

Report Highlights

Utilization, Cost, and Quality of Care in Medicaid Home and Community-Based Services

Department of Health and Hospitals

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Why We Conducted This Audit

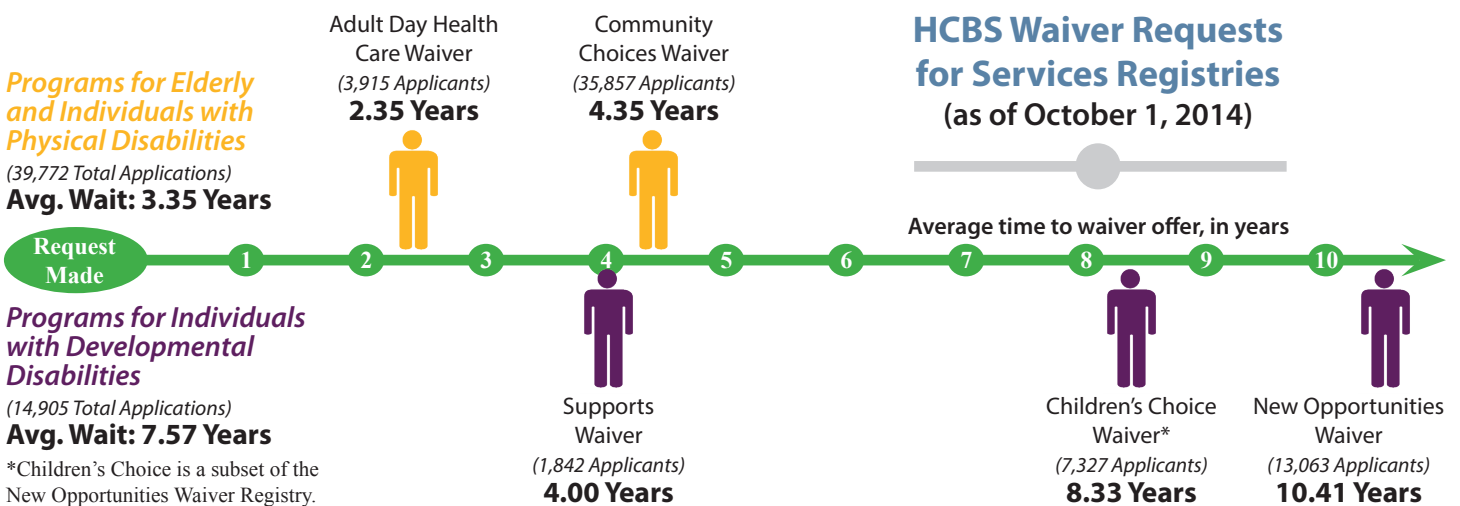
Louisiana is in the planning stages for developing Medicaid managed care for recipients of long-term care services. The purpose of this report is to provide information on the current utilization, cost, and quality of care in Medicaid Home and Community-Based Services (HCBS), including waivers and Long-Term Personal Care Services (LT-PCS), in order to evaluate the future impact of managed care in these areas.

What We Found

During fiscal year 2014, 17,474 participants received waiver services, and 19,338 participants received LT-PCS. There were 739 providers that received approximately \$797.5 million in Medicaid reimbursements for waiver and LT-PCS services which represented 23% of the total Medicaid budget for private providers.

Utilization

- **The legislature authorized 18,833 waiver slots in fiscal year 2014 with 1,070 reserved for priority populations. However, DHH was only able to fill 15,971 slots, leaving 2,862 slots unfilled.** DHH is not always able to fill the maximum number of allocated waiver slots due to budget constraints, attrition, processing time, and the Louisiana Administrative Code requirement that DHH designate 1,070 waiver slots for specific populations, such as those in emergency situations, foster children, and individuals diagnosed with Amyotrophic Lateral Sclerosis (ALS).
- **Because the demand for waivers exceeds the number of allocated slots, there were 54,677 applicants waiting for HCBS waiver services as of October 2014.** Most applicants are waiting for the Community Choices Waiver (35,857 or 65.6%) or the New Opportunities Waiver (13,063 or 23.9%).
- **Average wait times for waiver services in Louisiana are higher than national averages. Between July 1, 2011, and October 1, 2014, the average wait times for waiver services ranged from 2.4 years to 10.4 years.** Overall, wait times for waivers serving the elderly and individuals with physical disabilities averaged 3.4 years, and wait times for waivers serving individuals with developmental disabilities averaged 7.6 years, which are both higher than national averages.



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What We Found (Cont.)

- **Most applicants on the Registries may never receive waiver services.** From July 1, 2011, to October 1, 2014, 22,571 (74.1%) of 30,473 applicants were removed from a Registry for reasons other than accepting a waiver slot, while only 7,902 (25.9%) accepted a waiver offer. A total of 9,877 (32.4%) were removed from a Registry during the validation process, and 6,203 (20.4%) were removed because of death.

Cost

- **The average cost for HCBS programs per person ranged from approximately \$21 to \$135 per day.** In comparison, nursing facility rates ranged from \$139 to \$187 per day and intermediate care facilities for the developmentally disabled rates averaged \$160 per day. All six of Louisiana's waiver programs have been cost-neutral for fiscal years 2012-2014, as federally required.
- **Some HCBS programs have service caps to help ensure costs do not exceed the cost of institutional care.** Private HCBS and LT-PCS providers are reimbursed according to a fee-for-service methodology that uses fixed, pre-determined rates for each service for a designated unit of time. In addition, each HCBS program has service limits, either on dollar amounts or specific service unit amounts.
- **The most frequently used service was Personal Assistance Services, which accounted for 83.3% of total payments made from fiscal years 2012-2014.** Personal Assistance Services primarily help participants live successfully in the community and include supervision or assistance in the performance of activities of daily living (ADLs), instrumental activities of daily living (IADLs), and health-related tasks.

Quality of Care

- **DHH's Health Standards Section (Health Standards) is responsible for conducting surveys to determine provider compliance with state licensing requirements for the waiver programs and LT-PCS; however, regulations do not include how often surveys should be conducted.** There are three primary license types associated with HCBS: Home and Community-Based Service license, Adult Day Health Care license, and Case Management license.
- **Because of more stringent regulations and increased number of licensing visits, the number of deficiencies for licensed providers has increased by 67.6% (1,585 to 2,657) from fiscal year 2012 to fiscal year 2014.** Health Standards assessed 6,194 deficiencies between these fiscal years.
- **During fiscal years 2011 through 2014, Louisiana licensed providers were assessed 165 sanctions, totaling approximately \$551,100 in fines.** 98 (59.4%) sanctions addressed issues where a substantial probability existed that death or serious harm to a client would result if uncorrected.
- **Although DHH has processes to assess quality of programs, it does not compile information that is readily accessible for the public to compare the quality of individual direct care providers.** Since DHH will be required to measure HCBS quality data with the implementation of managed long-term care, it may want to determine whether existing data could be collected in a way that could be analyzed to measure HCBS quality by provider.
- **According to the AARP, Louisiana ranks 37th in serving the elderly and individuals with physical disabilities in long-term care settings and, according to United Cerebral Palsy, it ranks 12th in the nation in serving individuals with developmental disabilities.** However, these analyses are not limited to HCBS programs as it includes individuals in nursing homes and intermediate care facilities for individuals with developmental disabilities.