

## Fair Funding for Alternative Services

Increase the funding for the HCBS Elderly Waiver Consumers, including but not limited to assisted living and adult day programs

The most commonly used waiver services in assisted living are “consumer-directed attendant care,” also known by the acronym CDAC. CDAC services are service activities performed by a person to help a consumer with self-care tasks that the consumer would typically do independently if the consumer were otherwise able. The consumer or their legal representative is responsible for selecting the person or agency that will provide the services.

At the current rates of reimbursement, many home and community-based programs in Iowa will no longer be able to continue to provide services at the current levels, let alone expand services. The current cap of \$1,117 should be increased so providers will be able to continue their services to the frail seniors and potentially be able to expand or develop new services.

Elderly Waiver services can be provided in a person’s home, which may include an assisted living apartment. Elderly waiver services are individualized to meet the needs of each senior.

The following services are available:

- o Adult Day Care
- o Assistive Devices
- o Chore Services
- o Consumer Directed Attendant Care
- o Emergency Response
- o Home and Vehicle Modifications
- o Home Delivered Meals
- o Home Health Aide
- o Homemaker Services
- o Mental Health Outreach
- o Nursing Care
- o Nutritional Counseling
- o Respite
- o Senior Companions
- o Transportation

IAHSA supports an increase in the elderly waiver rate. This rate paid by the Medicaid program shall be calculated as 60% of the combination of the statewide medians, for both the Direct Care and Non-Direct Care components, included in the modified price-based case-mix nursing facility rate, minus the federal SSI payment standard for a single aged, blind or disabled individual living in the community. The room and board or the “rent” shall be determined between the tenant and the assisted living programs.

The goal of the Iowa Senior Living Program Act (Iowa Code 249H) which created the Senior Living Trust is to create a comprehensive long-term care system that is consumer-directed, provides a balance between the alternatives of institutionally and non-institutional provided services, and contributes to the quality of the lives of Iowans. The Senior Living Trust was to be a continuing source of funding to enhance the state’s ability to meet the rising demand of seniors with low and moderate incomes in obtaining an appropriate variety of long-term care services. Increasing the elderly waiver cap fits the stated goal and purpose of the Senior Living Trust.

## Explanation of Fiscal Impact for New System

The fiscal impact results from increasing eligibles in home and community based services, but with the partial offset from decreasing nursing facility admissions.

In State Fiscal Year 2007:

- 8,700 consumers used the elderly waiver.
- 592 consumers that have reached the elderly waiver cap of \$1084 for one or more months
- 543 of the 8,700 were authorized for the CDAC assisted living service for one or more of the months
- 309 of the 592 consumers that had reached the elderly waiver cap had services authorized for assisted living.

1) Average Nursing Facility Rate (July 1, 2008)

- \$124.39

2) Adjust for acuity by multiplying by 60%

- $\$124.39 \times 60\% = \$74.63$

3) Minus Federal SSI (Client Participation)

- $\$74.63 - \$27.38 = \$47.25/\text{day}$

4) State Share

- $\$47.25 \times 37.60\% = \$17.77/\text{day}$

5) 309 Consumers

- $365 \text{ days} \times 309 \times \$17.77 = \$2,004,189 \text{ State Share}$

Savings "IF" all consumers were in nursing facility

1) State Share NF Rate (July 1, 2008) x 365 days x 500 residents

- $\$36.47 \times 365 \text{ Days} \times 500 = \$6,530,525$

2) NF State Share minus Elderly Waiver State Share

- $\$6,530,525 - \$2,004,189 = \$4,526,336$