

Aging and Long-Term Support Administration
050 - PL - EV - INCREASE CLIENT ACCESS TO ALFs

Agency Submittal: 11-2017-19-YR Agency Req

Budget Period: 2017-19

SUMMARY

As the number of senior citizens in Washington State continues to increase, the total number of Assisted Living Facilities (ALF) is increasing also. However, while the total number of private pay ALF beds increased 14 percent between Fiscal Years 2009 and 2016, the number contracted to serve Medicaid clients has declined by three percent. This endangers not only client choice in the range of available long term care options, but also the ability to transition low-care people out of more expensive nursing facilities. AL TSA requests \$5,495,000 (\$2,153,000 GF-State) to make ALF Medicaid rates viable for care providers.

PROBLEM STATEMENT

Medicaid rates for Assisted Living Facilities have been flat for years while provider costs continue to rise. The result is that although the ALF market is expanding, there are fewer Medicaid beds available. Other long-term care options, such as in-home care, Adult Family Homes, and even nursing homes are forecasted to grow in the 2017-19 Biennium, but not ALFs. This is a problem for two reasons.

As Washington has rebalanced its long-term service and supports system over the last 20 years, shifting from reliance on nursing homes to home and community services, a cornerstone of this success has been client choice. This is both a philosophical commitment and a practical one. People are more likely to be interested in leaving a more costly nursing home setting if they and their loved ones have a choice in the type of setting and location that is appealing for them. Reduced access to ALF means less client choice.

In the long run, more people will wind up in nursing homes when fewer community options are available. Nursing homes are the default entitlement in the Medicaid program – everything else is an alternative. If there are not enough alternatives in a variety of geographic areas, more people will go to nursing homes. The average Medicaid daily rate in a nursing home in Washington is currently about \$213. The average daily Medicaid rate for ALF is about \$68. To effectively manage long term care costs in the future, the state needs the ALF option to be available.



DSHS VISION

People are healthy • People are safe • People are supported • Taxpayer resources are guarded

DSHS MISSION

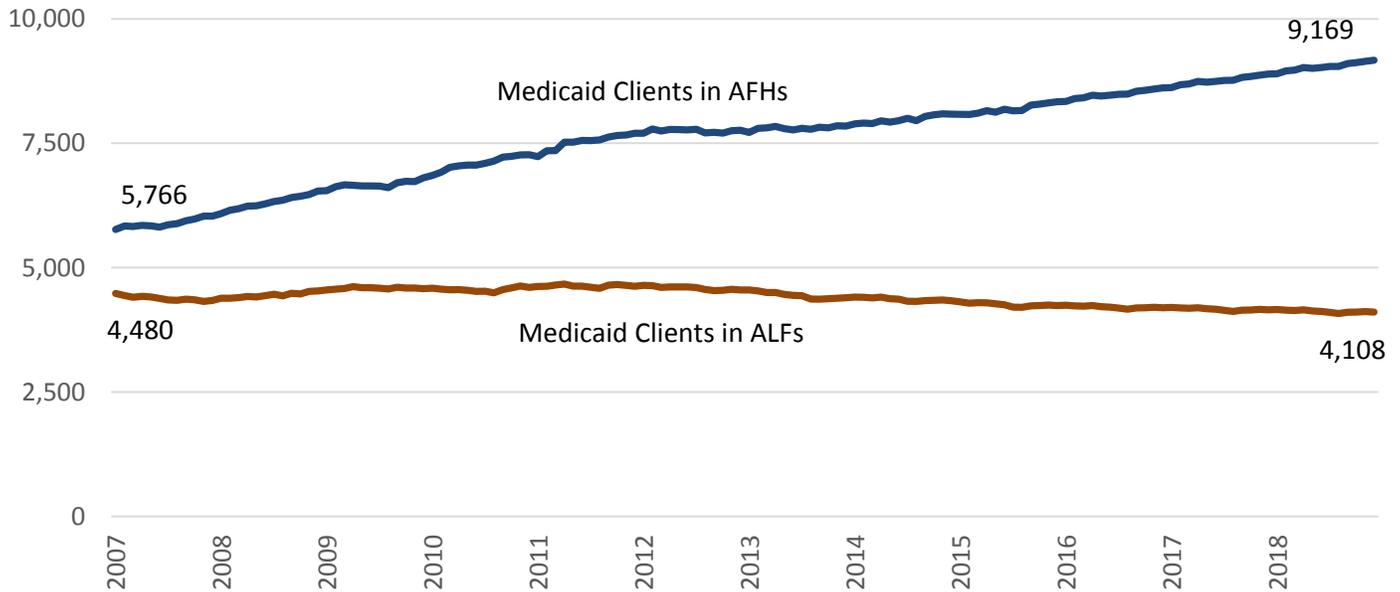
To transform lives

DSHS VALUES

Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service

050 - PL - EV - Increase Client Access to ALFs

ALF caseload declines while AFH adds 3,403 clients.



PROPOSED SOLUTION

Increasing the Medicaid ALF rate by three percent (or approximately \$2 per day) will help increase capacity for Medicaid clients in Assisted Living. This will allow more client choice and help ensure a viable community option for low acuity clients who otherwise will be served in a skilled nursing facility even though they do not require a high level of medical care. Dementia clients can stay in Assisted Living rather than go to a Nursing Home. For AL TSA and DDA combined the approximate cost of this rate increase is \$10,000,000 (\$4,400,000 GF-State).

The second part of the equation is that there will be an expected decline in the Medicaid nursing home census as a result of more access to assisted living. The projected offset is \$4,400,000 (\$2,200,000 GF-State), which will be a reduction in the nursing home budget.

EXPECTED RESULTS

With a three percent rate increase, the expectation is that Assisted Living providers will be more willing to keep or even add Medicaid beds. This will protect client choice in the long-term services and supports system. It will also provide a viable alternative for low acuity Medicaid clients currently in nursing homes to transition to a community setting and allow low acuity people to be diverted from ever going into a more expensive nursing home placement in the first place. With the cost offset, the nursing home caseload forecast will decrease by approximately 29 clients per year in the 2017-19 biennium.

STAKEHOLDER IMPACT

The Assisted Living industry, and its two main lobbying organizations, Washington Health Care Association and Leading Age Washington, will actively support this rate increase. Client advocate groups, such as the Eldercare Alliance, who have an interest in maintaining a variety of community care options, will also likely support it.

Agency Contact: Bryan Way, (360) 902-7769

Program Contact: Bill Moss, (360) 725-2311

OTHER CONNECTIONS

Performance Outcomes/Important Connections

1. **Does this DP provide essential support to one or more of the Governor's Results Washington priorities?**
Goal 4: Healthy & Safe Communities - Support People - Help the most vulnerable people become independent and self-sufficient.
2. **The decision package meets the following DSHS' strategic objectives:**
2.1: Ensure seniors and individuals with a disability who are in need of long-term services and supports are supported in their communities.
3. **Identify other important connections or impacts below.** (Indicate 'Yes' or 'No'. If 'Yes' identify the connections or impacts related to the proposal.)
 - a) Regional/County impacts? This request helps ensure that Medicaid beds remain a viable option for Medicaid clients statewide.
 - b) Other local government impacts? No
 - c) Tribal government impacts? No
 - d) Other state agency impacts? No
 - e) Responds to specific task force, report, mandate or executive order? No
 - f) Does request contain a compensation change or require changes to a Collective Bargaining Agreement? No
 - g) Facility/workplace needs or impacts? No
 - h) Capital budget impacts? No
 - i) Is change required to existing statutes, rules or contracts? No
 - j) Is the request related to litigation? No
 - k) Is the request related to Puget Sound recovery? No
 - l) Other important connections? N/A
4. **Please provide a detailed discussion of connections/impacts identified above.**

050 - PL - EV - Increase Client Access to ALFs

Alternatives/Consequences/Other

5. What alternatives were explored by the agency, and why was this alternative chosen?

The alternative is to leave the ALF rate where it is and see a continued decline in Medicaid availability, which makes it more difficult to move low acuity clients out of nursing facilities.

6. How has or can the agency address the issue or need within its current appropriation level?

The ALF costs are part of the caseload forecast, which funds services based on the number of expected clients and the average cost per client. This does not leave discretionary funds to offer enhanced rates.

7. Does this decision package include funding for any IT-related costs (hardware, software, services, cloud-based services, contracts or IT staff)?

No

Yes (Include an IT Addendum)

Fiscal Detail**050 - PL - EV - Increase Client Access to ALFs**

Operating Expenditures	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
001-1 General Fund-State	1,044,000	1,109,000	1,109,000	1,109,000
001-C General Fund-Medicaid	1,630,000	1,712,000	1,712,000	1,712,000
Total Cost	2,674,000	2,821,000	2,821,000	2,821,000

Staffing	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
FTEs	0.0	0.0	0.0	0.0

Performance Measure Detail

Activity:	Incremental Changes			
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Program: 050				
E055 Residential Community Services	0	0	0	0
No measures submitted for package				

Object Detail

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
N Grants, Benefits, and Client Services	2,674,000	2,821,000	2,821,000	2,821,000
Total Objects	2,674,000	2,821,000	2,821,000	2,821,000

DSHS Source Detail**Overall Funding**

Operating Expenditures	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
-------------------------------	-----------------------	-----------------------	-----------------------	-----------------------

Fund 001-1, General Fund-State**Sources Title**

0011 General Fund State	1,044,000	1,109,000	1,109,000	1,109,000
-------------------------	-----------	-----------	-----------	-----------

Total for Fund 001-1 1,044,000 1,109,000 1,109,000 1,109,000

Fund 001-C, General Fund-Medicaid**Sources Title**

19TA Title XIX Assistance (FMAP)	1,630,000	1,712,000	1,712,000	1,712,000
----------------------------------	-----------	-----------	-----------	-----------

Total for Fund 001-C 1,630,000 1,712,000 1,712,000 1,712,000

Total Overall Funding 2,674,000 2,821,000 2,821,000 2,821,000

Fact Sheet: Programs and Initiatives

Assisted Living Facilities

<p>Overview</p>	<p>An assisted living facility (ALF), formerly called a boarding home, is a community setting licensed by DSHS to care for seven or more residents. There are currently over 500 ALFs in Washington State. The majority are privately-owned businesses. ALFs provide housing, basic services and assume general responsibility for the safety and well-being of the resident. The majority of residents pay for their care privately.</p> <p>ALFs allow residents to live an independent lifestyle in a community setting while receiving necessary services from staff. ALFs can vary in size and ownership from a family-operated 7-bed facility to a 150-bed facility operated by a large national corporation. Some ALFs provide intermittent nursing services or may serve residents with mental health needs, developmental disabilities, or dementia.</p> <p>ALFs that have a Medicaid contract with ALTSA provide one or more of the following service packages:</p> <p>Assisted Living:</p> <ul style="list-style-type: none"> • Private apartments, with an emphasis on privacy, independence, and personal choice • Intermittent nursing services must be provided • Help with medication administration and personal care <p>Adult Residential Care (ARC)</p> <ul style="list-style-type: none"> • Medication assistance and personal care • Residents may need/receive limited supervision <p>Enhanced Adult Residential Care (EARC)</p> <ul style="list-style-type: none"> • Help with medication administration and personal care • No more than two people will share a room • Intermittent nursing care must be provided • Specialized dementia care – requires competitive bid & available funding <p>The ALTSA website features a facility locator, which enables a search by county, zip code, and specialty care type. Also featured online are numerous publications, such as the Choosing Care in an Adult Family Home or Assisted Living Facility, which includes practical tips on how to find a facility, questions you should ask, and steps that should be taken prior to placing a loved one in any setting.</p> <p>ALFs must ensure staff are trained to meet the needs of current residents. Newly-hired direct care workers (now called long-term care workers) must complete 75 hours of training, become certified as home care aides and complete 12 hours of</p>
------------------------	--

Information Contact

Jeanette Childress, Program Manager, Residential Care Services Division
(360) 725-2591; Jeanette.childress@dshs.wa.gov
www.altsa.dshs.wa.gov

2016

Aging and Long-Term Support Administration

	continuing education per year.
Eligibility Requirements	Individuals that meet the definition in WAC 388-78A-2050 , typically ambulatory and not requiring frequent presence/evaluation of a registered nurse.
Authority	Chapter 388-78A WAC - Licensing Rules Chapter 388-110 WAC – Contracted Residential Care Services Chapter 388-112 WAC - Residential Long-Term Care Services Chapter 388-113 WAC: Disqualifying Crimes and Negative Actions Chapter 18.20 RCW - Licensing Statute Chapter 70.129 RCW - LTC Resident Rights Statute Chapter 74.34 RCW - Abuse of Vulnerable Adults
Budget	FY15 expenditures for direct staff supporting inspections/investigations: \$4.4M
Rates	For the care of Medicaid residents, the Department pays contracted homes using a resident need-focused system based on seventeen levels of resident care and adjusted for geographic location. Each facility determines the amount that they will charge private pay residents. Private pay rates may differ.
Partners	Department of Health - Construction Review Services (CRS) Department of Health - Food Safety Washington State Patrol - Office of State Fire Marshal (OSFM) State Long-Term Care Ombuds Program (LTCOP) Washington Health Care Association (WHCA) LeadingAge of Washington
Oversight	<p>All ALF staff are required, by law, to report suspected abuse or neglect of a vulnerable adult. The Department offers training for these mandatory reporters. Specially-trained Department employees investigate complaints. Follow-up visits are made to ensure that regulatory violations do not continue.</p> <p>ALFs are required, by law, to be inspected at least every 18 months, in addition to inspections associated with complaint investigations. If a home is not in compliance with licensing requirements, DSHS enforcement actions range from civil fines to license revocation to referral of criminal allegations to law enforcement.</p>

Information Contact

Jeanette Childress, Program Manager, Residential Care Services Division
(360) 725-2591; Jeanette.childress@dshs.wa.gov
www.altsa.dshs.wa.gov

2016

Fact Sheet: Programs and Initiatives

Residential Rate Setting for Medicaid Home and Community Services

<p>Overview</p>	<p>The Office of Rates Management (ORM), within the Management Services Division, manages long-term care Medicaid rates. ORM holds workgroups, conducts stakeholder meetings, involves program managers, and contracts with external analysts to determine if current and proposed rates are sufficient. ORM provides this information, as well as data this office has prepared, to the Legislature as requested. Funding for Adult Family Home (AFH) and Assisted Living Facility (ALF) rates is authorized by the Legislature.</p> <p>Under the current rate setting methodology, each Medicaid-eligible resident is evaluated using the Comprehensive Assessment Reporting Evaluation (CARE) assessment tool and assigned to one of the 17 CARE classifications. The daily reimbursement rate for AFH and ALF services varies based on this classification as well as the geographic area where the services are provided. The Legislature allocates a budget and the Department determines the daily reimbursement rates for each CARE classification and each geographic area.</p> <p>Additionally, changes to the AFH 17 CARE classifications rates are based on negotiations between the Governor's Office and the Adult Family Home Council (AFHC) representing AFHs. Adult Family Home providers also negotiate additional rate enhancements between the Governor's Office and the AFHC. Anything negotiated must be approved by the Legislature.</p> <p>The Department follows the federal guidelines found in 42 U.S.C. § 1396a(a)(30)(A) ("Section 30(A)") when establishing rates.</p>
------------------------	--

Information Contact

Joe LaChance, Manager, Office of Rates Management, Management Services Division
 Number: 360-725-2445 Email: joseph.lachance@dshs.wa.gov
<http://www.altsa.dshs.wa.gov/professional/rates/>

2016