

AGING & LONG-TERM SUPPORT ADMIN MSA Rate Increase



2016 SUPPLEMENTAL BUDGET

Request	FY16	FY17	15-17
FTE	0	0	0
GF-State	\$0	\$779,000	\$779,000
Total	\$0	\$1,764,000	\$1,764,000

DECISION PACKAGE SUMMARY

The Aging and Long Term Support Administration (AL TSA) requests \$1,764,000 Total Funds (\$779,000 GF-State) in order to adjust Medicaid rates for home and community services and nursing homes in areas that have transitioned to Metropolitan Statistical Areas (MSA) because of population increases based on federal census data.

PROBLEM STATEMENT

Census data confirms that population increases in the state have moved 19 counties from Non-Metropolitan Statistical Areas (NMSA) to MSA. Medicaid rates for home and community services, as well as nursing homes, are higher for providers located in a MSA to recognize the higher business operational costs. The federal Office of Management and Budget also recognizes Micropolitan Statistical Areas, which are most often located between two MSAs. AL TSA and the Developmental Disabilities Administration (DDA) have also been using slightly different designations of statistical areas in their rate structures due to differences in when each was last updated. When rates do not match the statistical area, it results in access issues for Medicaid residents. Only nine counties are left in the Non-MSA classification.

PROPOSED SOLUTION

Nineteen counties change from NMSA to MSA or Micropolitan. Changing the associated rates more accurately reflects underlying assumptions of the rate structure, and aligns the county statistical area designations between AL TSA and DDA. For an additional \$76,000 per year, the other nine Non-MSA counties can also be brought up to the MSA rate, thus, mitigating potential access issues and simplifying the rate structure by only having King and MSA rates across the state.

EXPECTED RESULTS

The department will be able to retain a viable number of providers to ensure sufficient access for Medicaid clients throughout the state.

STAKEHOLDER IMPACT

All of the provider associations and advocate groups are expected to support this change, including Leading Age, Washington Health Care Association, Providence, Washington Residential Care Council, the ARC of Washington, the Developmental Disabilities Council, and the Eldercare Alliance.



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