

MLTCQRAC Jt W& M Committee TESTIMONY 03-28-13

I AM LYNN BOOSE; SANDI SLEDGE AND I ARE TESTIFYING TODAY AS CO-CHAIRS OF THE MEDICAID LONG TERM CARE QUALITY & REIMBURSEMENT ADVISORY COUNCIL, REFERRED TO AS "COUNCIL" IN MY REMARKS.

AS STATED IN THIS COUNCIL'S LETTER SENT TO DEPT OF HUMAN SERVICES AND TO THE OREGON HEALTH AUTHORITY, AND TO CHAIRS OF THE JOINT WAYS AND MEANS COMMITTEE, A COPY OF WHICH IS IN MY HANDOUT, THIS COUNCIL STRONGLY SUPPORTS THE Aged & Persons with Disabilities PORTION OF THE 2013-15 Governor's Recommended Budget (GBR).

THIS COUNCIL WAS CREATED BY THE 1995 OREGON LEGISLATURE, AS DEFINED IN ORS 410.550. WHICH LAW DIRECTS THIS COUNCIL IS TO REVIEW, AMONG OTHER DUTIES, THE AGED & PERSONS WITH DISABILITIES SECTION OF THE GOVERNOR'S RECOMMENDED BUDGET AT THE BEGINNING OF EACH LEGISLATIVE SESSION.

THE APD BUDGET DOES NOT INCLUDE PERSONS WHO ARE DEVELOPMENTALLY DISABLED OR WHO ARE CHILDREN

COUNCIL'S RECOMMENDATIONS ARE TO INCLUDE REASONS FOR THE COUNCIL'S POSITION ON THE APD BUDGET

A. THE OVERALL REASON FOR COUNCIL'S POSITIVE SUPPORT IS THAT IT HELPS CREATE EFFICIENCIES WITHIN THE LONG TERM CARE SERVICE SECTOR WHICH ARE NEEDED FOR SERVING AGED OREGONIANS WHOSE STATEWIDE POPULATION IS PROJECTED TO DOUBLE BY 2030, FROM HALF MILLION TO NEARLY ONE MILLION PERSONS AGE 65 OR OLDER.

OF THAT POPULATION IN 2011, SOME 28,000 AGED AND DISABLED OREGONIANS USED MEDICAID LTC SERVICES. THUS, 45,000 TO 50,000 AGED MAY ANNUALLY USE MEDICAID FUNDED LTC SERVICES IN OREGON BY 2030, BASED ON A LINEAR PROJECTION OF CURRENT USE.

B. SPECIFIC REASONS FOR COUNCIL SUPPORT OF THE APD BUDGET SECTION INCLUDE:

1. IT FUNDS PROGRAMS DEMONSTRATING COST EFFECTIVE CARE OF DEMENTIA PATIENTS, THE INCIDENCE OF WHICH IS PROJECTED TO INCREASE BY 80 TO 127 PERCENT BY 2030.

2. IT CREATES INCENTIVES TO REDUCE THE SURPLUS OF NURSING FACILITY BEDS IN METROPOLITAN AREAS, WHILE PROTECTING RURAL AREAS AGAINST LOSS OF NEEDED NF BEDS

3. IT FUNDS INCREASES IN STAFFING RATIOS OF DIRECT CARE GIVERS IN NURSING FACILITIES, AS RECOGNITION OF INCREASING ACUITY OF PATIENTS COMING OUT OF HOSPITALS

4. IT SEEKS EFFECTIVE WAYS TO SHIFT CARE FROM NURSING FACILITIES INTO HOME AND COMMUNITY BASED SETTINGS

5. IT CREATES ADDITIONAL ABUSE PREVENTION SERVICES FOR VULNERABLE CONSUMERS OF MEDICAID FUNDED LTC SERVICES

6. IT HELPS AGED & DISABLED MEDICAID CONSUMERS MAKE COST EFFECTIVE CHOICES ABOUT THEIR PREFERENCES FOR LTC.

IN SUMMARY, GIVEN THE PROJECTED DOUBLING OF NEED FOR LTC SERVICES DURING THE NEXT 15 – 20 YEARS, IT IS IMPORTANT TO CONTINUE CREATING MORE EFFECTIVE USES OF MEDICAID FUNDS FOR LTC SERVICES, WHICH COUNCIL BELIEVES THE 2013-15 APD BUDGET IS COMMITTED TO DOING

ON BEHALF OF MLTCQ&RAC , THANK YOU FOR HEARING THIS COUNCIL'S TESTIMONY ON THE GOVERNOR'S RECOMMENDED BUDGET.



Oregon

John Kitzhaber, Governor

Medicaid Long-Term Care Quality And Reimbursement Advisory Council

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March 28, 2013

The Honorable Alan Bates, Ways and Means Subcommittee on Human Services Co-Chair
The Honorable Nancy Nathanson, Joint Ways and Means Subcommittee on Human
Services Co-Chair
900 Court Street NE
Salem, Oregon 97301

Lynn Boose
Patricia Budo
Tanya DeHart
David Fuks
Roxanne Hazen
Mary Rita Hurley
Mary Jaeger
Mark Kinkade
Sandi Sledge
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Re: OAR 411-001-0118(1) & 0120(2): MLTCQRAC advice on the 2013-2015 GRB

To the Joint Ways and Means Subcommittee on Human Services:

The Medicaid Long-Term Care and Quality Reimbursement Advisory Council (MLTCQRAC) supports the 2013-2015 Governor's Recommended Budget (GRB).

This letter fulfills our Council's legislative duty for providing comments to the Department of Human Services (DHS) and the Oregon Health Authority (OHA) about the 2013-2015 Governor's Recommended Budget (GRB). Our comments are the result of deliberations during regular MLTCQRAC meetings on December 12, 2012, January 9, 2013, and Council action on February 13, 2013.

Overall, this Council is positive about and supports the Aging and People with Disabilities APD section of the 13-15 GRB. We commend both the staff members and management of APD for creating a budget that helps fulfill a succession of goals supported by this Council, including those that promote quality of care and services for Medicaid consumers, while sponsoring cost effective solutions to expensive health care services.

We believe that this GRB helps maintain a dynamic system of consumer-centered Long-Term Care (LTC) services for Oregonians, which this Council values. We admire the boldness of this GRB for stimulating thinking and actions about solving challenges to the fiscal sustainability of publically funded Health Care systems.

We appreciate your time and consideration to this element of the GRB.

On behalf of all members of this Council,

Lynn Boose and Sandi Sledge, Co-Chairs

Oregon Administrative Rules (OARs) concerning MLTCQRAC's Advisory Role for the Governor's Recommended Budget

411-001-0118 Council Scope and Operation

(Adopted 1/1/2010)

(1) At the beginning of each legislative session, the Council shall review the Governor's Recommended Budget for SPD. The Council may submit a recommendation in support or opposition of the Governor's Recommended Budget.

Stat. Auth.: ORS 410.070 and 410.555 Stats. Implemented: ORS 410.550 to 410.555

411-001-0120 Council Operation

(Amended 1/1/2010)

(2) A written advisory recommendation issued by the Council must state:

- (a) Whether the Council supports or opposes the proposed change or modification;
- (b) Whether the Council concludes that the proposed change or modification shall have an adverse or positive effect on the quality of long term care and community-based care services provided under the Oregon Medicaid program; and
- (c) The basis for the Council's recommendation, which must include:
 - (A) The reason for the Council's position;
 - (B) A list of the principal documents, reports, or studies, if any, relied upon in considering the proposed change or modification; and
 - (C) Other information deemed appropriate by the Council.

Stat. Auth.: ORS 410.070 and 410.555 Stats. Implemented: ORS 410.550 to 410.555

Council Roster

<u>Member</u>	<u>Appointed By</u>
<u>Lynn Boose (Consumer Advocate)</u>	<u>Governor</u>
<u>Harold Staff (Consumer Advocate)</u>	<u>Speaker of the House</u>
<u>Sandi Sledge (Nursing Facility Dir. Of Nursing)</u>	<u>Speaker of the House</u>
<u>Mary Rita Hurley (GCSS Rep.)</u>	<u>Governor's Commission on Senior Services</u>
<u>Patricia Budo (Nursing Facility Administrator)</u>	<u>Speaker of the House</u>
<u>Mary Jaeger (Long-Term Care Ombudsman)</u>	<u>LTC Ombudsman (Standing Member)</u>
<u>Mark Kinkade (RCF/ALF Rep.)</u>	<u>President of the Senate</u>
<u>David Fuks (In-Home Agency Rep.)</u>	<u>President of the Senate</u>
<u>Tina Treasure (ODC Rep.)</u>	<u>Oregon Disabilities Commission</u>
<u>Tanya DeHart (AAA Rep.)</u>	<u>Governor</u>
<u>Roxanne Hazen (Adult Foster Home Rep.)</u>	<u>President of the Senate</u>
<u>Vacant (Consumer Advocate)</u>	<u>Speaker of the House</u>

Aging and People with Disabilities: Governor's Recommended Budget in Summary

The Aging and People with Disabilities program area provides services and supports to Oregonians over the age of 65 and to adults with physical disabilities. In 2011, more than 27,800 seniors and people with disabilities received Medicaid long-term care services as a result of the work of APD and its partners. Oregon's senior population is projected to grow from 502,000 to 950,000 by 2030. Currently, only about 4% of Oregon's senior population uses Medicaid-funded long-term care services. In order to avoid a significant increase in demand on publicly-funded long-term care supports and services as the eligible population grows, it is critical to begin implementing strategies now that support healthy aging, meet the needs of an increasingly culturally diverse population and prevent or delay entry (as appropriate) into costly long-term care services.

The GRB provides a net \$14.9 GF decrease (2.0%) and a \$159.6 million TF increase (7.0%) in APD programs. The GRB assumes the continuation of the Nursing Facility Provider Tax and corresponding increases in Nursing Facility rates. In addition, the GRB assumes that Oregon receives additional Medicaid funding through transition of many services into a State Plan K Amendment. More specifically, the GRB includes:

- A \$7.3 million GF investment (\$13.7 million TF) to improve services to older Oregonians with mental illness, traumatic brain injury, and other dementia related diseases.
- An investment of \$1.8 million GF (\$6.8 million TF) in options counseling services to help Oregonians and their families make informed choices when long-term care services are needed.
- Investment of \$3.0 million GF (\$6.0 million TF) to implement a modern assessment, service planning and case management system to serve Oregonians.
- A \$3.2 million GF investment to pilot innovative approaches to improving long-term services and supports and outcomes.
- A \$675,000 GF investment (\$2.0M TF) to improve the quality of nursing facility care by increasing staffing ratios for certified nurse assistants.
- A \$2 million GF (\$5.3 million TF) investment to support critical community capacity that can meet the needs of individuals with special needs.
- A \$9.1 million GF (\$29.2 million TF) investment in proposed rate increases for inhome and community-based providers to strengthen the Oregon home and community-based model.
- Investment of \$2.5M GF (\$5M TF) to increase access and quality of eligibility, case management and adult protective services through implementation of the workload model. This investment would result in APD staffing levels reaching approximately 95% of the workload model overall.