



# Oregon

Kate Brown, Governor

## Department of Human Services

*Office of the Director*

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May 12, 2015



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

Dear Co-Chairs:

Please accept this letter as response to the Committee's questions raised during the Department's Rebalance, Forecast and Reshoot presentation on May 6, 2015. There were several questions and concerns raised about the rising in-home caseload in the Aging and People with Disabilities program.

In the Spring of 2013, the Department engaged the Co-Chairs on additional spending that would be required to meet the Maintenance of Effort requirement under the 1915(K) option. One of those things discussed was increasing the in-home allowance up to \$500 over the Supplemental Security Income (SSI) amount. The rationale for this policy change was that Department policies required already low income in-home recipients to live in extreme poverty after contributing towards the cost of their services. To illustrate, we have put together the following table.

**Pre- policy change (using 2015 SSI amounts):**

Income	\$773	\$1,100	\$1,300	\$2,319
Less: SSI Amount	(\$773)	(\$773)	(\$773)	(\$773)
Potential contribution towards cost of care	\$0	\$327	\$527	\$1,546
Additional In-Home allowance	\$0	\$0	\$0	\$0
Contribution towards care	\$0	\$327	\$527	\$1,546
Remaining income on which to live	\$773	\$773	\$773	\$773

The remaining income needed to address necessities such as rent/mortgage, utilities,

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nutrition, toiletries, etc. We discussed that this was a major barrier to serving individuals in their own homes since the income amounts were so low. Ultimately, the change was authorized in SB5529-A (2013). It stated:

*The budget approved by the Subcommittee is predicated on the agency's successful request for a federal waiver under the Community First Choice State Plan Option (K Plan). Package 812 (State Plan K Option) builds in required and ongoing maintenance of effort (MOE) expenditures at \$16.1 million General Fund. Coupled with the federal matching component, the funding is used to increase rates, increase the in-home housing allowance to support consumers being served in their own homes, and convert the relative adult foster care program to an in-home program. A portion of the investment is also targeted for home care worker collective bargaining. For this program under the K Plan the state is expected to draw down an additional \$92.9 million Federal Funds.*

No changes to eligibility were made with this change. The only change was to allow qualifying in-home consumers to keep up to \$500 additional income over the SSI amount each month. After implementation of this change, the table previously illustrated shows the following:

**Post- policy change (using 2015 SSI amounts:**

Income	\$773	\$1,100	\$1,300	\$2,319
Less: SSI Amount	(\$773)	(\$773)	(\$773)	(\$773)
Potential contribution towards cost of care	\$0	\$327	\$527	\$1,546
Additional In-Home allowance	(\$0)	(\$327)	(\$500)	(\$500)
Contribution towards care	\$0	\$0	\$27	\$1,046
Remaining income on which to live	\$773	\$1,100	\$1,273	\$1,273

We believe this policy change has contributed to some, but certainly not all, of the in-home growth. Part of the growth is attributable to the elimination of the relative foster home program in July 2013 (~1,300 individuals). Individuals who previously may have been served under that program are now being served in the in-home program. We are also seeing growth due to the baby boomers entering the system.

The following table illustrates brand new entrants to in-home services for the period September 2014-January 2015.

Age Grouping	# of New Individuals	Percent of new individuals
18-40	134	6.21%
41-50	213	9.87%
51-64	733	33.95%
65-74	468	21.68%
75-84	416	19.27%
85+	195	9.03%
Grand Total	2,159	100.00%

*Note: 21 individuals are duplicated above due to age change mid-month.*

The following table illustrates the hours being utilized by new in-home entrants:

Hours Per month	# of Individuals	Percent of Individuals
0-40	845	39.52%
41-80	682	31.90%
81-120	336	15.72%
121-160	129	6.03%
160-240	93	4.35%
240+	53	2.48%
Grand Total	2,138	100%

The following table illustrates the costs associated with the new in-home entrants:

Cost Per Month	# of Individuals	Percent of Individuals
\$0-\$250	346	16.18%
\$251-\$500	451	21.09%
\$501-\$750	371	17.35%
\$751-\$1,000	316	14.78%
\$1,001-\$1,500	385	18.01%
\$1,501-\$2,000	149	6.97%
\$2,001-\$2,500	72	3.37%
\$2,500+	48	2.25%
Grand Total	2,138	100.00%

Some more key information about the new in-home entrants includes:

- 66.4% are female.
- 33.6% are male.
- 91.1% are accessing the “Hourly” program.
- 8.5% are accessing the “Live-in” program.
- .4% are accessing the “Spousal Pay program.

Please note that the Department never had the ability to collect information on those individuals who were not accessing services. Therefore, we cannot say how many individuals were declining services due to the financial contribution requirement. We are in the process of performing a deeper analysis of the new in-home entrants we hope will help and will be sharing with you once completed.

We hope this letter addressed the identified questions adequately. We fully appreciate concerns about sustainability of these services to Oregonians in the future. The Department is willing and able to discuss potential changes and options at your request.

The Honorable Alan Bates, Co-Chair  
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May 12, 2015  
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If you have additional questions about the details in this letter, don't hesitate to contact Mike McCormick at 503-945-6229 or via email at [mike.r.mccormick@dhs.ohio.gov](mailto:mike.r.mccormick@dhs.ohio.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'ELM', written in a cursive style.

Eric Luther Moore  
DHS Chief Financial Officer

cc: Laurie Byerly, Legislative Fiscal Office