

BENEFITS PACKAGE DOCUMENTATION

NURSING FACILITIES TRANSITION AND DIVERSION

Date: October 2, 2009

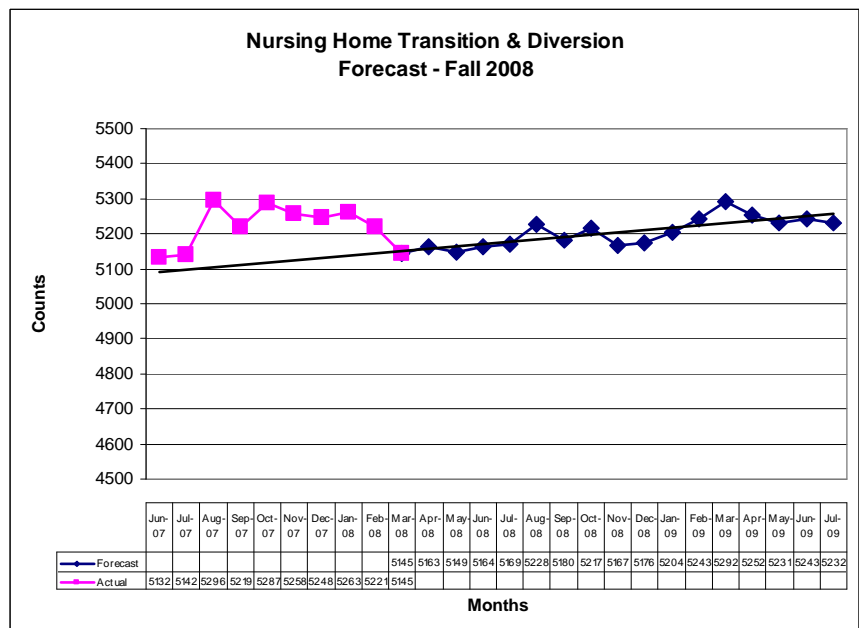
Initiative ID: SPD-S4 1.1

VERSION 1.0

LAST SUBMITTED DATE: SEPTEMBER 10, 2009

EXECUTIVE SUMMARY OF THE INITIATIVE:

In 2007, Seniors and People with Disabilities (SPD) began seeing an upward trend in Medicaid nursing facilities utilization, see chart. Nursing facilities care is the least preferred and most expensive form of long term care, costing an average of \$5,206 a month. Most SPD clients prefer to receive care in their own home at an average cost of \$1,424 per month. Remaining true to its mission "... to promote independence, choice, and dignity," SPD sponsored efforts to help individuals identify and choose among the many long term care alternatives available in Oregon with the fewest number of restrictions and saving taxpayers \$14.4M since December 2007 with an additional \$13.3M anticipated annually.



This initiative strives to transition out of nursing facilities those Medicaid eligible individuals who want to be served in an alternate setting and divert those Medicaid eligible individuals considering nursing facilities care. Since beginning this effort, approximately 930 people have been assisted by diversion or transition efforts. Even better, 41% of those assisted remain in their own home.

REDEPLOYMENT PLAN – AUGUST 1, 2009 THROUGH JULY 31, 2010

In the 2007-2009 biennium, SPD returned the \$14.4M saving to DHS to cover the rising caseloads in other programs via the budgeting process. In the 2009 the \$13.3M saving was used to cover rising caseload while offsetting budget cuts.

IMPROVEMENT SUMMARY:

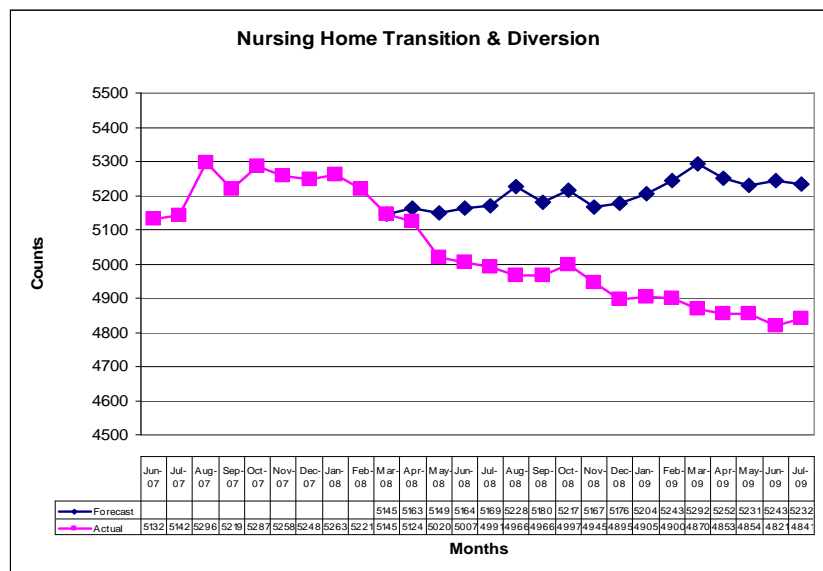
During 2007, SPD’s policy analysts conducted an exhaustive review and revision of policies and practices which may have biased client selection or placement to nursing facilities. To further the case management efforts for diversion and transition, SPD recruited, hired and trained 20 individuals as transition coordinators. The coordinators identify and educate individuals about transition and diversion living alternatives including care in their personal residence.

One area identified early on in the transitions efforts was facility capacity. SPD emphasized and assisted in the development of community-based living alternatives to nursing facilities care, especially in the rural areas of the state.

To ensure sustainability and maintain this initiative as a priority, SPD’s central office staff tracked weekly and monthly nursing facilities admissions by district and communicated this information with local offices. They also tracked successful transitions and diversions by district.

Outcomes and Results:

- Steady and continued decline in nursing facilities utilization.
- Conducted four separate training events (80 hours per person) for transition coordinators and managers focused on social work models for transition and diversion techniques.
- Weekly reports to local offices of new Medicaid funded nursing facilities placements.
- Regular, proactive conference calls to review and address issues and barriers to successful diversions or transitions.
- Tracking the progress and long term outcome of willing diversion and transition clients to identify barriers and best practices in the diversion and transition efforts.



BENEFIT/OUTCOME DESCRIPTION:

Cost Savings / Productivity

During the first 18 months of this effort SPD experienced a net savings of \$14.4M by diverting or transitioning approximately 930 individuals representing 4,355 months of nursing facilities care to less expensive community based settings.

As the number of Medicaid funded nursing facilities cases decline, the state realizes an absolute savings of approximately \$3,782 per month per case with net savings from April 2008 – July 2009 of \$14.4M. Anticipated savings for the upcoming year equals \$13.3M.

Service

Transition coordinators help clients identify and obtain a living setting based on needs and available options. The implementation includes follow-up with the client in their new living situation for at least 90 days and until the care plan is stable.

Through SPD's efforts, clients are living where they prefer and where their circumstances allow. Since the effort began in April 2008, about 930 people were diverted or transitioned from nursing facilities.

Quality

With the emphasis placed on diversion and transition, SPD has seen a steady decline in nursing facilities cases. With only 3.2% of clients returning to a nursing facility¹ because care needs were not sufficiently met, SPD considers the transition and diversion efforts a success. Considering the frailty and medical needs of the client population, this rate reflects the high quality of care recommendations and follow-up by transition coordinators.

People

According to the DHS 2009-2011 Legislatively Adopted Key Performance Measures #40, 98.2% of Oregon's seniors prefer to live outside of an institution. SPD's efforts in diversion and transition from nursing facilities care continue to support and improve this measurement. In addition, transition coordinators report greater satisfaction (anecdotal) in their work with clients.

LOGIC DESCRIPTION

SPD began incurring costs for the program beginning with the placement of Transition Coordinators in December 2007. The impact of diversion/transition counseling was fully implemented by April 2008 and SPD began accumulating a benefit from the effort of

¹ Based on Diversion and Transition database of "Success" identified as a "no."

\$14,404,530 as of July 2009. The standard period for tracking future benefits in the Transformation Initiative is one year.

Basis for Savings:

	Nursing Facilities Cost¹	Community-based Cost²	Savings Per Case	Months Diverted³	Gross Savings
Actual	\$5,206	- \$1,424	= \$3,782	x 4,355	= \$16,470,610
Projected				x 3,852	= \$14,568,264

Actual and Projected Savings Calculation:

	Gross Savings	Cost of Coordinator⁴	Net Savings
Actual	\$16,470,610	- \$2,066,080	= \$14,404,530
Projected	\$14,568,264	- \$1,239,648	= \$13,328,616
Total			\$27,733,146

Assumptions:

1. The nursing facilities monthly cost is based on the DHS Fall 2008 Forecast as provided by the DHS Office of Forecasting, Research and Analysis, \$5,206 per month.
2. The community-based care monthly costs is based on the DHS Fall 2008 Forecast provided by the DHS Office of Forecasting, Research and Analysis, \$1,424 per month.
3. Months Diverted refers to the difference between projected nursing facilities cases and actual cases per month. The use of transition coordinators diverted 4,355 months of care between Apr-08 to Jul-09. In addition, we expect to divert 3,852 months of care for the period of Aug-09 to Jul-09, see data sheet.
4. Fully loaded monthly FTE cost of one Transition Coordinator is \$5,165.20 per month. There are 20 Transition Coordinators. The data reflect 20 months for actual cost and 12 months of projections:
 - o \$5,165.20 per month x 20 FTE x 20 months = \$2,066,080
 - o \$5,165.20 per month x 20 FTE x 12 months = \$1,239,648

SUSTAINABILITY PLAN – AUGUST 1, 2009 THROUGH JULY 31, 2010

With Transition Coordinators firmly in place and working closely with hospital and nursing facilities staff, SPD anticipates a fully sustainable program. The process owner will continue to monitor actual to forecast experience and costs and take appropriate action if a significant deviation is spotted. This will include monitoring the monthly costs in nursing facilities (\$5,206 per month), community-based facilities (\$1,424 per month)

and the Transition Coordinator payroll (\$103K per month). This strategy is further supported by two additional strategies to be featured in future documents.

ONGOING METRICS – AUGUST 1, 2009 THROUGH JULY 31, 2010

The process owner will report the following data on a monthly basis through July 31, 2010.

- Monthly forecast nursing facilities occupancy.
- Monthly actual nursing facilities occupancy.

This experience will be used by the Metrics and Benefit Coordinator to calculate additional monthly benefit using these assumptions:

- \$3,782 saving per case per month
- \$103,304 cost for Transition Coordinators

CONTACT INFORMATION

- Transformation Sponsor – Gene Sundet
- Project Manager – Nasreen Khan
- Initiative Leader – Sandy Hata, Diversion/Transition Manager
- Lean Leader – Michael Bellish
- Process Owner – tbd

ATTACHMENTS:

- Data Spreadsheet
- Reinvestment Plan