

The Innova Group

The State of Colorado
Community First Choice Coverage Standards
HCBS Waiver Benefits Continuity Concept Paper

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COLORADO

Department of Health Care
Policy & Financing

Cost Assumptions for Community First Choice (CFC)

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While the calculations included in these reports show an overall savings, there are a number of factors that could change the total cost to implement CFC including assumptions, administrative costs and program changes.

Included in this estimate are a number of assumptions that would have to be included in a CFC policy in order to achieve savings. Any variation in the assumptions could drive a cost and would require further analysis. Some of these assumptions included in this analysis are:

- Included services were modeled based on their current definition
- Projected Woodwork clients = 1,500, (98% Adults, 2% Children)
- Woodwork ramp up is 50% in 1st year, 75% in 2nd year, and 100% in 3rd year
- Unbundled CDASS rates are 10.75% less than IHSS (Accounts for lack of agency admin)
- Future Waiver FTE based on budget estimates
- Substitution rate is 100% for all included services
- New demand uptake rate is 75% for all included services
- Utilization rate is 12% for all included services, except SLS waiver utilization in rural areas is 50%
- 100% of clients using LTHH HHA Basic and Extended move into CFC
- Under CFC implementation, 81% of participants use CDASS service delivery model and 19% use IHSS service delivery model

Additionally, the calculations do not take into account any administrative costs that may be necessary to implement CFC and would reduce the overall savings of the program. Administrative costs could include things like FTE or contractors to help implement the policy.

Finally, at the time this report was developed the Department was in the middle of planning and executing a number of new policies that could change the landscape in which CFC could be implemented. For example, consolidating waiver and services could change the way clients utilize services and therefore change the cost or savings associated with implementing CFC.

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Executive Summary

The State of Colorado (State), Department of Health Care Policy and Financing (Department), in the process of evaluating the feasibility of implementing Community First Choice (CFC) under the Affordable Care Act (ACA), tasked The Innova Group with developing a recommendation to keep Medicaid buy-in participants eligible under the CFC program.

The CFC option of the Social Security Act 1915(k) provides states with an effective mechanism to make available home and community based attendant services and to assist individuals who need long-term supports and services. The current CFC proposal recommends transferring Assistive Technology, Community Transition, Health Maintenance, Homemaker, and Personal Care services from the HCBS waivers and into the state plan. A Medicaid program participant has access to these services only through the CFC program. Any other required supports continue to be provided under the waivers.

Some waiver clients became eligible for Medicaid under the buy-in options available under the HCBS waiver program. Under CFC rule §441.510(d), “individuals under the special home and community-based waiver eligibility group defined at section 1902(a)(10)(A)(ii)(VI) of the Act must meet all section 1915(c) requirements and receive at least one home and community-based waiver service per month.”

This report is an assessment of potential options for the Department to keep all its CFC participants eligible for Medicaid assistance by meeting this minimum monthly requirement. The assessment involves interviewing states that have previously implemented CFC and gathering details on how they addressed the issue of keeping participants Medicaid eligible. This process revealed three possible options;

- Establish guidelines and procedures to assign at least one waiver service to a Participants per month
- Create a targeted case management waiver service
- Establish a wellness education service

Waiver Benefit Options

Natural Waiver Service Utilization

All states that have implemented CFC also provide HCBS waivers. The waivers’ participants include individuals who only qualified for the Medicaid programs due to the buy-in eligibility option. Due to CFC rules, these participants must utilize at least one waiver service per month. Service coordinators perform assessments and identify which waiver services are needed for the client to remain eligible and provide them with the necessary support. Outside of the cost associated with implementing CFC, this option does not produce any additional budget impacts or require additional system adaptations.

Targeted Case Management

The state of Texas created a targeted case management service to keep its Medicaid program participants eligible. Centers for Medicare and Medicaid Services(CMS) allowed the service to be included if the waiver had previously provided case management. The use of targeted case management also allowed for the state to continuously assess and improve the quality of the support participants are receiving.

In interviews with Texas they relayed their pleasure with the targeted case management service, yet stressed that the service has high cost associated with it. Unfortunately, they were unable to provide specific numbers, but justified the cost by touting the quality assurance benefit in performing monthly case management for this targeted CFC population.

Lastly, because not all waivers previously included case management the state of Texas had to come up with another plan to ensure participant eligibility. Following the principle of natural waiver service utilization, they established service planning guidelines that instructed service coordinators to authorize some waiver service to ensure monthly utilization. On average, the coordinator usually authorized a few hours of respite care.

Wellness Education Service

The State of Washington decided to establish a wellness education service to include in all waivers. With the help of Smart Source LLC, a print sourcing company, and authorization from CMS, Washington developed a participant-targeted health and wellness newsletter. The newsletter provides participants with educational material tailored to improve their health outcomes and achieve needed behavioral change.

Smart Source works with the State to pull unique participant data directly from their assessment tool. No system infrastructure changes are required. These inputs allow the wellness program to electronically define what health related topics are compatible with an individual. The articles are developed in house by a state employee or taken from reliable and sourced databases containing health related articles. In addition, the Department includes an “evergreen flier”. This document contains information that the Department wants to send out to program participants. The flier articles discuss changes to the Medicaid program, eligibility updates, information about available support services and any other necessary Department housekeeping.

The State of Washington only dedicated 1 full-time employee to the wellness education program. This employee’s tasks are to create content for the “evergreen flier”, develop and maintain a database of health-related articles, and to verify addresses of clients. The wellness program has high compliance because they establish a returned or incorrect mailing list before they mail out a single letter. This list is received by the state employee and updated before the mailing occurs. With assessments occurring in home most of the addresses are correct but it provides the CFC program with an additional level of quality assurance.

The state mails the newsletter to approximately 40,000 participants each month. The initial start-up fee is \$14,000, which included creating templates for articles and setting up the mailing component. Ongoing costs are in the range of \$3-\$6 per client per month.

The program was created with the intent to only keep Medicaid participants eligible. However, two years into the program follow-up surveys are revealing that almost 44% of newsletter recipients state that the newsletter articles helped elicit new behaviors that have positively influenced their health.

Recommendation

It is recommended that the State of Colorado use a combination of natural waiver service utilization and a wellness education program. Targeted case management presents a potential budget risk for the state. During the analysis of the feasibility of implementing CFC in Colorado it was estimated that approximately 2,000 participants will need to utilize at least one HCBS waiver service per month. The cost associated with performing target case management could be of significance.¹

The simplest solution is to create service plan guidelines that ensure participants use at least one waiver service per month. Many of these participants have previously enrolled in waivers, and their utilization patterns should be readily available for review. During the person-centered planning process, policy recommendations propose that the service coordinator review both the current assessment and the participant's historical waiver utilization and discuss how the utilization of at least one waiver service is necessary to remain Medicaid eligible.

Lastly, a wellness education program is recommended for waiver clients who qualify for Medicaid due to the buy-in option and have historically only utilized personal attendant services through the waiver.

¹ HCPF, Impact of Moving Select Groups of Waiver Services to State Plan on the Medicaid Eligibility of the 300% Group Broken Out by Current Waiver as of 2/15/2017