

Update – *Ohio Access for People with Disabilities* – November, 2002

Background

In June 2000, Governor Taft charged his key state agencies responsible for services for people with disabilities to undertake a comprehensive review of the current system and make recommendations for improving these services over a six-year period, consistent with these three guiding principles.

- **Increase Community Capacity:** Publicly financed delivery systems should be responsive to consumer demand for choice of services and supports and the need to develop additional capacity in community based services. Current delivery systems must be improved to assist families, communities, and state and local governments in meeting their responsibilities.
- **Prioritize Resources:** Reform/expansion of any delivery system must be accomplished by balancing competing priorities within the limited resources of families, community based organizations, and state and local governments. Government agencies need to develop a process to determine where reform is most needed and can be achieved. Part of this is seeking cost efficiencies and appropriateness of care, especially in institutional settings, thereby making more dollars available to support community-based care.
- **Assure Quality and Accountability:** All publicly financed delivery systems must assure clinical, programmatic, and fiscal accountability and compliance at federal, state, local, and provider levels. Responsibility must be clearly defined at each level to ensure significant aspects of program design, including quality assurance, consumer health and safety, and sufficient and appropriate match.

The state agencies involved in Ohio Access reaffirm their commitment to the principles articulated in *Ohio Access for People with Disabilities*, beginning with *Ohio Access*'s call for a **new vision** of a service delivery system for persons with disabilities.

This vision emphasizes consumer choice, control, and autonomy. The cornerstone of the vision is consumer self determination and a person centered planning approach with assistance from family, friends and caregivers. Consumers will be given more **control** over the funds available for their care and be integrally involved in the **choice** of services and caregivers comprising their individual service plan. A holistic approach to person centered planning and care will ensure consideration of each consumer's physical, mental, emotional and spiritual needs. Supported employment services programs will be further developed and more widely available and barriers to employment will be removed for consumers able to enhance their financial self-sufficiency.

Ohio Access honors the commitment of families who provide care and supports them in their efforts. An informal network of care including family, friends, and neighbors

provides eighty percent of all long-term care. Government programs should respect and integrate with the family's historic and primary role in care giving.

Expected outcomes of this new vision include enhanced consumer: 1) independence, 2) personal dignity and responsibility, 3) access to community services and decreased reliance on institutional care settings, 4) quality of life, 5) health and safety, as well as 6) the most efficient use of limited funds. This approach will drive the development of home and community based care choices in support of health, wellness and prevention of unnecessary, premature institutionalization. The future array of service alternatives will ensure options, including quality institutional care where it is clinically appropriate and cost-efficient, consistent with each consumer's need and desire. Home and community-based options should be the norm rather than the exception.

To achieve this new vision, the agencies set forth the following three goals:

- □Elders and persons with disabilities live with dignity in settings they prefer.
- Elders and persons with disabilities receive safe, high-quality long-term care, services, and supports wherever they live.
- Relatives, neighbors, and friends who care for and support elders and persons with disabilities receive the information and services they need to plan for their future and support their caregiver role.

The Environment

Ohio Access for People with Disabilities was issued on February 28, 2001. In a great many respects, the external environment for systems change has undergone a major transformation in the last 18 months. What **has not** changed though is the call from Ohio consumers for a system of services that supports community living for people with disabilities of all ages. In addition, consumers continue to call for more control over the services they receive and the choices that are available to them.

What **has** changed is the economic environment both nationally and in Ohio. In the near term (defined as the period through Ohio's '04-05 biennium budget), there are four major factors that impact the state's ability to make new commitments of state resources.

- **Ohio continues to experience the effects of an economic recovery that is more sluggish than expected.** This translates into state revenue receipts that continue to fall short of expectations. This revenue shortfall has already caused significant budget reductions in both SFY 02 and SFY 03. The outlook for the next biennium will likely reflect a continued lag in state revenues. This reality is compounded by the other three factors.
- **In balancing the budget for SFY 02 and 03, Ohio has made significant uses of one-time revenue sources** available to it such as the Budget Stabilization Fund

(“rainy day fund”), transfers from the state’s tobacco settlement, the Human Services Stabilization Fund, and accelerated collection of taxes on auto leases. The Federation for Community Planning in Cleveland has estimated this “structural deficit” through use of one-time revenue at almost \$3 billion dollars.

- **The Ohio Supreme Court has yet to rule in the latest school funding case before it.** Depending on the ruling, the Court may require that significant new revenues be devoted to fund primary and secondary education.
- **Growth in Medicaid expenditures.** Medicaid expenditures comprise 24% of all state spending (federal and GRF funds combined). Medicaid growth in Ohio is currently being driven by two major factors. First, growth in service costs – primarily in increased nursing home expenditures, increased costs associated with inpatient hospitalization, and a double-digit increase in the cost of prescription drugs (due both to the increased cost of medication and increased utilization). Second, growth in the number of newly eligible Medicaid beneficiaries in Ohio has been much greater than predicted. At the end of SFY 2002, actual caseload growth had outstripped projections by just under 100,000. The result of these twin factors is quite predictable. Medicaid spending in SFY 2002 increased by 13.4% over SFY 2001 and is projected to increase an additional 8% in SFY 2003. This is more than twice the growth rate of the state’s revenue. If Medicaid spending continues to increase at this rate, an additional \$2 billion dollars in new revenue will be needed in the ‘04-05 biennium **just to maintain the status quo.**

There are two ways to view the current environment. Pessimistically, shrinking revenues and growing expenditures clearly may inhibit the growth of community services and supports. Optimistically, during times such as these that policymakers see the opportunity and necessity for fundamental service delivery changes.

Ohio Access for People with Disabilities contained two different sets of recommendations. Short-term recommendations dealt with the current ‘02-’03 biennium (Section VII). Intermediate and long-term recommendations for consideration over a six-year period are the subject of Section VIII of the report. Despite a changing environment, definite progress has been made in implementing both sets of recommendations.

Progress toward short-term recommendations.

Improve Access to Information Regarding Services

The proposed vehicle for implementation of this strategy was the development of the “Ohio Helps” website. Consensus was not achieved on the proposed scope of the content to be included on the website and discussions continue with key stakeholders on a website that would contain information on state-operated programs and services. In the interim, though, the Department of Aging has successfully developed an Internet-based Long-Term Care Consumer Guide (ltcohio.org). While the initial data on the site is

geared toward providing consumers with comparative information (including family and resident satisfaction data) on nursing homes, the legislation that created the Guide is much broader and calls for the development of information about alternatives to nursing homes. Information pages have been developed initially, but The Department of Aging plans more robust information in the future.

One other opportunity to improve access to information is Ohio's plan to use its "Real Choice/Systems Change" grant (one of two grants recently approved by the Centers for Medicare and Medicaid Services – CMS) to provide a single portal for information about community services and supports. The CMS grants are discussed in greater detail under "Federal Constraints" below.

Expand Current Home and Community-Based Waiver Programs

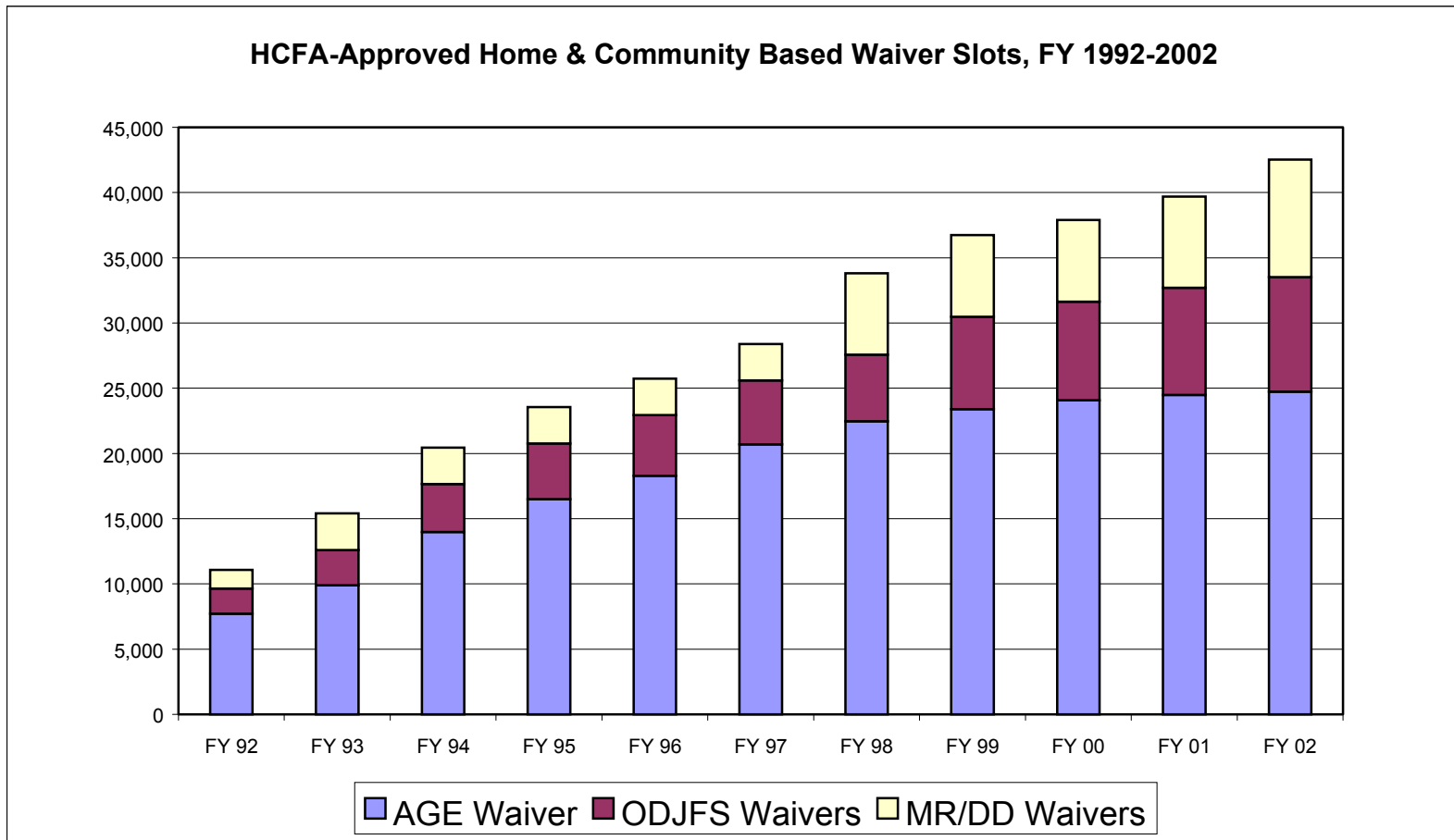
Originally, the budget allowed the Department of Aging to add 2900 waiver "slots" to the PASSPORT Medicaid waiver for Ohioans age 60 and over. Budget constraints in SFY 2002 actually led to enrollment restrictions in PASSPORT that began in November 2001. For the first time since 1994, there was a statewide waiting list for PASSPORT home care. By the end of SFY 2002, the waiting list grew to more than 1300. Unfortunately 398 applicants who were eligible for PASSPORT were unable to obtain their choice of services and were removed from the waiting list when they entered a nursing home permanently. In addition, 107 individuals on the waiting list in June 2002 resided in a nursing home temporarily while waiting for a PASSPORT "slot" to become available. In the budget correction bill, SB 261, however, more GRF funding was made available for PASSPORT, which means that by the end of July, the waiting list in most of Ohio had been eliminated. 33 of the 107 individuals who were in nursing homes waiting for a PASSPORT slot were unable to leave the nursing home and enroll in PASSPORT. Further enrollment limitations are not envisioned during SFY 2003. The result will be that The Department of Aging will add the slots originally planned for this biennium to the current program.

Am. Sub. H.B. 94 mandates that MR/DD serve an additional 500 consumers by the end of June, 2003 through its Medicaid waivers. Other waiver slots are being added as well due to the reorganization of the MR/DD system.

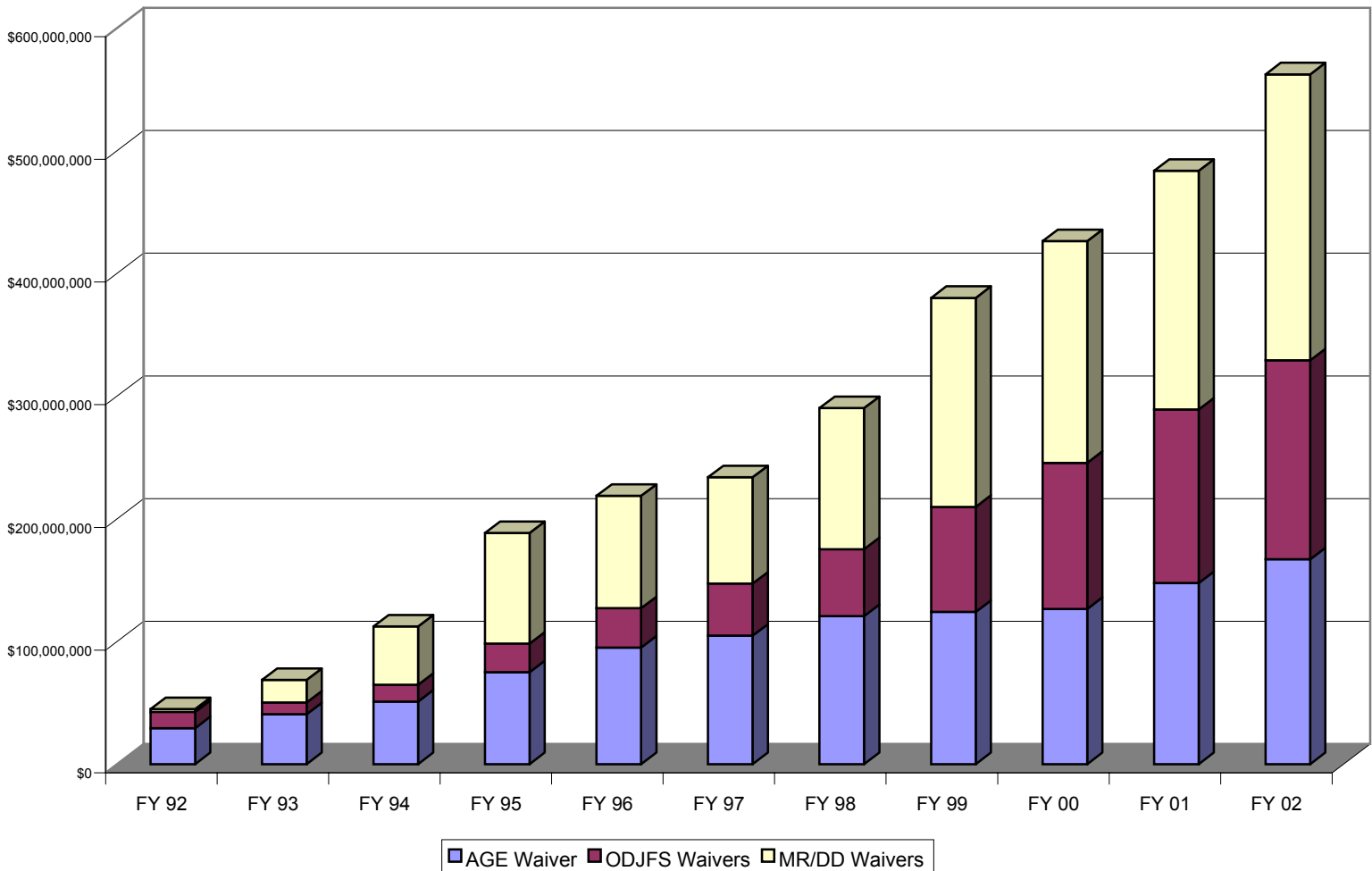
The ODJFS-operated Medicaid waiver (Ohio Home Care) is undergoing significant structural changes. Approximately 1200 slots were available for new enrollees in SFY 2003. A new "transitions" waiver has been created (with 2000 slots) for those on the Ohio Home Care waiver with an ICF/MR level of care. ODJFS is assessing consumers currently served by the Ohio Home Care waiver to determine eligibility for the transitions waiver and by the end of SFY 2002 had assessed more than 1/3 of the consumers served by Ohio Home Care.

In summary, the Ohio Access agencies will meet their short-term goal for the expansion of current Medicaid home and community-based services waivers. Two charts are presented below. The first shows the growth in the number of Ohioans served through

Medicaid home and community-based services waivers and the second shows the growth in state expenditures for its Medicaid home and community-based waivers.



Home & Community Based Waiver Expenditures, FY's 1992-2002



MR/DD System Redesign

Another short-term recommendation is the redesign of the MR/DD Medicaid delivery system. Redesign activities continue. Near term, expected results of the redesign include a new Medicaid home and community-based services waiver that covers “basic” services (Level One). This new waiver will have 6000 slots, with 3000 expected to be available in year one of the waiver. In addition, as noted above, MR/DD has expanded capacity within the IO waiver by 4500 slots.

Beyond simply adding slots, though, the MR/DD redesign as driven by the passage of H.B. 94, fundamentally alters the service delivery system by redefining the roles of the key stakeholders in the MR/DD system and through the strengthening of the monitoring and quality assurance system.

Create New Opportunities for Independent Living

GRF funding was included in the '02-'03 budget to create the Ohio Access Success Pilot. This pilot will fund one-time expenses for a limited number of Ohioans currently residing in nursing facilities who wish to relocate to community settings. In addition, Ohio has been awarded a nursing home transitions grant by CMS. The strategy for implementation beginning in SFY 2003 is discussed under "Federal Constraints" below.

Improving Cost Management Tools within the Community Mental Health System

The community mental health system continues to face challenges caused by decreased funding (relative to inflation), increased demand for services, increased cost-shifting from private plans, and escalating Medicaid match requirements (which can cause a shift of limited resources from clients with greater clinical need to those with lesser need.)

The Ohio Access report recommended that a waiver of certain federal Medicaid requirements be obtained to provide the community mental health system a limited set of tools to manage cost and quality of care. Through a collaborative process involving community leaders, a decision was made not to pursue a waiver at this time, but to pursue some cost and quality controls that do not require a waiver. These include the development and implementation of a rational reimbursement mechanism that incentivizes cost-effectiveness and quality of care and a set of utilization management tools. Not being pursued at this time is provider selectivity, something that would require a waiver of federal Medicaid requirements.

In addition, the system is pursuing a standardized clinical record that will facilitate Medicaid compliance and the use of technology to support the clinical process. It will also facilitate moving the system to a national accreditation model and one that systematically measures consumer outcomes. Work on the goal of coordinating service delivery between the mental health and child welfare system continues.

Correct Inefficiencies in Current Long-Term Care Facilities Reimbursement

As part of the '02-'03 budget process, the administration proposed critical adjustments to the current formula used to determine nursing facility reimbursement. Because the reimbursement formula is in statute, any changes to the formula must be enacted by the General Assembly. While recognizing the important role in the long-term care delivery system played by nursing facilities, Ohio Access stated the key issue: "... it is incumbent on state government to make sound financial decisions regarding both nursing facilities and community services, particularly as consumer demand and legal precedent reshape the marketplace. State policy makers must take steps to achieve a balance between the two sectors that maximizes efficiency to offer a realistic choice for consumers."

Ultimately, the General Assembly did not adopt most of the changes proposed by the administration. Statutory increases guaranteed to nursing facilities are instead largely financed through a “franchise fee” paid by the nursing facilities (through the ‘04-05 biennium). This fee, by Ohio law, cannot be passed on to private pay consumers. The General Assembly did lower the maximum return on equity paid to for-profit providers from \$1.00 per resident day to \$0.50 per resident day, and the General Assembly restored the imputed occupancy factors to prior levels.

Intermediate and Long-Term Strategies

Ohio Access for People with Disabilities outlines the most significant barriers to achieving a new vision for the delivery of community services and supports in Section VIII of the report. Strategies for overcoming these barriers were recommended in five key areas.

Match Capacity with Demand

Ohio’s delivery system for long-term care services and supports continues an over-reliance on institutional services – a bias deeply rooted in the structure of federal Medicaid policy, historically. The identified barrier is that, put simply, Ohio’s public spending for long-term care, services and supports is misaligned with the expectations and desires of consumers. Historically, institutional care has been the norm and community services the exception. While progress has been made on specific recommendations (allowing residents of developmental centers to transition to community settings, for example) and the number of Ohioans served in community settings has increased as measured through the waiver expansions noted above, the debate over an appropriate level of spending for institutional care continues. The Nursing Facility Reimbursement Study Council has been asked to expand its purview beyond the narrow issue of nursing home reimbursement to the broader issue of the appropriate role of nursing homes in the future delivery system considering that demand for nursing home care and services continues to decline. A recent project related to the Long-Term Care Consumer Guide measured overall Ohio nursing home occupancy at 84% in the Spring of 2002 – an all-time low.

At the same time, the number of Ohioans receiving Medicaid-funded community services has increased dramatically. Yet, even with these increases, the demand for community services continues to outstrip the capacity that exists in the system today as evidenced by the waiting lists for both the IO and Ohio Home Care waivers.

Generate and Sustain the Necessary Resources to Expand Community Services

Sustainability will continue to be a major issue for state government in a time of limited state resources. Nonetheless, implementation of several of the Ohio Access recommendations has already begun:

- Major redesigns of the MR/DD system and the Ohio Home Care Waiver have already begun.
- The Department of Aging has begun enrolling consumers in the Choices waiver in central Ohio. This new Medicaid waiver gives consumers more control over service providers – selection, hiring, and firing if need be. Choices has 50 participants already enrolled. Enrollment in Choices is limited to 200 initially. The Scripps Gerontology Center at Miami University is evaluating this model.
- The Ohio Access agencies and others continue to actively promote regulatory reform and to achieve compliance with the administrative simplification requirements of the Health Insurance Portability and Accountability Act (HIPAA).
- Achieving balance in the Ohio system and generating new resources and sustaining funding and programmatic gains require broad public support. One of the most gratifying developments is the emergence of the Olmstead Consumer Task Force. Put simply, true systems reform needs a champion, a consistent consumer voice. The Olmstead Consumer Task Force marks an unprecedented coming together of consumers and advocates from many different perspectives – including both champions for Ohio’s elders and people with disabilities. The consumer task force will be asked for input on new strategies for Ohio Access and will be actively involved in the CMS grants discussed below.
- Ohio has added a Medicaid state plan amendment that protects the two currently-operating PACE (Program of All-Inclusive Care for the Elderly) sites in Cincinnati and Cleveland. These programs provide both acute and long-term care services to nursing home-eligible consumers and are funded by both Medicare and Medicaid.
- Ohio has been approved for two federal grants from the Centers for Medicare and Medicaid Services (CMS) which will directly respond to the goals of Ohio Access (discussed below).

Overcome Federal Policy Constraints

After many years, the federal government – especially CMS – has begun to promote greater flexibility within the current system. While this flexibility does not actually fundamentally alter the institutional bias of the Medicaid program, CMS has offered the states additional waiver flexibility.

Of special import to Ohio, CMS announced in spring, 2001 that it would make available competitive “systems change” grants to states. Ohio’s original applications were unsuccessful, but in spring, 2002 due to an additional federal appropriation, CMS offered Ohio two specific grants for a three-year period. Final federal approval from CMS has now been received.

- Nursing home transitions. Funding had already been provided for the Ohio Access Success Pilot in the biennium budget to defray the one-time expenses of Ohioans currently living in nursing homes that desire to relocate to community settings. The goal of the nursing home transitions grant activity is to develop a protocol (including peer assistance) to assist Ohioans wishing to make such a move. In addition to the CMS grant, CMS has recently announced that states may cover transition costs through a Medicaid waiver. Ohio is proposing to amend certain of its current Medicaid home and community-based services waivers (PASSPORT and Ohio Home Care) to take advantage of this flexibility. While originally the Ohio Access Success Pilot was designed to serve 200 consumers, it is hoped that should the pilot prove successful, additional consumers can be served by utilizing Medicaid waivers.
- Real Choice/Systems Change. In consultation with the Olmstead Consumer Task Force, efforts under this grant will be concentrated in two areas. First, an identified barrier that exists in the current system is the lack of consistent, reliable, and complete information on community services and supports available to consumers. Ohio Access has both short-term and long-term recommendations designed to address this issue, given its relative importance. Therefore, one grant activity will focus on the creation and implementation of a “No Wrong Door” strategy. Differing from single point of entry systems that were for many years the focus of most state systemic reforms, No Wrong Door acknowledges that consumers confront an often-bewildering system through many different pathways. What is needed, then, is a single body of knowledge that is widely available to consumers, their advocates, and the agencies that serve them. Second, one tremendous barrier to community living is the lack of suitable housing options for people with disabilities who desire to live in non-institutional settings. A housing coordinator will be hired with grant funds to assist those wishing to move out of nursing homes and to work with housing authorities throughout the state to develop new opportunities for community living. Funds will also be made available to support the Olmstead Consumer Task Force.

Address the Health Care Workforce Shortage

Since the issuance of Ohio Access for People with Disabilities, Ohio has undertaken two major efforts to study this critical issue. The first initiative resulted from the passage of the biennium budget (H.B. 94). The Ohio Department of Health convened a task force that studied the scope of the issue (focusing on many health care disciplines) and recommended strategies that can address the issue. The task force reviewed the issue of health care workforce shortages as it related to licensing standards, scopes of practice, recruitment and retention, and education. It also explored possible demonstration projects that could alleviate some of the demands on health care personnel using today’s technology. The final report is available on the Department of Health’s website www.odh.state.oh.us/ODHPrograms/HCFORCE/finalreport.pdf.

In addition, The Department of Aging has received short-term funding through the Governor’s Workforce Policy Board to focus more specifically on the shortage of nurses and professional caregivers such as personal care workers, home health aides, and

nursing assistants. The Department of Aging has formed the Ohio Health Care Workforce Advisory Council. The role of the Advisory Council is to:

- Advise ODA and the Governor's Workforce Policy Board about specific needs and concerns, innovative approaches and research designed to alleviate and/or eliminate healthcare workforce shortages;
- Represent a broad array of organizations affected by the healthcare workforce shortage including hospitals, long-term care facilities, residential care facilities, home health agencies and state agencies;
- Consider the needs and choices of a wide array of constituents, including individuals who are elderly, youth with special needs, individuals who have mental health disabilities, mental retardation and/or developmental disabilities, physical disabilities, and/or a disabling condition and consumers of services;
- Advise, support and assist workgroups focused on describing the extent of the shortage, collecting information about best practices and developing specific approaches and completing specific tasks to resolve problems related to the healthcare workforce shortage;
- Work collaboratively with the "one stops" created by the Workforce Investment Act;
- Disseminate results of best practices, special projects, demonstrations and/or initiatives undertaken to help resolve the healthcare workforce shortage to their constituents, colleagues and administrators; and,
- Assist with the development of a report to the Governor's Workforce Policy Board outlining specific recommendations related to:
 1. Recruitment, retention, training and best practices related to direct care workers.
 2. Recruitment, retention, training and best practices related to health care professionals, including nurses.
 3. Regulatory reforms that are needed.
 4. Academic programs designed to help recruit and educate male and female students from a broad array of cultural backgrounds into health care careers. Public education and awareness efforts to inform the public about the healthcare workforce shortage and to promote the advantages and virtues of becoming a healthcare provider.

Members of the Council were selected because they are leaders in their particular area(s) of expertise and because they represent a broad array of stakeholders in the healthcare system. Council members represent state government, private health care providers, professional associations, consumer advocacy associations and regulatory bodies.

A specific strategy worthy of note is the success of one of the specific projects mentioned in the original *Ohio Access* report. The COALA (Council on Aging Learning Advantages) program in Cincinnati, a centralized recruitment, training, and mentoring program, has graduated 349 professional caregivers in its first two years. Training classes are full through the end of the calendar year with a waiting list of 96 applicants. The COALA concept is now expanding to other areas of the state. 92% of those starting the classes have graduated with over 70% gaining employment as professional caregivers.

Another strategy mentioned in the *Ohio Access* report is the success of the LEAP program in Cleveland in training people with disabilities to be professional caregivers and attain certification.

Overcome Policy Constraints on Self-sufficiency and Personal and Family Responsibility

Other portions of this update have already discussed the progress that has been achieved toward meeting one of the recommendations in the original Ohio Access report – improvement of information and assistance systems designed to serve consumers and their families. Specifics include the implementation of the Internet-based Long-Term Care Consumer Guide and the implementation of a statewide toll-free number for elders and caregivers seeking assistance. Future activities in the near term will focus on the development of No Wrong Door in consultation with the Olmstead Consumer Task Force.

Ohio also received a CMS grant to study Medicaid issues related the federal Ticket to Work program. Ohio has asked CMS to approve an amendment to the original grant that would study Medicaid eligibility options available to the state under Section 1902r of the Social Security Act (as recommended by the original task force report). States have been given additional flexibility under this section of the Act relative to Medicaid eligibility criteria. The study would catalog the available options open to Ohio. A second study would make recommendations regarding the “infrastructure” necessary to implement Medicaid changes that would enhance the effectiveness of Ticket to Work. CMS has now granted permission for these studies. CMS has also approved a one-year no-cost extension to the original grant.

Conclusion

This update indicates that despite an extremely challenging budget environment, Ohio has increased the number of consumers receiving long-term care, services and supports in the community. However, there are clear challenges ahead in addressing the fundamental principles of consumer choice, autonomy and control. These challenges must be successfully faced to create a system in the future where community services are the norm and institutional services the exception.