

Long Term Care in Maryland

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What is Long Term Care?

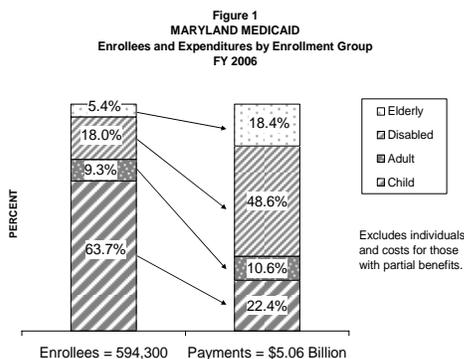
Long term care (LTC) refers to a broad range of medical, social, and personal support services used by older adults and individuals of all ages with chronic illness and disabilities. The level of need for LTC services varies, ranging from assistance with household chores to around-the-clock skilled medical care.

Medicaid's Role in Long Term Care

Medicaid is the major source of financing for long term care services for older adults and for individuals with disabilities and chronic illness. Medicaid provides critical assistance for people with LTC needs in both the community and in institutions, covering services often excluded from private insurance and Medicare. Medicaid pays for over 60% of all nursing home days in Maryland.

Long term care represents an increasingly large portion of the Medicaid budget. Of the \$5.2 billion spent by Maryland Medicaid in FY 2006, 35.9% was for LTC services (including both community and institutional care). Nursing home rate increases and expansions of community programs have driven LTC costs in recent years.

The primary users of LTC services — older adults and individuals with disabilities — require costly and intensive services. In FY 2006 aged and disabled enrollees represented 23.4% of total Medicaid enrollment but accounted for 67% of total payments, including acute and LTC services (Figure 1). Figure 1 excludes enrollment and costs for individuals with partial benefits.



The demand for long term care services is expected to increase. Individuals over age 60 represent a growing portion of the State's total population. In the year 2000, 15% of the State's population was age 60 or

older. By the year 2020, that percentage is expected to reach 25%.

Background

The federal Medicaid statute requires Medicaid programs to cover LTC services provided in an institution. States also have the option to provide certain LTC services in the home and in community-based settings. Regardless of where LTC services are provided, they must be medically necessary, and must be available to everyone who meets the criteria if provided under the State Plan. The federal Deficit Reduction Act of 2005 (DRA) gives states new options for providing LTC services to low income individuals.

Medicaid coverage of LTC services in home and community-based settings has increased dramatically. In 1980, only 1% of all Medicaid LTC expenditures were for community-based services. By FY 2006, Medicaid spending on community services accounted for 40% of all LTC spending.

Since 1981, Maryland has covered two LTC services provided in home and community-based settings: Adult Medical Day Care and Personal Care. Recipients of Adult Medical Day Care require a nursing home level of care, meaning that their need for assistance is such that they would be medically eligible to receive Medicaid in a nursing home. Services covered in an Adult Medical Day Care program include nursing and social work, personal care, nutrition, habilitation therapies, and transportation. In contrast, recipients of Personal Care services are not required to meet a nursing home level of care. The Personal Care program primarily serves persons with less intense needs by providing assistance with activities of daily living such as bathing and dressing. Some Medicaid beneficiaries receive LTC services from both the Adult Medical Day Care and the Personal Care programs.

What are Medicaid HCBS Waivers?

Under Section 1915(c) of the federal Social Security Act, the Secretary of the U.S. Department of Health and Human Services may waive certain Medicaid statutory requirements for programs that provide LTC services to targeted populations in community settings as alternatives to institutionalization. The resulting Medicaid programs, called home and community-based services (HCBS) waivers, enable states to cover services that are not otherwise covered under the Medicaid State Plan, such as respite care, assisted living, environmental modifications, and family training. Individuals enrolled in a HCBS waiver may receive these special waiver services and are also entitled to all State Plan services. Finally, if

federally approved, HCBS waivers may use special eligibility rules and may limit the number of people served in the waiver.

Maryland Medicaid funds seven HCBS waivers, serving over 16,200 people. These consist of:

- *Community Pathways*, serving individuals with developmental disabilities of all ages who require the level of care provided in an Intermediate Care Facility for the Mentally Retarded (ICF/MR);
- *New Directions Waiver*, serving individuals currently served by Developmental Disabilities Administration, based on consumer-direction rather than a provider directed system. The program began in early 2006.
- *Model Waiver for Medically Fragile Children*, serving up to 200 medically fragile or technology dependent children up to age 22;
- *Waiver for Older Adults*, serving individuals age 50 and over who require nursing home level of care. Participants can receive services in their own homes or in qualified assisted living facilities;
- *Living at Home Waiver*, serving adults with physical disabilities, ages 18-59, who require nursing home level of care. Participants can receive personal assistance services in their homes;
- *Waiver for Children with Autism Spectrum Disorder*, serving children to age 22 who have an ICF/MR level of care. The Autism Waiver provides such HCBS services as respite care and intensive individual support services; and

- *Waiver for Adults with Traumatic Brain Injury* provides residential rehabilitation, day habilitation, and intensive individual support service to adults ages 22-64 with traumatic brain injuries.

Options for the Future

Over the last few years, Medicaid has expanded home and community-based services. However, those services are still only available to a limited number of participants under very specific conditions and limitations. The current system pays providers for providing specific services, and there are no financial rewards for helping people stay healthy and independent. Furthermore, there is limited care coordination or accountability.

DHMH, in collaboration with the Maryland Department of Disabilities and the Department of Aging, is planning a new way of delivering Medicaid long term care in Maryland. The new program is called CommunityChoice. CommunityChoice will first be implemented in two areas of the State. The CommunityChoice program will provide primary, acute, and long term care services to older adults and individuals with disabilities. The goals of CommunityChoice are to promote community-based long term care services, to coordinate care, and to manage all health care costs. Services will be delivered under a managed care model, by Community Care Organizations (CCOs). SB 819 of the 2004 General Assembly Session directed DHMH to implement CommunityChoice. To learn more about this program, please visit the CommunityChoice website shown below.

<http://www.dhmh.state.md.us/mma/communitychoice/>

Medicaid Home and Community-Based Services Waiver Programs

Program	Year Implemented	Waiver Slots Available in FY 2007	Administering Agency
Community Pathways	1984	10,688	DHMH (Developmental Disabilities Administration)
New Directions Waiver	2006	200	DHMH (Developmental Disabilities Administration)
Model Waiver for Medically Fragile Children	1985	200	DHMH (Medical Assistance Program)
Waiver for Older Adults	2001	3,750	DHMH and Department of Aging
Living at Home Waiver	2001	500	DHMH (Medical Assistance Program)
Waiver for Children with Autism Spectrum Disorder	2001	900	DHMH and Department of Education
Waiver for Adults with Traumatic Brain Injury	2003	35	DHMH (Mental Hygiene Administration)