performing state:

- 2,043 more low- or moderate-income (<250% poverty) adults age 21+ with activity of daily living disabilities would be covered by Medicaid.
- 691 more new users of Medicaid LTSS would first receive services in home and community based settings instead of nursing homes.
- 482 nursing home residents with low care needs would instead be able to receive LTSS in the community.
- 351 unnecessary hospitalizations of people in nursing homes would be avoided.

DELAWARE

State Long-Term Services and Supports Scorecard Results

Dimension and Indicator	2011 Scorecard				
	State Rate	Rank	All States Median Rate	Top 5 States Average Rate	Best State Rate
OVERALL RANK		32			
AFFORDABILITY AND ACCESS		27			
Median annual nursing home private pay cost as a percentage of median household income age 65+ (2010)	27.7%	41	22.4%	17.1%	16.6%
Median annual home care private pay cost as a percentage of median household income age 65+ (2010)	87%	18	89%	69%	55%
Private long-term care insurance policies in effect per 1,000 population age 40+ (2009)	40	29	41	150	300
Percent of adults age 21+ with ADL disability at or below 250% of poverty receiving Medicaid or other government assistance health insurance (2008-09)	47.0%	40	49.9%	62.2%	63.6%
Medicaid LTSS participant years per 100 adults age 21+ with ADL disability in nursing homes or at/below 250% poverty in the community (2007)	31.6	27	36.1	63.4	74.6
ADRC/Single Entry Point functionality (composite indicator, scale 0-12) (2010)	9.6	7	7.7	10.5	11.0
CHOICE OF SETTING AND PROVIDER		49			
Percent of Medicaid and state-funded LTSS spending going to HCBS for older people and adults with physical disabilities (2009)	13.2%	50	29.7%	59.9%	63.9%
Percent of new Medicaid LTSS users first receiving services in the community (2007)	28.8%	44	49.9%	77.1%	83.3%
Number of people consumer-directing services per 1,000 adults age 18+ with disabilities (2010)	0.3	48	8.0	69.4	142.7
Tools and programs to facilitate consumer choice (composite indicator, scale 0-4) (2010)	3.00	10	2.75	3.79	4.00
Home health and personal care aides per 1,000 population age 65+ (2009)	19	47	34	88	108
Assisted living and residential care units per 1,000 population age 65+ (2010)	22	37	29	64	80
Percent of nursing home residents with low care needs (2007)	13.5%	29	11.9%	5.4%	1.3%
QUALITY OF LIFE AND QUALITY OF CARE		7			
Percent of adults age 18+ with disabilities in the community usually or always getting needed support (2009)	72.3%	11	68.5%	75.5%	78.2%
Percent of adults age 18+ with disabilities in the community satisfied or very satisfied with life (2009)	87.2%	11	85.0%	90.9%	92.4%
Rate of employment for adults with ADL disability age 18-64 relative to rate of employment for adults without ADL disability age 18-64 (2008-09)	24.0%	29	24.2%	42.4%	56.6%
Percent of high-risk nursing home residents with pressure sores (2008)	10.6%	19	11.1%	7.2%	6.6%
Percent of long-stay nursing home residents who were physically restrained (2008)	1.6%	8	3.3%	1.3%	0.9%
Nursing home staffing turnover: ratio of employee terminations to the average no. of active employees (2008)	42.3%	18	46.9%	27.2%	18.7%
Percent of long-stay nursing home residents with a hospital admission (2008)	20.5%	31	18.9%	10.4%	8.3%
Percent of home health episodes of care in which interventions to prevent pressure sores were included in the plan of care for at-risk patients (2010)	96%	2	90%	95%	97%
Percent of home health patients with a hospital admission (2008)	26.4%	14	29.0%	23.2%	21.8%
SUPPORT FOR FAMILY CAREGIVERS		28			
Percent of caregivers usually or always getting needed support (2009)	78.3%	25	78.2%	82.2%	84.0%
Legal and system supports for caregivers (composite indicator, scale 0-12) (2008-09)	3.04	27	3.17	5.90	6.43
Number of health maintenance tasks able to be delegated to LTSS workers (out of 16 tasks) (2011)	3	30	7.5	16	16

* Indicates data not available for this state.

Notes: ADL = Activities of Daily Living; ADRC = Aging and Disability Resource Center; HCBS = Home and Community Based Services; LTSS = Long Term Services and Supports. Refer to Appendix B2 in *Raising Expectations: A State Scorecard on Long-Term Services and Supports for Older Adults, People with Physical Disabilities, and Family Caregivers* for indicator descriptions, data sources, and other notes about methodology. The full report is available at www.longtermscorecard.org

9-28-11 WS



Delaware is making strides in care of its older residents

This month, the AARP, a nonprofit, nonpartisan organization that helps people 50 and older improve the quality of their lives, released an important scorecard ranking states on how they deliver long-term services and support to older adults and people with disabilities. Delaware ranked 32nd in the national survey, which measured affordability and access to services and care; choice of setting and provider; quality of life and quality of care; and support for family caregivers.

The AARP rankings verified what we already knew: Delaware has much to do to improve services to older Delawareans, people with disabilities and loved ones involved in making decisions about their future.

But the good news is that as Delaware's older population continues to grow, so much change already is under way.

By 2030, Delaware is projected to have the ninth-highest proportion nationally of people age 65 and older. Currently, about one in five Delawareans is 60 or older. That growth comes both from the graying of the **baby** boomers and from a high rate of people moving here, especially to Sussex County.

From a demographic standpoint, Delaware must adapt to a growing population of older people and those with disabilities. In order for people who need support with daily activities to remain in their homes, the ability to access important services is critical. The aging population also will require greater community capacity to deal with cardiac, oncology, rehabilitation and geriatric treatment along with ambulatory care centers, acute care facilities, laboratories and clinics.

An AARP report called "Beyond 50.05: A Report to the Nation on Livable Communities: Creating Environments for Successful Aging" defines successful aging as "the ability to maintain three key behaviors or characteristics: low risk of disease-related disability; high mental and physical function; and active engagement with life."

For the hundreds of thousands of Delawareans facing a future after retirement and for those with disabilities, they want a high quality of life that allows

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them to remain fully engaged in their community.

In Delaware, too much of the state's long-term care money for aging and physical disability services is spent on care at facilities. In Delaware, that figure is 87 percent compared to the national rate of 66 percent. The goal is to reduce our reliance on facilities — not by denying access to such services for those who need them, but by improving access and options to community-based services. AARP estimates that for every person we serve in a long-term care facility, three people can be supported in the community. Therefore, we are not only reacting to what the market is asking for, we are being fiscally responsible and creating a system that allows for sustainability.

Already, the **Department of Health and Social Services** has launched the Delaware Aging & Disability Resource Center, a clearinghouse for information to help people navigate through the choices and decisions they face.

The center features:

» A call center -- (800) 223-9074 -- with staff available from 8 a.m. to 4:30 p.m. Monday through Friday.

» A dedicated website -- www.delawareadrc.com -- to search for and locate services in each county.

» A comprehensive resource, "Guide to Services for Older Delawareans and

Persons with Disabilities."

» Staff members who can provide personalized assistance to help families find and use community services.

In addition, the department is working with our stakeholders and constituents to implement a Medicaid-funded integrated, managed long-term care system that will improve access to these critically needed services.

We also are focused on identifying individuals now living in nursing homes who want to return to their community and assisting them to do so.

Quite simply, this is the right care at the right time and in the right place.

The state's commitment to assisting older Delawareans and individuals with disabilities to remain in their homes comes directly from the governor. In this year's State of the State address, Gov. Markell said, "We should be treating fewer people

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in institutions and more in the community."

The department is working with stakeholders and advocates, housing and community organizations to strengthen our efforts in community development, design, infrastructure services and supports.

The governor has kept his word. And Delaware will continue to keep its promise to help older citizens and people with disabilities remain in or return to their homes.

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STATE OF DELAWARE

DELAWARE HEALTH AND SOCIAL SERVICES
DIVISION OF MEDICAID & MEDICAL ASSISTANCE

POLICY AND PROGRAM DEVELOPMENT UNIT

MEMORANDUM

REPLY TO
ATTN. OF: Administrative Notice DMMA-04-2011

TO: All DMMA Staff

DATE: April 26, 2011

SUBJECT: Nursing Home Private Pay Rate

BACKGROUND

Section 1917(c) of the Social Security Act stipulates that a period of ineligibility must be assessed when a Medicaid applicant has transferred assets for less than fair market value. The average monthly cost to a private pay patient of a nursing facility is used to determine this period of ineligibility.

Note: This is not the average Medicaid per diem rate.

DISCUSSION

The daily average usual and customary nursing facility charge for a private pay patient is calculated annually. A monthly rate is obtained by multiplying the daily rate by 30.42 days. These figures are used to calculate the period of ineligibility.

Effective May 1, 2011 the daily and monthly rates are:

Average daily cost to a private pay patient
of a nursing facility in Delaware \$ 212.23

*

Average monthly cost to a private pay patient
of a nursing facility in Delaware \$6,456.00

ACTION REQUIRED

DMMA staff should use these figures when calculating a period of ineligibility for applications filed on or after May 1, 2011. Policy DSSM 20350.3 and DSSM 20350.3.1 should be reviewed.

DCIS II will be updated with these figures.

DIRECT INQUIRIES TO

Barbara L. Lewis
(302) 424-7228

March 9, 2011
DATE

Rosanne Mahaney
ROSANNE MAHANEY, DIRECTOR
DIVISION OF MEDICAID & MEDICAL ASSISTANCE



STATE OF DELAWARE
STATE COUNCIL FOR PERSONS WITH DISABILITIES
MARGARET M. O'NEILL BUILDING
410 FEDERAL STREET, SUITE 1
DOVER, DE 19901

VOICE: (302) 739-3620
TTY/TDD: (302) 739-3699
FAX: (302) 739-6704

October 24, 2011

The Honorable Rita Landgraf, Chair
Delaware Health Fund Advisory Committee
Department of Health & Social Services
1901 N. DuPont Highway – Main Bldg.
New Castle, DE 19720

Dear Secretary *Rita* Landgraf:

I write on behalf of the State Council for Persons with Disabilities (SCPD) to thank the Delaware Health Fund Advisory Committee (DHFAC) for providing funding (\$760,000) for the Community-based Attendant Services Act (H.B. 30) in FY 12. This funding is utilized by the Division of Services for Aging and Adults with Physical Disabilities (DSAAPD) for personal attendant services (PAS). DSAAPD contracts with Easter Seals and JEVS to administer both its state funded and tobacco funded programs and the Division manages the contracts as two separate funding sources. Both personal attendant services programs have enjoyed broad support from major disability organizations and the General Assembly. Participants are subject to co-pays based on a sliding scale linked to gross income. Participants averaged 20 hours of services weekly in FY 10 and are subject to a maximum cap of approximately 30 hours of services per week.

As noted above, DSAAPD currently allocates \$760,000 in tobacco funds which permits the Division to serve 43 individuals. For FY 13, DSAAPD has submitted a request to the Health Fund Advisory Committee for an increase in tobacco funds (\$1,317,273) to support the PAS Program. This request is motivated by a waiting list which has now reached 32 individuals and 9 prospective participants from the State's "Diversion" program. Therefore, FY 13 requested tobacco funds would serve 84 individuals. Anticipated FY 13 state funding would allow for an additional 20 participants for a total of 104 individuals in the state and tobacco funded programs. In December 1, 2010, an amendment to the Elderly & Disabled (E&D) Waiver was implemented which has enabled the state to leverage federal dollars and obtain a 50 percent reimbursement from the federal Medicaid program. As of July 31, 2011, DHSS was able to provide attendant services under the E&D Waiver to 207 individuals.

As you know, the Department of Health & Social Services (DHSS) is conducting assessments of residents in its long-term care facilities for the purpose of determining who can live in the community. This is a result of a site-visit by the Centers for Medicare & Medicaid Services (CMS)

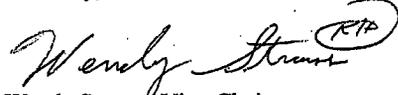
which is encouraging the state to fully comply with the Olmstead decision that requires public agencies to provide services in the most integrated setting appropriate to the needs of qualified individuals with disabilities. In addition, DHSS operates a Money Follows the Person (MFP) program which allows persons with disabilities to transition from institutional care to the community. Finally, the Department is examining the rebalancing of its disproportionate spending of long term care dollars on institutional care.

Council encourages the Delaware Health Fund Advisory Committee to support DSAAPD's funding request of \$1,317,273. Providing such funding will minimize the likelihood of institutionalization and maximize potential for independent living of individuals with disabilities. In addition, it will enhance the continuum of community-based services offered and reduce barriers to participation in vocational, educational, social and other community-based activities.

At a minimum, SCPD recommends funding the PAS program at its current level of \$760,000. Continuation of the PAS program is consistent with Delaware's commitment to provide community-based alternatives for individuals with disabilities as demonstrated by Executive Order 50. In addition, funding the PAS program will only assist DHSS with the aforementioned initiatives regarding assessments, the MFP program, and rebalancing of the state's spending of its long term care dollars. Any reduction in funding for this vital service will force current participants into significantly more costly institutional care. Consistent with the aforementioned DSAAPD budget request, serving 84 individuals with a proposed budget of \$1,317,273 in tobacco funds equates to an annual cost of \$15,682 per individual. Consistent with the DSAAPD Deputy Director's testimony at the October 7, 2011 Delaware Health Fund Advisory Committee meeting, the average resident cost at the Delaware Hospital for the Chronically Ill is \$174,000 per year. *

Thank you for your consideration.

Sincerely,



Wendy Strauss, Vice-Chairperson
State Council for Persons with Disabilities

cc: Delaware Health Fund Advisory Committee Members
Ms. Debra Göttschalk

dhfac/13 funding.doc

EXCERPT

July 23, 2010

**Promoting Community-Based
Alternatives for Medicaid
Long-Term Services and
Supports for the Elderly and
Individuals with Disabilities**

State of Delaware

Division of Medicaid & Medical
Assistance

MERCER



MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

Consulting. Outsourcing. Investments.

Cost of care – community versus institutional

It is widely accepted that, measured on an average per person basis, the cost of serving a Medicaid consumer in their home or community is much less than the average cost of nursing-home-based care (although community-based care for some individuals, especially those with disabilities, can exceed the cost of institutionalization). Eligibility for community-based waiver programs typically require the same "level-of-care" need associated with nursing homes, so a primary driver for the average per person cost differential is the service delivery system – community versus institutional. Other factors that contribute to the cost differential include differences in acuity level and the availability of unpaid family support to those able to be served in community settings. Therefore, it is worth noting that if more people are served in the community with greater health care needs, DMMA should anticipate an increase in average per person community-based spending. Whereas the annual average cost of nursing home care can be well over \$50,000 or in Delaware more like \$70,000 to \$80,000, a person who is able to be served in their home or community can average less than half this amount. One study indicated a 63 percent reduction in per person spending for a nursing facility waiver program as compared to institutionalization¹⁴. Expressed in other ways, for the annual cost of one nursing home stay:

- Two to three people can be served in their home or community.
- Over 1,600 hours of home health aide services could be purchased¹⁵.
- Over 18 months of assisted living services could be obtained¹⁶.
- Over 1,000 days of adult day care services could be offered¹⁷.
- Over 13,000 home delivered meals could be provided¹⁸.

A survey conducted in December 2008 of 1,000 Delaware residents age 35 and older found the following opinions and concerns¹⁹:

- 42 percent thought it likely that either they or their family member will need long-term care services in the next five years.
- 50 percent are not very or not all confident in their ability to afford the annual \$81,000 cost of a nursing home in Delaware.
- 51 percent of respondents with incomes less than \$50,000 a year say they plan on relying on government programs to pay for their long-term care.

¹⁴ Kitchener, M., Ng, T., Miller, N., & Harrington, C.; Institutional and Community-Based Long-Term Care: A Comparative Estimate of Public Costs; Journal of Health & Social Policy, Vol. 22(2), 2006.

¹⁵ Based on \$43 Medicare-certified hourly rate for home health aides, 2008; AARP Across the States, Profiles of Long-Term Care and Independent Living, State of Delaware, 8th edition, 2009.

¹⁶ Based on \$3,774 average private pay rate per month in assisted living, 2008; Ibidem.

¹⁷ Based on \$67 average private pay daily rate for adult day care, 2008; Ibidem.

¹⁸ Based on \$5.14 national average cost; State of Aging: 2009 State Perspectives on State Units on Aging Policies and Practices, National Association of State Units on Aging, October 2009.

¹⁹ The Road Ahead: AARP Survey on Community Services in Delaware, March 2009.

In December 2009, the percentage of all nursing facility residents for which Medicaid was the primary payor was just under 57 percent representing about 2,421 Medicaid residents²⁰. Using population data from Table 1, the 2,421 Medicaid nursing facility residents translates into a 1.8 percent prevalence rate of institutionalization among Delaware's elderly age 65 and older. Assuming a constant rate of institutionalization, by year 2030 the number of nursing home residents paid by DMMA will increase to 4,626. On an annualized cost basis, this translates into well-over \$150 million more in new Medicaid-funded nursing home stays or a combined total of over \$320 million spent on nursing homes per year. This also assumes the annual cost of nursing home remains static at \$70,000; it may be more realistic to assume the cost of care will gradually increase over time and thus push institutional spending to even higher levels.

Caution: aggregate spending is more critical than per person spending

The per person cost difference between nursing home and community care is impressive at face value, but there are limitations in the applicability of extrapolating these differentials into real reductions in total Medicaid expenditures. The biggest concern and caveat is that while per person spending is less in the community than institutionalization, if the number of people served by community programs rapidly increases then total long-term care spending will rise more quickly and more substantially than any off-sets in spending reductions for institutionalization can provide (often referred to as the "woodworking" effect)²¹.

For example, if two people can be served in the community for the cost of one institutionalization, total spending would be same only if that institutionalization is indeed averted. However, if instead of two, four people actually seek community-based services, total spending is now higher than before (and even higher still if the additional services provided do not avert institutionalization). This dynamic can occur because often there is unmet need for community-based care or family caregivers who are unavailable or may defer to publicly-funded service providers when the opportunity is available²². But the existing research is inconclusive on many of these issues, as one recent study concluded that over the long run, state Medicaid programs that invested heavily in home- and community-based long-term care experienced slower increases in the growth of Medicaid long-term care spending as compared to other states; however, even this study noted the large initial outlay of funds to support the development, launching and funding of new programs²³ (e.g., additional staffing requirements, system changes,

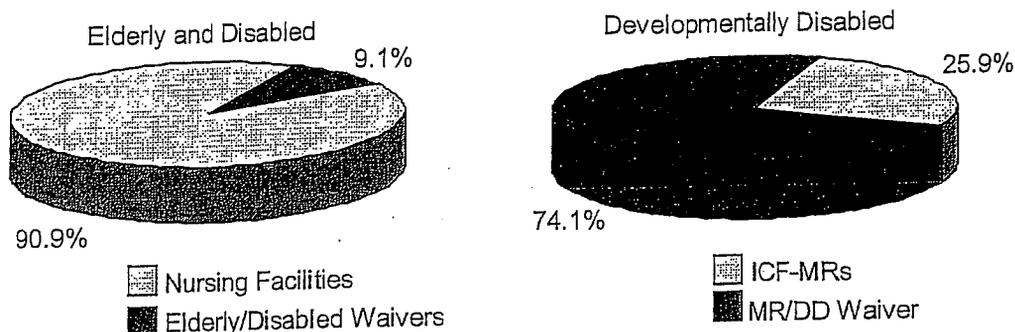
²⁰ American Health Care Association, compilation of OSCAR data, December 2009.

²¹ Grabowski, D.; The Cost-Effectiveness of Noninstitutional Long-Term Care Services: Review and Synthesis of the Most Recent Evidence, Medical Care Research and Review, Vol. 63 No. 1, February 2006.

²² Ibidem

²³ Kaye, S., LaPlante, M., Harrington, C.; Do Noninstitutional Long-Term Care Services Reduce Medicaid Spending, Health Affairs, January/February 2009.

Chart 5 – Percent of spending on 1915(c) waivers and institutional care by major population group – 2008³⁸



According to the AARP's state profiles of long-term care and independent living³⁹:

- Delaware ranks 43rd in the nation for the percentage of spending on aged and disabled through community-based settings in 2007.
- Due to the high home- and community-based spending on the developmentally disabled, when both major population groups are factored in, Delaware's ranking improved to 33rd.

Nursing facility residents and occupancy rates⁴⁰

From 2005 to 2009 the total number of Delaware nursing facility residents increased from 3,799 to 4,256. In December 2009, the percentage of all nursing facility residents for which Medicaid was the primary payor was just under 57 percent representing about 2,421 Medicaid residents. Over the last few years, the percentage of all nursing facility residents with Medicaid as their primary payor has been consistently between 57 and 60 percent which is below the national average of approximately 65 percent. Occupancy rates at Delaware's nursing facilities have also remained stable at between 85 and 87 percent which closely parallels the national averages indicating that supply is approximating current demand. However, this does not mean that Delaware has an optimal level of nursing facilities. To the extent that people are willing and able to be served in non-institutional settings, but lack the service and support offerings, and availability to do so, results in more nursing facility residents than what is strictly required from a clinical level-of-care need basis.

The following table summarizes data on Delaware's Medicaid long-term care spending for the most recent years for which data was available on all delivery systems⁴¹.

³⁸ Ibidem

³⁹ AARP Across the States Profiles of Long-Term and Independent Living, State of Delaware, 8th edition, 2009.

⁴⁰ Harrington, C., Carrillo, H., Blank, B.; Nursing Facilities, Staffing, Residents and Facility Deficiencies, 2003 through 2008, UCSF, November 2009. American Health Care Association, December 2009 OSCAR data.

HEALTH FUND APPLICATION - FY '13 REQUEST

EXCERPT

AGENCY NAME:	DHSS, Division of Services for Aging and Adults with Physical Disabilities
FY '12 BUDGET:	\$760,000.00
FY '13 BUDGET REQUEST:	\$1,317,273.00

PRIORITY #	AMOUNT OF REQUEST	# of CLIENTS	SERVICE IMPACT
			DESCRIPTION & IMPACT OF A REDUCTION
1	\$1,317,273.00	84	<p>DSAAPD is requesting Health Funds to support its Personal Attendant Services (PAS) program. The PAS program enables participants to live in the community and postpone or avoid entering long term care facilities. The impact of a reduction in funding is that less participants would be served. Participants who would not receive PAS services would potentially be in imminent danger of requiring more costly nursing facility care.</p>

Attachment "D"

Division of Services for Aging and
Adults with Physical Disabilities'
Request for Health Funds
to Provide
Personal Attendant Services (PAS)

- Personal Attendant Services Provide:**
- Personal care and other approved services for adults with physical disabilities who need assistance to enable them to live in their own homes and communities.
 - These services enable adults with physical disabilities to carry out functions of daily living, self-care and mobility so that they can remain in the community.

- Goal of Personal Attendant Services:**
- To minimize the likelihood of institutionalization and maximize potential for independent living of individuals with disabilities.
 - To enhance the continuum of community-based services offered.
 - To reduce barriers to participation in vocational, educational, social and other community-based activities.

- DSAAPD's New Diversion Program**
- In 2011 DSAAPD began a new diversion initiative.
 - **Goal:**
 - To "divert" individuals who are able to safely remain in the community from entering long term care facilities by providing home and community-based services and supports, such as Personal Attendant Services.
 - Many persons with disabilities would not be able to be diverted to the community without Personal Attendant Services and would be in imminent danger of being placed in a state-run institution.

- Personal Attendant Services Funding**
- Personal Attendant Services are currently funded by Health Funds, State General Funds and Medicaid funds under the Medicaid Waiver for the Elderly and Disabled (E & D Waiver):
 - Health Funds: 43 participants
 - State General Funds: 20 participants
 - E & D Waiver: 207 participants (as of July 31, 2011)

DSAAPD's Request for Health Funds

\$760,000 Current participants (43)
331,063 Waiting list (32)
+ 226,210 New participants –Diversion (9)
1,317,273 Total request

Impact of Reduction in Funding

- Less participants would be served, including those currently receiving services.
- Less persons diverted to home and community-based services.
- Those not served would be in imminent danger of requiring more costly nursing home care.
- More people in state-run nursing homes and less people in the community.