

Effectiveness of Consumer Directed Services
Second Annual Update
as Required by House Bill 2292

Report to the 79th Texas Legislature

FEBRUARY 1, 2005

Executive Summary

The Consumer Directed Services (CDS) model was implemented in July 2002 in multiple Medicaid home and community-based waiver programs in response to Senate Bill 1586, 76th Legislature, Regular Session. The CDS model allows consumers or their guardians or designated representatives to be legal employers of record for the service providers. Thus, under CDS, consumers have greater control and responsibility for their care.

House Bill 2292, 78th Legislature, Regular Session, directed the Texas Health and Human Services Commission (HHSC) to provide this annual report regarding the effectiveness, including cost-effectiveness, of consumer directed services by February 1 of each year. Senate Bill 153, 78th Legislature, Regular Session, mandated the formation of a Consumer Directed Services Workgroup to assist in the continued implementation of the CDS option.

CDS is available in six programs:

- Community Based Alternatives (CBA),
- Community Living Assistance and Support Services (CLASS),
- Deaf-Blind-Multiple Disability Waiver (DBMD),
- Primary Home Care (PHC),
- Consumer Managed Personal Assistance Services (CMPAS), and
- Medically-Dependent Children's Program (MDCP).

The utilization rate of CDS varies widely across programs, with a high of 35.2% in CLASS to a low of less than 1% in PHC and CBA. Currently, personal assistance services and respite care are the only services available under CDS. The CDS workgroup is focusing on expanding services in two ways: 1) adding other services within current CDS programs, such as physical, occupational and speech therapies and specialized therapies; and 2) adding the CDS option to other programs, such as the Home and Community Services (HCS) program and the Texas Home Living (TxHL) program. In addition, a subgroup of the CDS workgroup is working to identify obstacles to participation.

A 2004 HHSC study of the CDS program showed the CDS option to provide cost savings in acute care service and vendor drug costs, but to cost more for the actual waiver services, for a average net cost increase of \$161.39 per month per person. Additional study is required to determine the reasons for the higher cost and possible implications, but a study in Arkansas showed that the increased cost results from an increase in use of authorized service hours. For example, if 100 hours are authorized but only 80 delivered in non-CDS, while 95 are delivered in CDS, then the higher cost may be attributable to improved service delivery.

The Texas Department of Aging and Disability Services is conducting a pilot study of a new version of CDS in Primary Home Care, in which few consumers historically have chosen the CDS option. Primary Home Care is an attendant program primarily used by an elderly population. While the current CDS program requires consumers to assume total responsibility as an employer, the pilot offers a hybrid service management option, the Service Responsibility Option (SRO), which allows consumers to select, train and supervise their attendant but leaves the fiscal, personnel and backup staffing responsibilities with the provider agency. Expected outcomes from this project include: increased numbers of consumers managing their personal attendants; increased consumer satisfaction; and increased awareness of SRO.

Recommendations for CDS in calendar year (CY) 2005 include:

- 1) Collecting and analyzing utilization data to determine reasons for the higher cost of CDS services;
- 2) Exploring findings from the DADS SRO evaluation, which includes a participant experience survey, to find ways to improve how consumer directed options are currently offered and ways to strengthen the support available to consumers who choose to self-direct;
- 3) Studying emerging issues in the areas of quality and quality assurance as they relate to both consumer direction and self-determination;
- 4) Expanding consumer directed options by offering the option in additional programs, such as HCS and TxHL and expanding services available under current CDS programs.

Introduction

Consumer direction of services is a component of a philosophy of care called self-determination. Self-determination assumes that individuals with disabilities should have greater control over every aspect of their lives. For individuals using formal supports and services, self-determination shifts control over services and supports from the professionals to individuals (or their representatives). In consumer directed services (CDS), the consumer has the ability to hire, fire, train and supervise personal assistance attendants, as well as to directly purchase services. Informed choice, which means consumers understand the risks and benefits of their choice, is critical to the concept of consumer directed services.

Texas was one of the first states to receive approval from the Centers for Medicare and Medicaid Services (CMS) for the implementation of the CDS delivery model in multiple Medicaid home and community-based waiver programs. CMS has shown great interest in the CDS model and has streamlined the process for states to incorporate consumer direction into their Medicaid programs. In 2002, the Bush administration announced a new Medicaid waiver initiative known as Independence Plus. This initiative was designed to provide states opportunities within their Medicaid programs for people with disabilities and the elderly to have greater involvement, control and choice in identifying, accessing and managing certain long-term services and supports. Although Texas' request for a CDS amendment pre-dated the Independence Plus waiver option; state staff worked closely with CMS officials to keep Texas' waiver amendments in line with Independence Plus. Thus, the CDS implementation in Texas has been consistent with federal intent and direction for this new model of service delivery.

Consumer Direction in Texas

Seven programs in Texas offer consumer direction as an option (see table below). The degree to which consumers have chosen the CDS option varies, from a high of 35.2% in Community Living Assistance and Support Services (CLASS) to a low of less than 1% in Primary Home Care (PHC) and Community Based Alternatives (CBA). Programs with a higher incidence of elderly consumers have a lower utilization of CDS, possibly because elderly consumers do not feel they can handle the responsibility of recruiting, hiring, and supervising an attendant. The higher utilization of CDS in CLASS may result from the fact that a responsible party is often involved, and they are able to manage the employer responsibilities.

Programs Offering CDS in Texas (as of November 30, 2004)

Program	Program Enrollment	Persons using CDS	Percentage using CDS	Services available in CDS
Community Living Assistance and Support Services (CLASS)	1770	623	35%	Habilitation, Respite Care
Primary Home Care (PHC)	113,021	96	.08%.	Attendant Care
Community Based Alternative (CBA)	28,982	73	.25%	Attendant Care, Respite
Deaf-Blind Multiple Disability (DB-MD)	142	2	1%	Habilitation, Intervener, Respite
Client Managed Personal Assistance Services (CMPAS)	511	43	8%	Attendant Care
Medically-Dependent Children's Program (MDCP)	MDCP began offering the CDS option in January 2005. Statistics are not yet available.			Attendant Care, Respite

Additionally, the state has submitted a waiver amendment to CMS to add CDS services in the Consolidated Waiver Program (CWP).

Cost-Effectiveness of Consumer Directed Services

HHSC was charged with conducting a cost-effectiveness study of CDS. The state chose to study CDS within the CLASS program because of its high utilization. The following outlines the methodology and findings from that study.

Methods The cost-effectiveness study was conducted with CLASS consumers, as the large majority of CDS consumers are in the CLASS program. The period covered by the data analysis of costs between CDS and non-CDS consumers under the CLASS program is March 2002 through February 2004: a total of 24 months. Preliminary analysis revealed no significant relationship in the distribution of Adaptive Behavior Level scores and a consumer's membership in either CDS or non-CDS CLASS options, indicating that the two populations were similar in the degree to which they meet the standards of personal independence and social responsibility expected of their age.

A consumer might not have used the CDS option for the entire study period. Thus, for the months a consumer was receiving CDS services, his or her expenses were counted as CDS cost and he or she was counted as a CDS consumer. For the months a consumer was not receiving CDS services, his or her expenses were counted as non-CDS cost and he or she was counted as a non-CDS consumer.

In addition to the cost of waiver services, comparisons were made between acute care costs and Vendor Drug costs incurred by CDS and non-CDS consumers.

Findings The average cost calculated by the analysis was not based on the total number of consumers, but on the total number of recipient-months of either group. For CDS, the total recipient-months during this period were 9,903; for non-CDS, the total recipient-months were 30,922.

- **Waiver services** costs for an average CDS recipient-month were found to be 13.55% higher than waiver services costs for the average recipient-month for non-CDS consumers (\$2,875.42 vs. \$2,532.27, a difference of \$343.16). Within waiver services, analyses were conducted separately for services under the control of the CDS consumer (habilitation, respite-in-home, and respite-out-of-home) and for all other services. The average cost per recipient month for CDS services was \$2,380.98 for CDS consumers and \$2,035.59 for non-CDS consumers (a difference of \$345.39). This was minimally offset by slightly lower (\$2.23/recipient month) average CDS consumer costs for all other waiver services.
- **Acute care services** costs for an average CDS recipient-month were found to be 12.23% lower than acute care services costs for the average recipient month for non-CDS consumers (\$1,039.67 vs. \$1,184.56, a difference of \$144.89).

- **Vendor drug** costs for an average CDS recipient-month were found to be 15.76% lower than vendor drug costs for the average recipient-month for non-CDS consumers (\$197.14 vs. \$234.01, a difference of \$36.87).
- **Total net (combining waiver, acute care, and vendor drug)** costs for an average CDS recipient-month were found to be 4.08% higher than total net costs for the average recipient-month for non-CDS consumers (\$4,112.23 vs. \$3,950.84, a difference of \$161.39.) See Appendix A .

Caveats. This analysis was conducted in terms of dollars paid for services, not units of service authorized or units of service utilized. Limitations of the current automated database do not allow exploration of the hypothesis that CDS consumers may make use of more of the services they are authorized to use than do non-CDS consumers. The data-collection and recording system need to be enhanced with a method to track precisely units of service authorized and utilized by CDS consumers. At this time the database does not contain the information necessary to determine whether one group (CDS OPTION or non-CDS) is using a greater or lesser share of the waiver services they are authorized to purchase.

Further study is required to determine the reasons for the higher costs associated with the CDS option and possible implications. The increased costs may result from an increase in use of authorized service hours. For example, if 100 hours are authorized but only 80 delivered in non-CDS, but 95 are delivered in CDS, then the cost difference may be attributable to improved service delivery.

Arkansas found similar results during their first-year of implementation. In addition, it is hypothesized, as the program progresses and more individuals choose the CDS option, agency cost savings will occur due to higher utilization of lower cost services and cost avoidance of high cost services such as institutionalization. As demonstrated in the 2004 HHSC study, cost savings were realized in this first year in the areas of acute care services and vendor drug.

Results of this study may not be generalizable to other programs in which CDS is available because this cost-effectiveness study was conducted within the CLASS program only. Also reserved for future study were possible variations in findings that may result from conducting separate analyses for the start-up year versus later years and for children versus adults.

Expansion Plans

Community Living Assistance and Support Services (CLASS)

Due to the high utilization of currently available services in CLASS CDS, additional services will be added to this program first, beginning with specialized therapies. Other services considered for expansion include physical, occupational and speech therapies, as well as nursing. The consensus of the workgroup was that these services could most easily be added to CDS. After the initial expansion has occurred, consideration will be given to offering home modifications, assistive devices, and durable medical equipment under CDS. The work plan for the initial expansion is as follows:

Task	Proposed Completion Date
Convene stakeholder workgroup	January 2005
Complete rule development	March 2005
Work with CMS on amending CLASS waiver	March – May 2005
Present proposed rules to Medical Care Advisory Committee (MCAC)	May 2005
Train staff, consumers and providers	Summer 2005
Implement expansion of program	September 2005

Home and Community Based Services and Texas Home Living Waiver

Texas Department of Aging and Disability Services (DADS) staff are beginning the process of adding the CDS option to the Home and Community Based Services (HCS) program and the new Texas Home Living (TxHmL) program. The work plan for the implementation of CDS in these two programs is as follows:

Task	Proposed Completion Date
Determine CDS model (feasibility of support brokerage service component)	January 2005
Submit first rule draft to stakeholders	May 2005
Revise draft with comments incorporated	June 2005
Develop rates	July 2005
Present proposed rules to MCAC	January 2006
Present proposed rules to DADS Council	February 2006
Submit waiver amendments to CMS	April 2006
Enroll CDS agencies	August 2006
Finalize CARE system modifications	August 2006
Conduct training	August 2006
Implement program	September 2006

Service Responsibility Option (SRO)

In October 2003, CMS, as part of the New Freedom Initiative/Real Choice Systems Change, awarded the Texas Department of Human Services (now the Department of Aging and Disability Services) a three-year Real Choice Systems Change grant. Texas is using its grant to develop and pilot test a different version of CDS in Primary Home Care (PHC), an attendant program primarily used by an elderly population. Few consumers have chosen CDS in PHC, although it has been an option since 2002. The current CDS program requires the consumer to assume total responsibility as an employer. The newly developed variant of consumer direction, the Service Responsibility Option (SRO), offers a hybrid service management option, which allows consumers to select, train and supervise their attendant but leaves the fiscal, personnel and backup staffing responsibilities with the provider agency. This hybrid model may increase the number of PHC consumers choosing to manage at least some of their care. The pilot will provide a continuum of choice for consumers regarding the amount of involvement they have in the direction of their attendants, based on the consumers' needs and individual circumstances.

The grant will examine the utilization of three options for PHC – SRO and the two options currently available, the agency option and the CDS option. These service management options differ in the degree of choice and control consumers have in managing their personal attendant care. The agency option offers the least amount of consumer involvement as the consumer entrusts the provider agency to make decisions, with consumer input, regarding the selection, supervision, and training of attendants. The CDS option grants consumer control over recruiting, hiring, training and supervising attendants as well as managing the budget for attendant care. The new SRO option gives the consumer control over selecting, training and supervising personal care attendants but the provider agency, the employer of record, maintains the fiscal, personnel and quality management functions.

As part of the grant, consumer training was designed to provide information about the various personal attendant management options and to help consumers decide which personal service option (e.g., agency, service responsibility option or CDS Option) would be most beneficial for them. For those deciding to use SRO, consumer training and materials provide information regarding how to select, supervise, train and, if necessary, dismiss personal care attendants (persons choosing CDS receive previously-developed training through the CDS agency). Training was also developed for DADS staff and provider agency staff on communicating with consumers about the new SRO and providing assistance in assessing which option would be most beneficial given individual needs and circumstances.

DADS is piloting the SRO in Region 1 (Lubbock area) from December 1, 2004 through July 31, 2005. DADS staff will conduct a participant experience survey,

training evaluation surveys and interviews with consumers to determine the pilot's effectiveness in increasing the awareness and use of consumer directed approaches to managing personal attendant care. Based on this analysis, DADS may modify pilot components to ensure that consumers, provider agencies, and DADS staff can effectively communicate the options and that the project achieves desired outcomes. Once the option has been evaluated and altered, it will be rolled out statewide.

The expected outcomes from this project include: increased numbers of consumers managing their personal attendants, increased consumer satisfaction as measured by consumer self-report to survey questions; and increased awareness of SRO as measured by the number of provider agencies, consumers and others trained. Further, the lessons learned from this project could serve as a blueprint for expansion of the SRO option to other community-based long-term care programs.

Recommendations for Program Improvement

In 2005, HHSC plans to improve the CDS option by:

- 1. Collecting and analyzing utilization data in an attempt to determine reasons for the higher cost of CLASS CDS services.** Currently, automation systems do not provide data regarding services authorized versus services utilized. Adjustments will be made to systems so that this information can be gathered to evaluate whether the slightly higher costs of CLASS CDS are due to higher utilization of authorized services.
- 2. Expanding consumer directed options.** DADS will begin the process of implementing CDS in both HCS and TxHL and will expand service options under current CDS programs.
- 3. Exploring findings from the DADS SRO evaluation, which includes a participant experience survey, to improve how the consumer directed options are currently offered and to find ways to strengthen the support available to consumers who self-direct.** The participant experience survey will provide information about why consumers choose one option over another and the types of support they found most helpful. The SRO evaluation data will help inform discussions about the feasibility of offering SRO in other community based programs.
- 4. Studying emerging issues in the areas of quality and quality assurance as they relate to both consumer direction and self-determination efforts.** DADS will add questions specific to consumer direction and self-determination to the quality indicator survey that will be used for consumer experience surveys across programs for people with mental retardation or a related condition. Additionally, DADS plans to work in partnership with stakeholders to create opportunities for self-advocate training and networking regarding self-determination.

Appendix A

Cost-Effectiveness of the CDS Option

Waiver Services					
	Total \$ Spent	Total Number of Recipient-Months	\$ Spent per Recipient-Month		
CDS	\$ 28,475,318.14	9,903	\$ 2,875.42		
Non-CDS	\$ 78,302,744.60	30,922	\$ 2,532.27	\$	(343.16)
 Acute Care					
	Total \$ Spent	Total Number of Recipient-Months	\$ Spent per Recipient-Month		
CDS	\$ 10,295,856.80	9,903	\$ 1,039.67		
Non-CDS	\$ 36,628,979.15	30,922	\$ 1,184.56	\$	144.89
 Vendor Drugs					
	Total \$ Spent	Total Number of Recipient-Months	\$ Spent per Recipient-Month		
CDS	\$ 1,952,279.09	9,903	\$ 197.14		
Non-CDS	\$ 7,236,090.31	30,922	\$ 234.01	\$	36.87

	\$ Spent per Recipient-Month				
	Waiver Services	Acute Care	Vendor Drugs	Total \$ Spent	
CDS	\$ 2,875.42	\$ 1,039.67	\$ 197.14	\$ 4,112.23	
Non-CDS	\$ 2,532.27	\$ 1,184.56	\$ 234.01	\$ 3,950.84	\$ (161.39)