

2013-15 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Aging and People with Disabilities
Program Name: Aging and People with Disabilities
Policy Option Package Initiative:
Policy Option Package Title: Home and Community Based Rate Increases
Policy Option Package Number: 108-2
Related Legislation:
Program Funding Team: Healthy People

Summary
Statement:

This policy option package provides a 3.5% rate increase on 7/1/13 and another 3.5% rate increase on 7/1/14. This rate increase will help align Medicaid reimbursement to keep pace with rising costs and the private pay market ensuring access to Medicaid eligible individuals.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option Package Pricing:</u>	\$16,000,000	\$0	\$35,000,000	\$51,000,000

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

This policy option package provides a 3.5% rate increase on 7/1/13 and another 3.5% rate increase on 7/1/14.

2. WHY DOES DHS PROPOSE THIS POP?

Home and community based care rates have been flat since 7/1/08. Additionally, Oregon's Medicaid reimbursement has not kept up with costs or with the private pay market. This has been identified repeatedly as a significant risk to access for Medicaid individuals.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS?

This funding will provide assurance of strong home and community based care access in the 13-15 biennium.

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

This POP is tied to key performance measure #11:

“SENIORS LIVING OUTSIDE OF NURSING FACILITIES- The percentage of Oregon's seniors receiving SPD long-term care services who are living outside of nursing facilities”.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Continuing for another two years without a rate increase. When this biennium ends on 6/30/13, home and community based care rates will be flat for five years. Continuing flat rates is not sustainable and will ultimately threaten Medicaid access as the private pay market improves and will negatively impact the quality of care individuals receive in licensed facilities.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

See above.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

None.

9. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

3.5% increase on 7/1/13 and 3.5% increase on 7/1/14.

Implementation Date(s): _____

End Date (if applicable): _____

- a. **Will there be new responsibilities for DHS? Specify which Program Area(s) and describe their new responsibilities.** No.

- b. **Will there be new administrative impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected. See**

Addendum A - Administrative Services Division LC/POP Impact Questionnaire (at the end of this document). No.

- c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program. No.**

- d. Will it take new staff or will existing positions be modified? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary. No.**

- e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training? N/A**

- f. What are the ongoing costs?**
Roll-up costs in future biennia.

- g. What are the potential savings?**
Continued decreasing nursing facility caseloads.

- h. Based on these answers, is there a fiscal impact? Yes.**

TOTAL FOR THIS PACKAGE

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Position</u>	<u>FTE</u>
Personal Services	\$0	\$0	\$0	\$0	0	0.00
Services & Supplies	\$0	\$0	\$0	\$0		
Capital Outlay	\$0	\$0	\$0	\$0		
Special Payments	\$16,000,000	\$0	\$35,000,000	\$51,000,000		
Other	\$0 0	\$0	\$0	\$0 0		
Total	\$16,000,000	\$0	\$35,000,000	\$51,000,000	0	0.00

(Agency Name) - Fiscal Impact Summary by Program Area:

	Program Area 1	Program Area 2	Program Area 3	Program Area 4	Total
General Fund	\$0	\$0	\$0	\$0	\$0
Other Fund	\$0	\$0	\$0	\$0	\$0
Federal Funds- Ltd	\$0	\$0	\$0	\$0	\$0
Total Funds	\$0	\$0	\$0	\$0	\$0
Positions	0	0	0	0	0
FTE	0.00	0.00	0.00	0.00	0.00

What are the sources of funding and the funding split for each one?