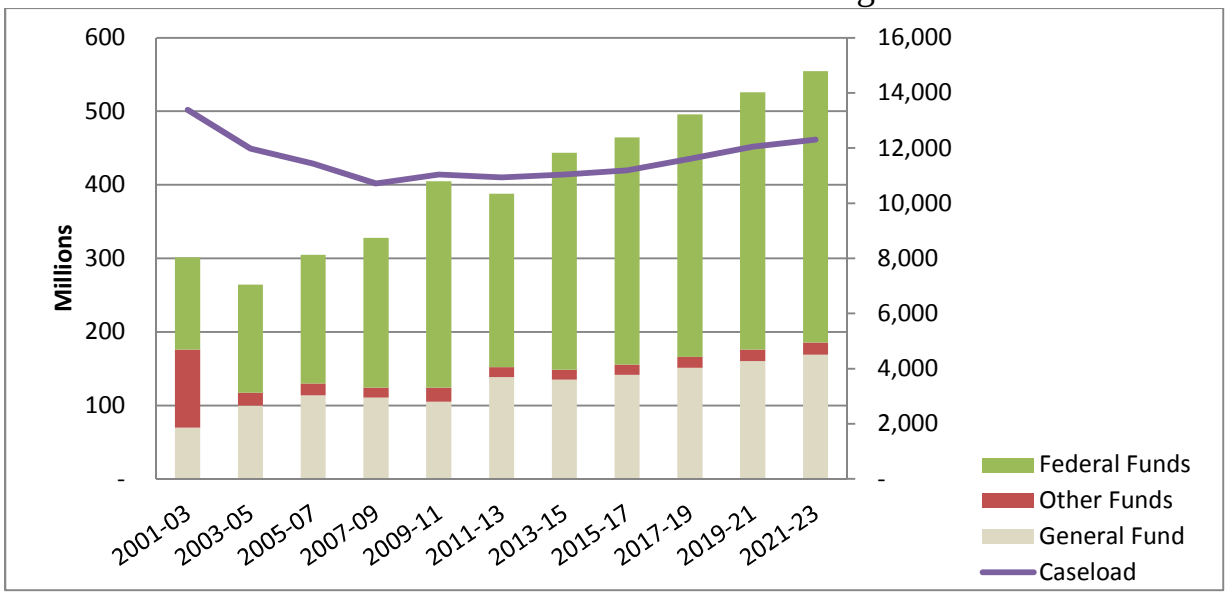
Department of Human Services: In-Home Services
Aging and People with Disabilities

Primary Outcome Area: Healthy People
Program Contact: Mike McCormick, 503-945-6229

In-Home Caseloads and Funding



In-Home caseloads decreased with the elimination of certain eligibility groups in 2003. The caseload flattened in recent years due to lack of available housing for low-income individuals.

Executive Summary

In-Home Services are the least restrictive service offered in Oregon's long-term care continuum. This program funds Medicaid long-term care services to seniors and people with disabilities in their own homes. The program serves individuals who are otherwise eligible to receive the same services in a nursing facility. Approximately 41 percent of individuals served in Oregon's long-term care system are served in their own homes. Oregon spends 56.6 percent of its long-term care expenditures on home and community-based services while the national median is 29.7 percent. In-Home Services offer an opportunity to provide differentiated care in a respectful, sensitive and inclusive manner to Oregonians from a variety of diverse backgrounds.

Program Funding Request

	In Home			
	GF	OF	FF	TF
LAB	138,610,768	13,540,380	235,917,781	388,068,929
ARB pre Medicare a/b move	135,154,949	13,180,420	295,219,383	443,554,752
ARB after Medicare move	135,154,949	13,180,420	295,219,383	443,554,752
Difference without move	(3,455,819)	(359,960)	59,301,602	55,485,823
Percent Change from LAB	-2.5%	-2.7%	25.1%	14.3%

Significant Proposed Program Changes from 2011-13

	In Home			
Aging and Physically Disabled Investments/Reductions	GF	OF	FF	TF
Decrease Nursing Facility Caseloads through Diversion/Transition Initiatives	0.80	0.10	1.33	2.23
Elect State K Plan option to add 6% match for In-Home programs	(24.83)	0.00	24.83	0.00
Reinstate Money Follows the Person grant	(0.77)	0.00	0.77	0.00
Total Reductions	(24.80)	0.10	26.93	2.23
Increase Home and Community-Based Care rates after 5 years of flat rates	5.00	0.00	11.00	16.00

($, millions)

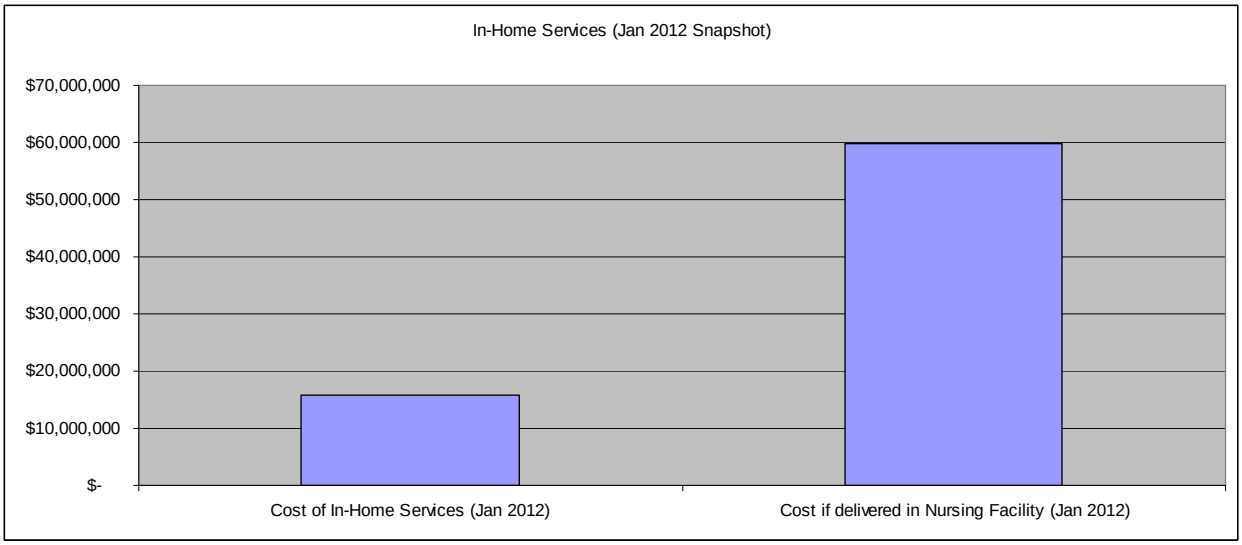
This budget will see a slight cost offset by savings in reduced nursing facility caseloads to more appropriate and cost effective services. Savings is anticipated by selecting the state "K" plan to add a 6 percent federal funds match. These changes also propose reinstating the Money Follows the Person grant, on a limited scale, with a focus on mental health. Increased rates are also proposed after 5 years of flat rates for in-home and community based care providers.

Program Description

This cost-effective program enables eligible, low-income seniors and people with disabilities to remain in their own homes and established communities. Individuals from culturally diverse backgrounds benefit from this program that provides enhanced independence, health, safety, and quality of life. Oregon's model of long-term care is referred to as a social model, distinctly different from a medical model of care. Social models of care focus on client autonomy, respect, choice, and individualized care planning. Individuals are viewed holistically, with provided supports that enhance independence, dignity and respect.

Eligibility for services is based upon a combination of financial condition and service needs. An individual's service needs are calculated as a "service priority level," which ranges from one to 18 . In the 2003 budget crisis, funding to serve individuals with service priority levels between 14-18 was eliminated. These levels remain unfunded.

In-home supports include necessary assistance with Activities of Daily Living (walking, transferring, eating, dressing, grooming, bathing, hygiene, toileting, and cognition) and Instrumental Activities of Daily Living (meal preparation, housekeeping, laundry, shopping, medication, and oxygen management). Assistance ranges from several hours per week to 24 hours per day. Without these supports, nearly 11,000 individuals would likely receive services in a more costly nursing facility. The following graph provides a hypothetical picture of the costs that would have been incurred in January 2012 if In-Home Services were not offered.



Oregon provides a variety of in-home service options to individuals based on preference, choice and cost-effectiveness:

- **Client-Employed Provider Program -** Individuals participating in this program receive services from hourly or live-in homecare workers. The in-home recipient is considered the employer and is empowered and responsible to hire, train, supervise, track hours worked, address performance deficiencies, and discharge providers. Homecare workers are paid a set rate established through collective bargaining, which the State pays on the individual's behalf. The State establishes homecare worker enrollment standards and training is available to homecare workers through the Oregon Home Care Commission, both of which contribute to the quality of in-home services. APD is forecasted to serve more than 10,000 individuals in this program in the 2013-2015 biennium.

- **Independent Choices Program -** This program is a 1915(j) State Plan Option and allows individuals to exercise decision-making authority in identifying, accessing, managing, and purchasing goods and services that enhance independence, dignity, choice, and well-being. This option is popular among high-functioning individuals who wish to take complete control over the planning and provision of services. In the Independent Choices Program, the cost of the established service plan is "cashed-out" and deposited into the eligible individual's dedicated Independent Choices Program checking account. The individual then pays providers directly based on a negotiated rate. Participants have the flexibility to use a portion of the funds to purchase goods that are not available through the medical plan that enhance their independence, such as a wheelchair lift for a vehicle or a wheelchair ramp. The state performs periodic monitoring with an emphasis on safety and program integrity. APD is forecasted to serve 350 individuals in this program in the 2013-2015 biennium.

- **Specialized Living Services -** These are services designed to serve a specific client base with special needs, such as those with traumatic brain injuries or other specific disabilities who would otherwise require a live-in attendant or other 24-hour care. The

services are provided through contracts with qualified vendors who provide specialized, shared-attendant services to individuals living in their own homes or apartments. APD is forecasted to serve more than 150 individuals in this program in the 2013-2015 biennium. This is a small program, but is expected to grow as APD strengthens its partnership with the Oregon Health Authority's Addictions and Mental Health Programs to serve individuals who are eligible for services through both entities.

The major cost drivers of the In-Home Services program are the current number of eligible individuals, their level of assistance needed, the length of time receiving services, and the growing population of those requiring services. The population served is much different than it was 30 years ago when Oregon first received a waiver. With the advancement of medical technology and treatment options, individuals are living longer with chronic disease and significant disabilities. Another major cost driver is the provision of wages and benefits for homecare workers tied to collective bargaining. This includes set wages, health insurance, paid time off, workers' compensations premiums, and unemployment insurance.

As illustrated earlier, in-home service plans have proven to be a cost-effective alternative to nursing facility care. Individuals with hourly plans cost approximately $950 per month. Individuals with live-in plans cost approximately $1,800. The cost of similar services provided in a nursing facility exceeds $6,000 per month.

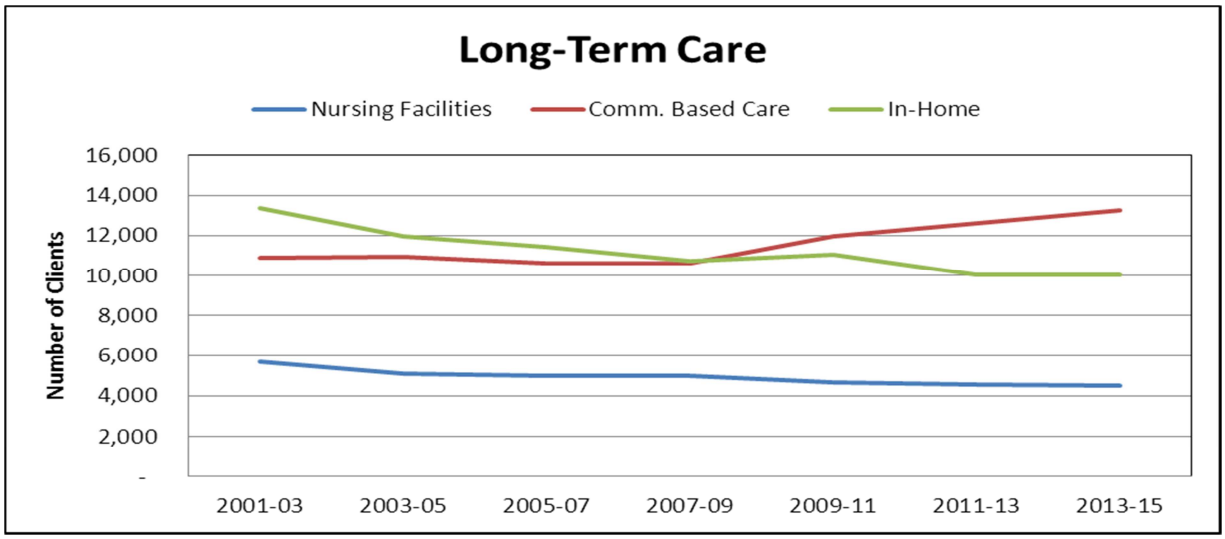
Program Justification and Link to 10-Year Outcome

In the early 1980s, Oregon was the first state awarded a 1915(c) Home and Community-Based Services waiver from the Centers for Medicare and Medicaid Services, allowing Oregon to serve individuals in their homes and communities. In an independent study conducted by AARP, Oregon received an overall ranking of 3rd out of 50 states in terms of affordability and access, choice of settings and providers, quality of life and quality of care, and supports for family caregivers. Oregon consistently ranks in the top percentage in the number of individuals served in their own home.

There is a direct link between the In-Home Services program and the Healthy People Outcome area that Oregonians are healthy and have the best quality of life. The program empowers individuals to direct their own services and make choices that enhance their quality of life, live with dignity, and remain as independent as possible. Health is maintained through the assistance provided through the Activities of Daily Living and Instrumental Activities of Daily Living programs. Consistent provision of services, including medication management and the preparation of nutritious meals, delays or diverts an individual's entry into more costly care settings.

Program Performance

A key goal of the Department is that people are safe and living as independently as possible. DHS currently measures this goal based on the percentage of individuals living in their own homes in lieu of a licensed care facility, as well as the percentage of individuals who move to a less restrictive service setting. Currently, there are more individuals participating in the Medicaid program who reside at home and receive services than there are receiving services in a nursing facility, as demonstrated in the graph below.



Aging and People with Disabilities is planning to reform and modernize Oregon's publicly funded long-term care system. This effort involves identifying innovative strategies to increase the percentage of individuals receiving in-home and community-based services.

Enabling Legislation/Program Authorization

Medicaid is an entitlement program that enacted in 1965 under Title XIX of the Social Security Act. Eligible individuals have the right to receive long-term care services in a nursing facility. While states are not required to participate in Medicaid, in order to receive federal matching funds, states must follow the Medicaid rules. Oregon's Long-Term Care System operates under a Section 1915(c) waiver, which allows long-term care services to be provided in home and community-based settings.

Funding Streams

In-Home Services are funded through the Medicaid program. The Federal government pays approximately 63 percent and the State pays 38 percent. There is a small amount of funding from the estates of former recipients. When a Medicaid recipient dies, we are required by federal law to recover money spent for the individual's care from the recipient's estate. These funds are reinvested in services for other individuals, offsetting the need for general funds.