

Analysis

Item 20: Department of Human Services

Hospital Case Managers

Analyst: Laurie Byerly

Request: Increase the Other Funds expenditure limitation by \$246,504 and authorize the establishment of four full-time permanent positions (1.00 FTE) for the Department of Human Services to embed dedicated case managers in four hospitals.

Analysis: Prior to patient discharge, Department of Human Services (DHS) and Area Agency on Aging (AAA) case managers assess and place hospitalized individuals that are potentially eligible for, and in need of, long term care Medicaid services. Primarily due to workload, case managers are often not able to transition these people as quickly as the patient, the hospital, or DHS would like. Individuals often want to leave the hospital as soon as possible, the hospital wants to avoid unnecessary costs, and DHS wants to place clients in the most appropriate setting.

Under a recent and ongoing pilot in Multnomah County, Providence St. Vincent Hospital pays the local AAA for a case manager stationed onsite at the hospital. The case manager is dedicated to the hospital's patients; determining program eligibility for them, along with planning, authorizing, arranging, coordinating, and monitoring services. The model has been well received and four more hospitals or medical centers each want to pay the full cost of a dedicated case manager: Rogue Regency (Medford), Providence (Medford), Kaiser Permanente Westside (Hillsboro), and Kaiser Permanente Sunnyside (Clackamas).

The agency's request supports, effective January 1, 2019, 4 case manager positions (1.00 FTE) at a cost of \$246,504 Other Funds; the expenditure limitation will be supported via revenue paid by each hospital under its contract with the agency. Contracts will be negotiated once positions are approved and dollar amounts may vary based on a case manager's actual salary or other variables.

DHS anticipates the initial agreements will run from January 2019 through June 2021, so the agency will also need a budget adjustment during the upcoming legislative session to address 2019-21 costs; the biennial estimate for these positions is \$1.2 million Other Funds. Success measures for the program will be developed as part of the contracts but are expected to include metrics on the timeliness and number of intakes per month.

Legislative Fiscal Office Recommendation: Increase the Other Funds expenditure limitation by \$246,504 and authorize the establishment of four full-time permanent positions (1.00 FTE) for the Department of Human Services to embed dedicated case managers in four hospitals.

20
Department of Human Services
Brickman

Request: Increase Other Funds expenditure limitation by \$246,504 to establish four positions (1.00 FTE) to be placed directly in hospitals for the Department of Human Services (DHS) Adults and People with Disabilities (APD) program.

Recommendation: Approve the request.

Discussion: Multnomah County’s Area Agency on Aging (AAA) created an agreement with two hospitals in their service area to place dedicated case management services for long-term care Medicaid recipients within those hospitals. Case managers help move patients out of the hospital in a more efficient manner and make the most appropriate placements following the hospital stay. The case managers within the hospitals are able to move patients more quickly and safely because they do not have a larger caseload to manage. Currently, many patients remain in other hospitals longer than necessary due to backlogs with DHS or other AAA Case Managers.

Subsequently, four hospitals have approached APD leadership to request dedicated case managers for their hospitals. Those hospitals are: Rogue Regency Hospital (Medford); Providence Medford Medical Center (Medford); Kaiser Permanente Westside Medical Center (Hillsboro); and Kaiser Sunnyside Medical Center (Clackamas). The hospitals have agreed to pay the costs associated with the new case managers to be placed within their facilities. The hospitals have identified a need for dedicated case managers to help discharge and transition Medicaid patients in a timely fashion. This model demonstrates good business practices for the hospitals and is a service for which they are willing to pay.

If approved, the Department will:

- Negotiate the statement of work and expectations with the hospitals.
- Calculate the “fully loaded” monthly cost of a case manager.
- Establish the not-to-exceed contract amount as the fully loaded cost.
- Execute agreement between APD and hospitals.
- Assign an existing case manager or recruit a new case manager for the contracted hospital.
- Bill the hospital on a regular basis.
- Apply revenue against incurred costs.

Legal Reference: Increase the Other Funds expenditure limitation by chapter 597, section 2(3), Oregon Laws 2017, for the Department of Human Services Aging and People with Disabilities and Intellectual/Developmental Disabilities Program, by \$246,504 for the 2017-19 biennium.



Oregon

Kate Brown, Governor

Department of Human Services

Office of the Director

500 Summer St. NE, E-15

Salem, OR 97301

Voice: 503-945-5600

Fax: 503-581-6198

October 29, 2018

The Honorable Senator Peter Courtney, Co-Chair
The Honorable Tina Kotek, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048



Re: Request for Other Fund limitation and four positions for case managers to be imbedded into hospitals at the hospital's expense

Dear Co-Chairpersons:

Nature of the Request

The Department of Human Services, Aging and People with Disabilities (APD) program, requests the Legislature authorize four permanent human services case manager positions and increase the Department of Human Services' Other Funds Appropriation Chapter 597, section 2, subsection 3 by \$246,504 and increase position authority by 4 positions and 1.00 FTE.

Background

Four hospitals have approached local Aging and People with Disabilities (APD) Leadership to request dedicated case managers for their hospitals. Those hospitals include:

- Rogue Regency Hospital (Medford)
- Providence Medford Medical Center (Medford)
- Kaiser Permanente Westside Medical Center (Hillsboro)
- Kaiser Sunnyside Medical Center (Clackamas)

The hospitals have offered to pay in full the total costs incurred for the case managers as is the case with the current pilot.

“Assisting People to Become Independent, Healthy and Safe”

Rationale

Hospitals have identified a need for a dedicated case manager to transition/discharge individuals in a timelier fashion. When individuals reside longer than necessary in hospitals, additional costs are incurred by hospitals. Having a dedicated case manager to assist with Medicaid long term care service eligibility makes good business sense for the hospitals and represents a service for which they are willing to pay.

APD also benefits from this arrangement as it provides relief from current staffing challenges and facilitates placing individuals in the most appropriate setting.

Proposed Process

With legislative approval, the Department anticipates the process will work as follows:

- Negotiate the statement of work and expectations with the hospitals.
- Calculate the “fully loaded” monthly cost of a case manager.
- Establish the not-to-exceed contract amount as the fully loaded cost * number of months in contract.
- Execute agreement between APD and hospitals.
- Assign an existing case manager or recruit a new case manager for the contracted hospital.
- Bill hospital on a regular basis (e.g. quarterly).
- Apply revenue against incurred costs.

Conclusion

The Department of Human Services believes this situation results in a win-win situation for all entities involved and represents an excellent public/private partnership opportunity. A similar agreement is already in place between Multnomah County Area Agency on Aging (AAA) and two hospitals in their service area. Multnomah County reports success and satisfaction with the agreement. If this proposed agreement is as successful as anticipated, the Department may pursue additional agreements with hospitals seeking this service.

Action Requested

The Department requests position authority for four permanent human services case managers at 1.00 FTE and additional Other Funds limitation of \$246,504 in 2017-19.

Legislation Affected

Chapter 597, section 2, subsection 3.

If there are questions regarding this request, please contact Mike McCormick at 503-945-6229 or via email at mike.r.mccormick@dhsosha.state.or.us.

Sincerely,



Eric Luther Moore
DHS Chief Financial Officer

cc: Laurie Byerly, Legislative Fiscal Office
Ken Rocco, Legislative Fiscal Office
George Naughton, Department of Administrative Services
Tamara Brickman, Department of Administrative Services
Cathy Connolly, Department of Administrative Services