

*Individuals who have Medicaid coverage can choose where they receive services and supports. Over time, a growing number of individuals have made the choice to live in their homes and communities, rather than in long-term care (LTC) facilities. As this trend continues into future years, the Department of Medicaid will work to ensure funds are directed to support the needs and desires of individuals enrolled in the program wherever they choose to live.*

## Budget Impact

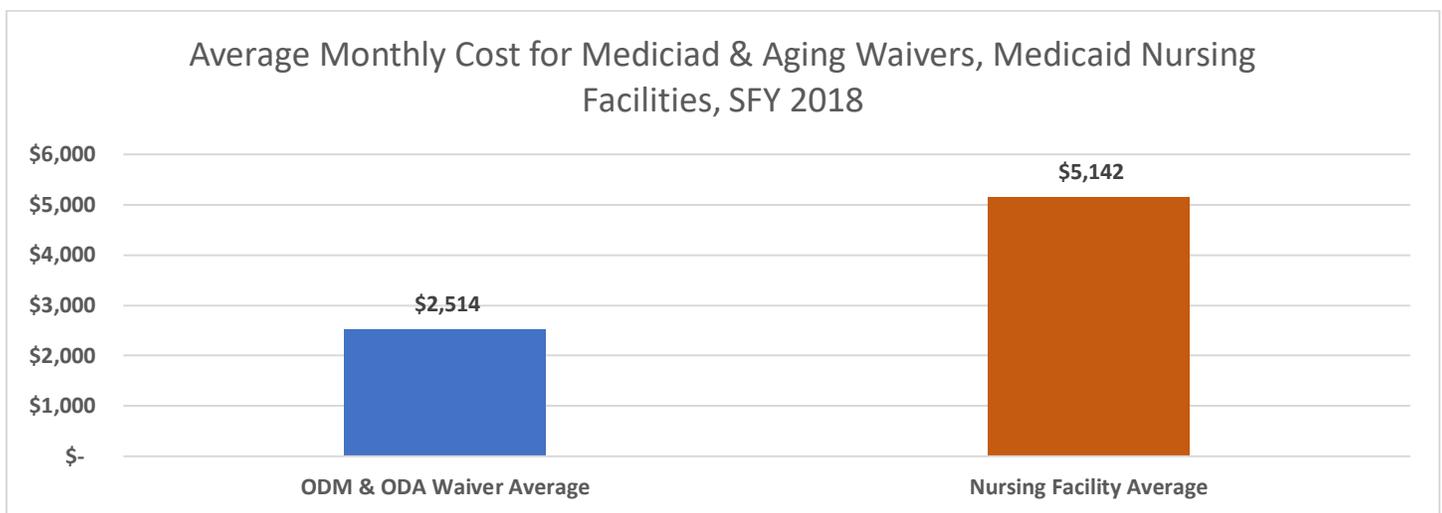
Ohio Medicaid is making targeted investments to enable aging and disabled individuals to receive services and supports in their homes and communities when they want to do so. In the coming biennium, Medicaid will support the Department of Developmental Disabilities (DODD) as it proposes to invest \$197.4 million (\$31.4 million state GRF) in support professionals’ services for individuals who have home and community-based waivers. Ohio Medicaid is enhancing its waiver services for individuals moving from long-term care facilities to community settings while proposing an investment of \$30.6 million (\$9.2 million state GRF) to improve access to ambulances and wheelchair vans and a cost reduction of \$239.6 million (\$88.7 million state GRF) by eliminating a statutory nursing facility market basket rate increase.

## Background

Medicaid enables individuals who might otherwise live in long-term care facilities to remain in their homes and communities with extra services and supports. The Department of Medicaid partners with the Departments of

Aging and Developmental Disabilities to administer a broad set of waiver programs that provide services and supports to individuals who live in their homes and communities. Each person enrolled in one of these waivers meets an institutional level of care (nursing facility or Intermediate Care Facilities for Individuals with Intellectual Disabilities – ICF/IDD,) or would require services in a nursing facility or hospital in the absence of the waiver. As of January 2019, over 93,000 individuals were enrolled in an Ohio Medicaid home and community-based (HCBS) waiver program.

Waiver costs vary by program. For example, in SFY 2018, the average monthly cost for adults enrolled in the HCBS waiver programs administered by the Department of Medicaid and the Department of Aging ranged from \$1,847 for the Assisted Living Waiver to \$4,285 for the Ohio Home Care Waiver. Across all Medicaid and Aging HCBS waivers, the average monthly cost is \$2,514 (annualized \$30,163.) Typically, waivers are less costly than nursing facility care. In SFY 2018, the average monthly cost for Medicaid enrollees in nursing facilities which averaged \$5,142 (annualized \$61,700.)



#### Department of Developmental Disabilities (DODD) Support for Direct Service Professionals (DSPs)

If they choose to do so, people with disabilities must have opportunities to live in their homes and communities, rather than long-term care facilities. With recent improvements in the economy, the number of DSPs available to support individuals with disabilities in community-based settings has decreased. Many in the direct care workforce earn barely more than the minimum wage, so it is understandable that DSPs are leaving the system for better paying jobs. A workforce shortage in this space is forcing individuals with disabilities to consider moving back into long-term care facility settings. Recent increases in homemaker/personal care rates in 2016 and a training add-on in 2018 slowed the loss of professionals from the system, but additional investment is needed.

#### HOME Choice Transition

One of Ohio Medicaid's greatest success stories is the Ohio HOME Choice Program, which was established in 2008 as Ohio's iteration of the federal Money Follows the Person (MFP) program. As of January 2019, HOME Choice has helped more than 13,100 people move from long-term care facilities to community settings. The program is a national leader and currently ranks first in the country for transitioning individuals with mental illness into home-based settings, and second in overall transitions completed across all populations. The federal

MFP grant program ended on December 31, 2018, but Ohio worked to offer similar services and supports through a state-funded program during the first six months of 2019. Additional efforts must be made to sustain these services.

### Transportation Services

Despite a growing demand for ambulance and wheelchair van transportation for Medicaid-covered individuals, payment rates have been largely stagnant. Ambulance providers are challenged by the current rate structure but cannot refuse to provide transportation for emergency services for critically ill patients, regardless of Medicaid payment. Similarly, wheelchair vans are transporting more medically complex patients, including bariatric and dialysis patients, at flat rates. For both types of providers, the cost of delivering services far exceeds Medicaid's reimbursement rates. Ohio Medicaid's current payment rates for these providers are significantly lower than those in surrounding states, except Kentucky, and are well below national averages.

### Nursing Facility Market Basket Automatic Inflation

House Bill 49 of the 132nd General Assembly introduced an inflation factor into the nursing facility rate statute that would automatically increase rates by a *Medicare* skilled nursing facility market basket index beginning in SFY 2020. The Medicare skilled nursing facility market basket index reflects changes over time in the price of goods and services for the *Medicare* population, which typically has higher needs and costs than the *Medicaid* nursing facility population. Without legislative action, the automatic inflationary effects of the market basket index will continue to compound year after year, creating great burden for the Medicaid program and future General Assemblies. Increasing Medicaid rates for nursing facilities, particularly at a rate indexed for *Medicare* patients, does not align with Medicaid's mission to support individuals' increasingly prevalent choice to live in community-based settings.

### Policy Proposal

The Ohio Department of Medicaid proposes the following policy changes to facilitate access to home and community-based services for individuals who want to live and participate in their communities:

#### Supporting DODD's Investment in Direct Service Professionals

The Department of Medicaid supports the investment of \$197.4 million (\$31.4 million state GRF) in DSPs proposed by DODD. Working in partnership with the county boards, the proposal calls for a six percent increase in rates for homemaker/personal care services effective January 1, 2020 and January 1, 2021. On-site/on-call reimbursement will be increased to minimum wage. In return, DODD will increase accountability measures using national standards, and will release agency-specific results.

#### Enhancing Waiver Services to Help People Move from Long-Term Care Facilities to Home & Community Settings

Medicaid is Partnering with the Departments of Aging and Developmental Disabilities to revise existing waiver programs that ensure success in transitioning individuals from institutions to home-and community-based settings. Under the revisions:

- » The Community Transition Services component of HOME Choice will be expanded and service limits will be increased in the MyCare Ohio, PASSPORT, and Assisted Living Waivers. This service was already incorporated into the Individual Options DD Waiver effective January 1, 2019.
- » The Ohio Home Care Waiver, PASSPORT and Assisted Living waivers will incorporate Community Integration Services, which includes independent living skills training and community support coaching for people in home and community-based settings.
- » Medicaid will operate a Community Transition Service for non-waiver individuals on a state-funded basis using two competitively selected statewide transition coordination agencies to deliver transition coordination to waiver and non-waiver individuals from 180 days before discharge from a long-term care facility setting to 30 days after discharge.

#### Increasing Ambulance and Wheelchair Van Rates

Ohio Medicaid proposes an increase in payment rates for ambulance and wheelchair van providers so they can continue to facilitate access to critical services for enrollees. Without access to such services, individuals may lose the ability to access care in their communities. If medical needs for this population are not addressed in a timely manner, these individuals may require services in higher-cost settings, such as emergency departments or nursing facilities. The proposed investment for this rate change is \$30.6 million (\$9.2 million state GRF) over the biennium.

#### Eliminating Ohio's Statutory Nursing Facility Market Basket Automatic Rate Increase

The Department of Medicaid proposes elimination of nursing facilities' statutory automatic rate inflation based on the Medicare market-basket index. Ohio Medicaid is committed to serving enrollees in the setting that most appropriately meets their needs and desires in both community-based and long-term care facility settings. The statutory automatic rate increase creates long term budget challenges as Ohio Medicaid aims to meet its charge to control long-term costs in the program on behalf of the Administration, General Assembly, Joint Medicaid Committee, and taxpayers. Eliminating the automatic nursing facility inflator will decrease projected spending by \$239.6 million (\$88.7 million state GRF) over the biennium.