



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

February 16, 2010

The Honorable Chester J. Culver
Governor
State Capitol
LOCAL

Dear Governor Culver:

Enclosed please find copies of reports to the General Assembly relative to adding an Assisted Living service as a service within the Home and Community Based Elderly Waiver.

These reports were prepared pursuant to directive contained in HF 317.

HF 317 is an Act relating to the inclusion of assisted living services under the medical assistance home and community based waiver for the elderly. The elderly waiver program is a Medicaid program to provide additional services to persons who require a level of care provided in a medical institution but who can remain at home with additional services to assist them. The elderly waiver program assists people aged 65 and older whose income does not exceed 300% of the maximum monthly payment for one person under SSI and who are resource-eligible.

Medicaid services in assisted living are covered under the Consumer Directed Attendant Care (CDAC) Waiver Service in the Home and Community Based Service Waiver (HCBS), Medicaid home health services, and the state's in-home health related care program. Currently, only 714 tenants in assisted living are receiving CDAC waiver services even though the certified assisted living units in Iowa are primarily full. This bill will eliminate Consumer Directed Attendant Care in assisted living environments and replace it with the assisted living service. The federal requirements regarding assisted living as a service under the Home and Community Based waivers are outlined in the attached workgroup report.

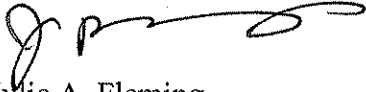
In order to comply with HF 317, the Iowa Medicaid Enterprise convened a workgroup of provider organizations and other state agency stakeholders to review the assigned task. The workgroup initially convened in September and has met four times. The workgroup has reviewed the following;

- Reviewed HF 317
- Reviewed the Core Definition of Assisted Living Services provided by CMS
- Response to March 2009 Request for Information regarding upper payment limits under the Elderly Waiver
- Reviewed AL Affordability Task Force Reports; September 2004 & September 2006
- Discussed previous workgroups two tier payment system proposal

In addition key DHS, IME staff consulted with CMS Regional Administrator Dan Timmel regarding the workgroup's findings and recommendations.

The attached report details the recommendations from this workgroup with the recognition that all changes must be submitted to the Centers for Medicare and Medicaid Services (CMS) for approval.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Fleming', with a long, sweeping horizontal stroke extending to the right.

Julie A. Fleming
Legislative Liaison

JAF/lmm

Enclosure

cc: Michael Marshall, Secretary Iowa Senate
Mark Bransgard, Chief Clerk of the House



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

February 16, 2010

Michael Marshall
Secretary of Senate
State Capitol
LOCAL

Mark Brandsgard
Chief Clerk of the House
State Capitol
LOCAL

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Medicaid services in assisted living are presently covered under the Consumer Directed Attendant Care (CDAC) Waiver Service in the Home and Community Based Service Waiver (HCBS), Medicaid home health services, and the state's in-home health related care program. Currently, only 714 tenants in assisted living are receiving CDAC waiver services even though the certified assisted living units in Iowa are primarily full. This bill will eliminate Consumer Directed Attendant Care in assisted living environments and replace it with the assisted living service. The federal requirements regarding assisted living as a service under the Home and Community Based waivers are outlined in the attached workgroup report.

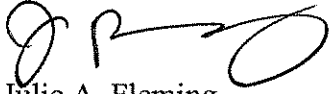
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Julie A. Fleming
Legislative Liaison

JAF/lmm

Enclosure

cc: Governor Chester J. Culver
Legislative Service Agency
Kris Bell, Senate Majority Caucus
Peter Matthes, Senate Minority Caucus
Zeke Furlong, House Majority Caucus
Brad Trow, House Minority Caucus

**Assisted Living Service Workgroup
Report**

HF 317

December 2009

Introduction

HF 317 is an Act relating to the inclusion of assisted living services under the medical assistance home and community based waiver for the elderly. The elderly waiver program is a Medicaid program to provide additional services to persons who require a level of care provided in a medical institution but who can remain at home with additional services to assist them. The elderly waiver program assists people aged 65 and older whose income does not exceed 300% of the maximum monthly payment for one person under SSI and who are resource-eligible.

Why Affordable Assisted Living?

The goal of “affordable” assisted living is to create an option for Medicaid eligible and moderate income individuals in the continuum of care. The goal is not to create assisted living as a replacement model for nursing homes, but to offer more choices for all. All parts of the long-term care continuum are important.

Olmstead, et al v. L.C. and E.W., 527 U.S. 581 (1999) made it clear that people with disabilities have the right to services provided in the most integrated settings appropriate to their needs. Discrimination can occur when people with disabilities cannot get needed services unless they live in an institution and a state’s disability services do not offer consumers real choices. *Olmstead* declares that states must make reasonable accommodations in programs and services, taking into consideration cost, all available resources and how the needs of all people with disabilities will be met.

Current System

Medicaid services in assisted living are covered under the Consumer Directed Attendant Care (CDAC) Waiver Service in the Home and Community Based Service Waiver (HCBS), Medicaid home health services, and the state’s in-home health related care program. Currently, only 713 tenants in assisted living are receiving CDAC waiver services even though the 9,990 certified assisted living units in Iowa.

Recommendations

The following are the recommendations from this workgroup with the recognition that all changes must be submitted to the Centers for Medicare and Medicaid Services (CMS) for approval. In addition, the State would need to at a minimum change rules and request state plan amendments, and identify fiscal impact to the medical assistance program.

Assisted Living Service Definition

The workgroup recommends that the following modified CMS assisted living definition be utilized for those individuals that receive Medicaid assistance. The assisted living services portion of the waiver shall provide all of the following: Assisted living services shall include personal care and supportive services, which include homemaker services, chore services, attendant care, companion services, medication oversight, meal preparation, provision of medically necessary transportation within the recipient's community, and therapeutic social and recreational programming. Assisted living services shall also include twenty-four hour response staff to meet scheduled and unpredictable needs in a manner that promotes maximum dignity and independence, and to provide supervision, safety, and security. The assisted living waiver service shall only be available to tenants of certified assisted living programs regulated pursuant to chapter 231C.

Two Tier Payment System

The workgroup recommends the following two tier payment system. A two tiered reimbursement system of services is based on the level of assistance for the type, number, and severity of activities of daily living, or of cognitive or behavioral impairments, or both. A payment rate for each tier of services, reimbursement based on the range of hours of direct support the member requires each month. In addition the assisted living program would be eligible for an add-on payment for those members receiving the assisted living service who are diagnosed with dementia and receive a score of 4 or above based on the Global Deterioration Scale.

- The tenant's level of service needs will be determined by a point system using the Targeted Case Management Comprehensive Assessment tool, form 470-4694.
- Room and board costs for the tenant shall be determined between the tenant and the assisted living program.
- A member may not receive consumer directed attendant care while receiving the assisted living service in a certified assisted living program.
- Members may access other elderly waiver services which are not duplicative of the assisted living service.

This system will also meet the goal of making the assisted living payment system more streamlined and less complicated for both the elderly or disabled consumer and the assisted living program.

Conclusion and Follow-up

In conclusion, the workgroup recommends a tiered vendor payment within the currently established service rate caps exclusively for assisted living services under the elderly waiver to also include additional payment for dementia care based on the members Global Deterioration Scale. A tiered rate is more flexible and will pay assisted living programs in accordance with the care needs of the tenant. To make the system “user-friendly” the workgroup recommends that the Targeted Case Management Comprehensive Assessment, form 470-4694, be completed by the case manager to determine assisted living eligibility under the Medicaid elderly waiver program and the tiered level of service need.

Currently, HF 317 specifies the department shall not implement the waiver prior to specific action by the general assembly. It requires the department to submit a plan for implementation to the general assembly upon approval of the waiver from CMS. As it is likely that the CMS approval will be received after the 2010 General Assembly has recessed, this language would delay implementation of the new elderly waiver service until sometime after the 2011 General Assembly is convened. Therefore, the workgroup recommends amending HF 317 to allow the assisted living service to be implemented once approval has been received from CMS and administrative rules have been filed, noticed and adopted. The administrative rules process provides the opportunity for the legislative rules committee, a committee of the general assembly, to review the department’s implementation plan.

Workgroup Members include:

Cindy Baddeloo, Deputy Director, Iowa Center for Assisted Living/Iowa Health Care Association

Dana Petrowsky, President/CEO, Iowa Association of Homes and Services for the Aging
Bill Nutty, Director for government relations, Iowa Association of Homes and Services for the Aging

Stacey Hedja, Consultant, Assisted Living Partners, LLC

Suzanne Menke, Assisted Living Consultant, Sunnybrook Management

Kathy Beal, RN Sunnybrook Management

Lisa Burk, DOA

Beverly Zylstra, DIA

Ann Martin, DIA

Michaela Funaro, DHS- IME

LeAnn Moskowitz, DHS, IME

Jennifer Steenblock, DHS- IME

Deborah Johnson, DHS-IME

Eileen Creager, DHS-IME
Linda Sims, DHS- IME- Medical Services
Kim Nelson, IME- Medical Services
Jeff Marston, DHS- IME- Provider Cost Audit and Rate Setting

Resource Material:

Mollica, Robert, State Medicaid Reimbursement Policies and Practices in Assisted Living, September 2009

Assisted Living Affordability Task Force, Recommendation for Medicaid Reimbursement in Assisted Living, August 2004

Assisted Living Workgroup Report to the US Senate Special Committee on Aging: "Affordability"

US Department of Health and Human Services, Aging and Long-Term Care Policy: "Using Medicaid to Cover Services for Elderly Persons in Residential Care Settings" State Policy Maker and Stakeholder Views in Six State".

National Academy for State Health Policy; Affordability & Assisted Living