

Wave of the Future: Directions in Connecticut's Long-Term Care

Michael P. Starkowski

Commissioner, Department of Social Services

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Demographics



- ◇ Younger people leaving state while aging population and demand for service soars.
- ◇ Negative image of many LTC occupations due to wages, benefits, working conditions.
- ◇ Staff turnover often exceeds 100%
- ◇ The demand for home health aides is the fastest growing occupational need in the nation! It is expected to grow by 56% between 2004 and 2014.
- ◇ This workforce shortage already exists, hindering efforts made by facilities and state government to increase staffing levels and improve the quality of care provided.

Demographics, cont....



The Projections are Staggering!

- ◇ Total use of LTC (age 40+) will increase by 30% by 2030.
- ◇ Total Unmet Need for LTC (age 40+) will increase by 26% by 2030.
- ◇ Need for nursing facility care alone projected to GROW over 40% by 2030.
- ◇ Even if LTC plan goal of “rebalancing” by 1% per year is met. The need for nursing facilities will grow by 25%.

Total demand for LTC services is projected to GROW nearly 30% by 2030

Demographics, cont...

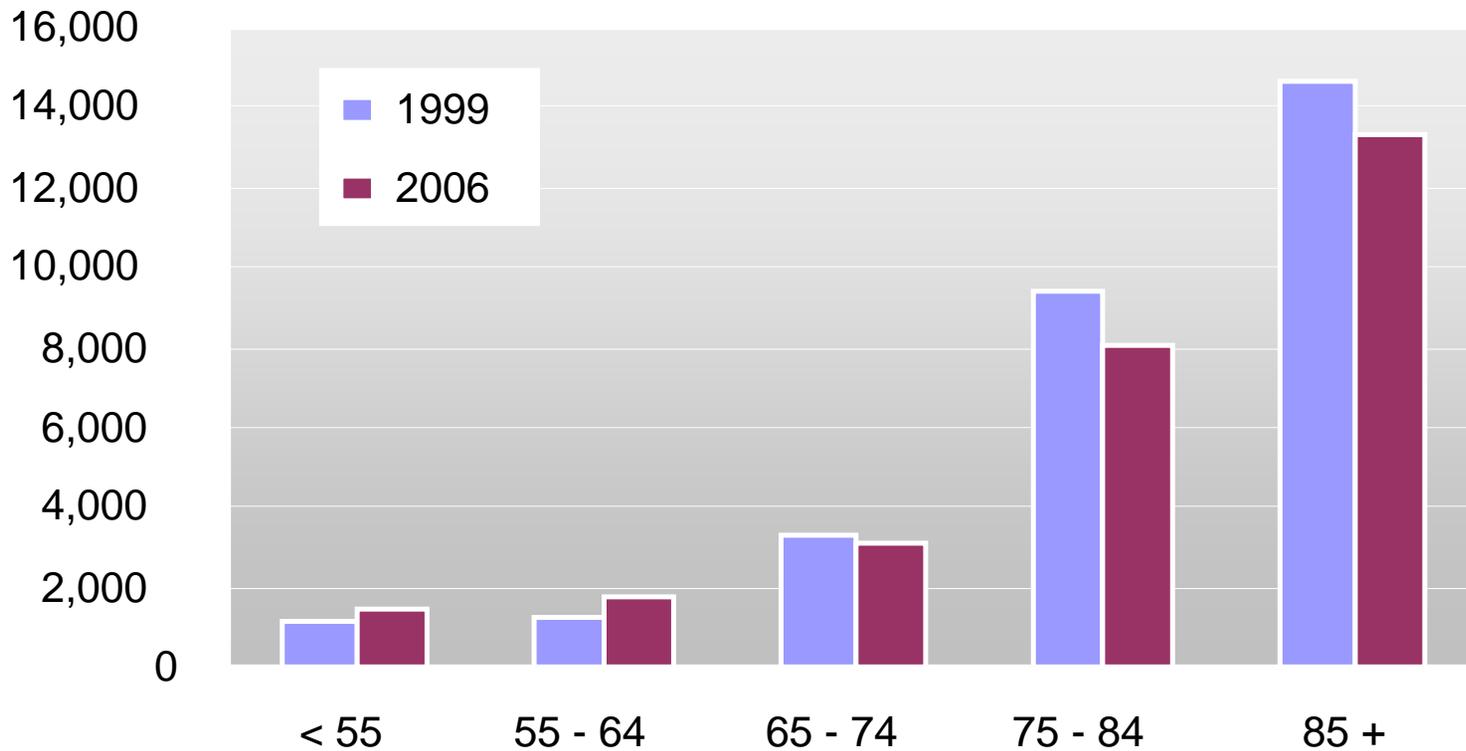


- ◇ One Million Baby Boomers: Nearly One-Third of Connecticut's Total Population.
- ◇ 600,000 People Age 60 or Older.
- ◇ The Number of People 85 and Older will Increase Threefold by 2040.
- ◇ By 2030: 240,238 Nutmeggers Will Need LTC – a 30% increase!
- ◇ By 2030: The number of people needing LTC will increase 61% for people 85+; 51% for those 75 to 84; and 53% for people 60 to 74!

Trends in Connecticut



**Age of Nursing Facility Residents,
1999 and 2006**



Trends, cont....



- ◇ Despite some progress, CT ranked 26th in FY 2005, with only 1/3 of Medicaid LTC expenditures going to Home and Community-Based Services (2/3 to institutional care).
- ◇ The leading state (Oregon) spends 70% of Medicaid LTC dollars on Home and Community-Based Services (HCBS).

Trends, Cont...



Nursing Facility Residents per 1,000 Individuals Age 65+, 2005

14 – 30 res. per 1000

Alaska, Arizona, California,
Florida, Hawaii, Idaho, Oregon,
Nevada, New Mexico, Utah,
Washington

31-40 res. per 1000

Alabama, Colorado, Delaware,
Maine, Maryland, Michigan, New
Jersey, North Carolina South
Carolina, Texas Vermont,
Virginia, West Virginia

41-49 res. Per 1000

Arkansas, District of Columbia,
Georgia, Kentucky, Mississippi,
Missouri, Montana, New
Hampshire, New York, Oklahoma,
Pennsylvania, Tennessee,
Wisconsin, Wyoming

50-65 res. Per 1000

Connecticut, Illinois, Indiana,
Iowa, Kansas, Louisiana,
Massachusetts, Minnesota,
Nebraska, North Dakota, Ohio,
Rhode Island, South Dakota

50-65 per 1000

Connecticut

Connecticut's Long-Term Care Needs Assessment



- ◇ CT lags behind other states
- ◇ Billions of dollars and tens of thousands of lives at stake
 - Soaring LTC Medicaid expenditures-
 - \$2.2 billion or 14% of the entire State budget, 56% of the Medicaid budget, and nearly 50% of the DSS budget.
- ◇ Enhanced attention to the quality of care provided to those with long-term care needs.
- ◇ Unprecedented longevity for older adults and persons with disabilities.
- ◇ CT's population is one of America's oldest.
- ◇ LTC Plan- The Needs Assessment is a cornerstone recommendation.



Long-Term Care Needs Assessment ...Led us to these Guiding Principles



Create parity among age groups, across disabilities, and among programs.

Allocate funds equitably based on level of need...not simply age or type of disability.

LTC Needs Assessment Guiding Principle



Break down silos that exist within and among state agencies and programs.

Use the Model of Systems change grants and other federal grants:

- ◇ Money Follows the Person
- ◇ Medicaid Infrastructure Grant
- ◇ Mental Health Transformation Grant
- ◇ Nursing Facility Diversion Modernization Grant

Fast Facts



- ◇ One-third of those turning 65 in 2010 will need nursing home care in their lifetime.
- ◇ Nursing home residents want autonomy, i.e., decision-making power, regarding daily schedules, menus and other choices they have been making throughout their lives.
- ◇ “Culture Change” paradigm: facilities that are resident-centered, less institutional and more home like.
- ◇ Culture Change offers new models for achieving the intent of the Nursing Home Reform Law passed as part of OBRA '87. CMS approves these models.
- ◇ Involving staff in the culture change transformation improves quality care, job satisfaction, and reduces staff turnover.

Fast Facts, cont...



Nursing Home Expenditures

DSS Medicaid Reimbursements

SFY 2006 Expenditures

\$ 1,173,853,690

SFY 2007 Expenditures

\$1,234,857,610

(Increase of 5.2%)

Fast Facts, cont...



Nursing Facility Increases

<u>SFY</u>	<u>Rate Increases</u>
2006	15.0%*
2007	3.0%
2008	2.9%

Current Average \$215.53
Range \$123.36 to \$270.40

* Net approximately 4% after payment of user fees

Fast Facts, cont...



Interim Rates

Fiscal Year	Number of Requests	Requested Increases	Number Approved	Approval Costs
2006	45	\$28.7 mil.	44	\$11.3 mil
2007	49	\$35.0 mil.	40	\$12.7 mil.
2008YTD	29*	\$17.3 mil.	10	\$3.6 mil.

* 17 Pending Requests

Nursing Home Staffing Requirements



- ◇ DSS will expend approximately \$700 million SFY 2008 on direct service staff .
- ◇ Legislative Program Review and Investigation Committee report (2000) estimated staffing increases could range from \$9 million to \$78 million.
- ◇ 2009 Legislative Appropriations Budget includes \$10 million phase in enhanced staffing levels, beginning 3/1/09.
- ◇ Increase minimum direct care from 1.9 hours to 4.1 hours
- ◇ Depending on specifics of staffing legislation (by shift, CNA/Nurse) DSS estimates range from \$60 million – \$130 million.

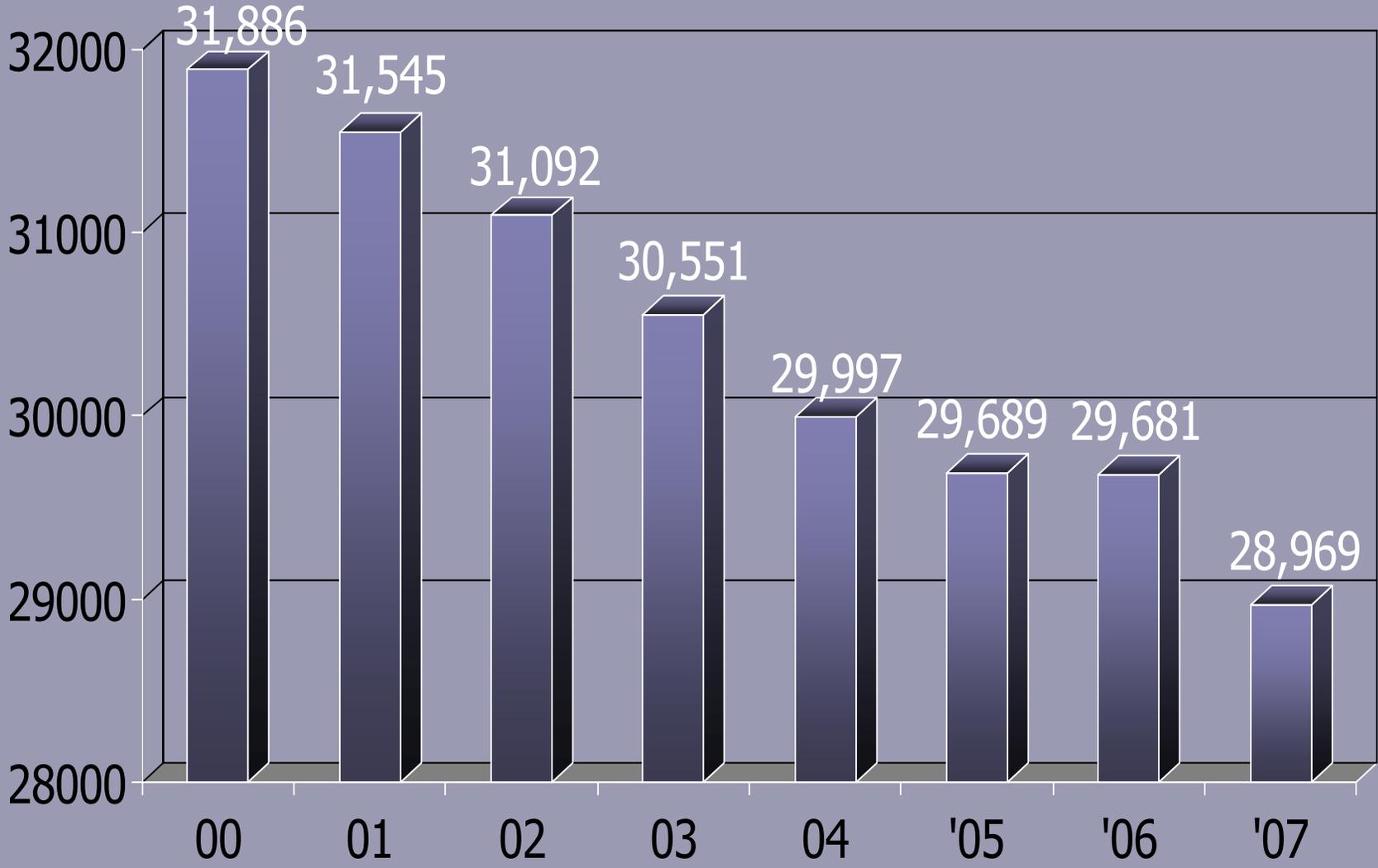
Nursing Facility Closures



<u>SFY</u>	<u>#Facilities</u>	<u>#Beds</u>	<u>Avg. Size</u>
2001	1	190	190
2001	2	323	162
2002	3	267	89
2003	4	324	81
2004	5	498	100
2005	3	487	162
2006	1	59	59
2007	2	180	90



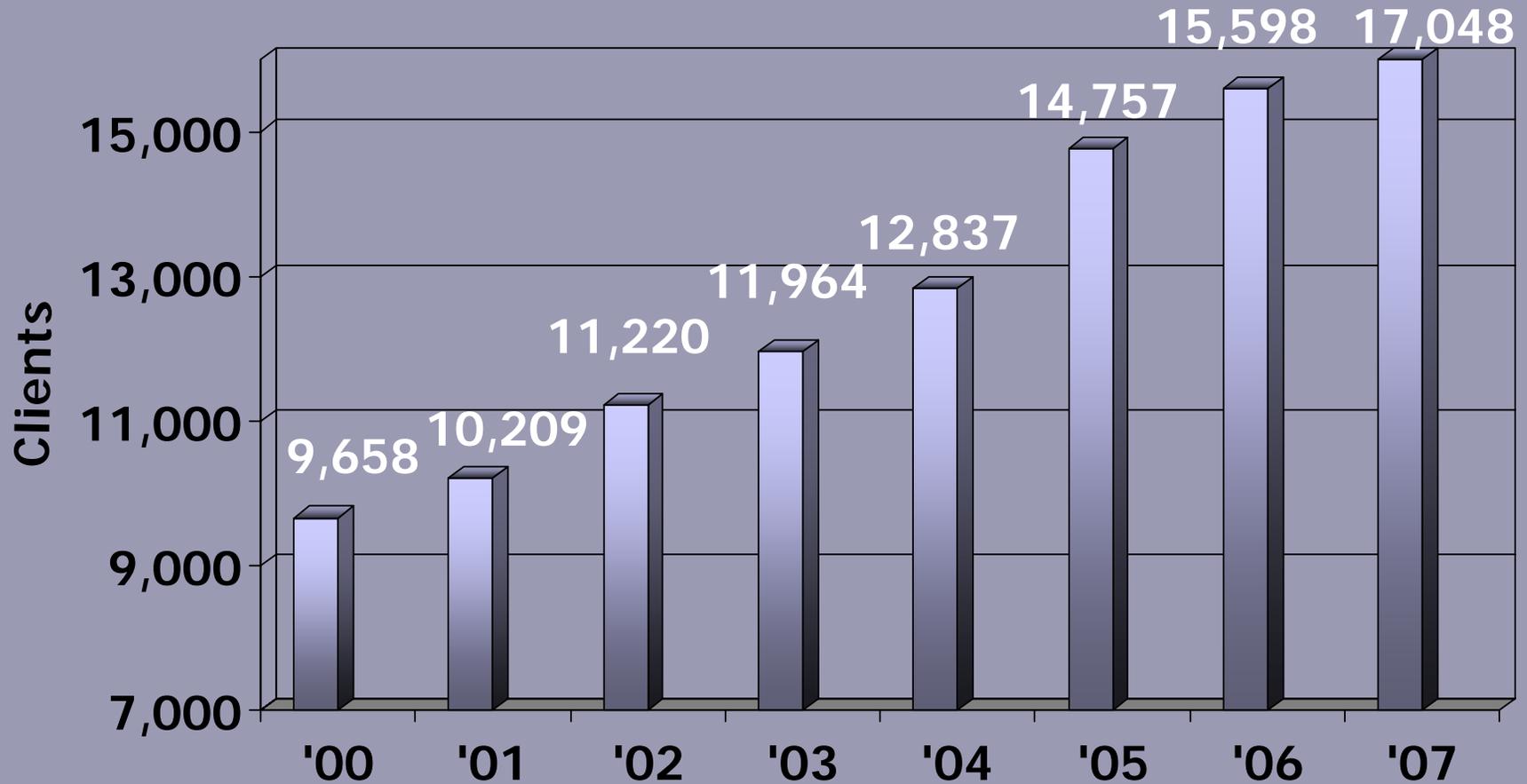
Licensed Nursing Home Beds



DSS Programs:



Homecare Client Comparison





◇ Enhance the Connecticut Homecare Program for Elders

Provides a 3% rate increase to home care providers.

◇ Initiate Falls Prevention Program

Funds are provided to enable the Department to contract for a fall prevention program.

◇ Support Federal Waiver Activities

The budget includes \$3.9 million in FY 08 and \$9.9 million in FY 09 for support staff and annualizations of services costs for the Medicaid Family Planning, AIDS, and Home and Community Based Services for People with Serious Mental Illness waivers.

Enhancing Access to Care, cont...



- ◇ **Fund Services for Medically Fragile Children**
Funds an additional 20 Katie Beckett slots.
- ◇ **Expand Personal Care Assistance Waiver Program**
Provides funding for approx. 50 additional slots under the waiver.
- ◇ **Modification of Money Follows the Person Medicaid Waiver**
Raises the number of slots for Money Follows the Person from 100 to 700 to bring the statutes into compliance with a demonstration grant received from the federal government.
- ◇ **Medicare Part D Exception Process**
Through this process, DSS is working with doctors, clients and Prescription Drug Plans to ensure proper coverage of formulary drugs.

Enhancing Access to Care, cont...



◇ Additional Funding for Nursing Home Rates

Provides funding for a 2.9% increase in rates (also provided to Intermediate Care Facilities for the People with Developmental Disabilities)

◇ Nursing Home Provider Tax Change

Lowers the nursing home provider tax from 6% to 5.5% in order to comply with federal requirements. There is no fiscal impact associated with this change.

◇ Eliminate Nursing Home Payment Delay

Historically, one half of the June payments for nursing homes have been delayed into the following fiscal year. This practice of delaying payments will be eliminated to provide more timely payment of these nursing home services.

◇ Additional Funding for Alzheimer's Respite Care

The Department currently operates a statewide respite care program for families coping with Alzheimer's disease. Additional funds of \$1 million were provided in the biennium to expand this program.

Enhancing Access to Care, cont...



◇ Develop Pilot Home Care Program for People with Disabilities

To establish and operate a state-funded pilot program to provide home care services to up to 50 disabled people age 18-64.

◇ Provide Interpreter Services for Medicaid Clients

Provides funding to contract for medical interpreting services for both managed care and fee-for-service clients under Medicaid.

◇ Implement Program of Disease Management Under Medicaid

Implements disease management initiative to improve health outcomes and prevent or manage chronic diseases such as hypertension, obesity, diabetes, and asthma.

◇ Initiate Falls Prevention Program

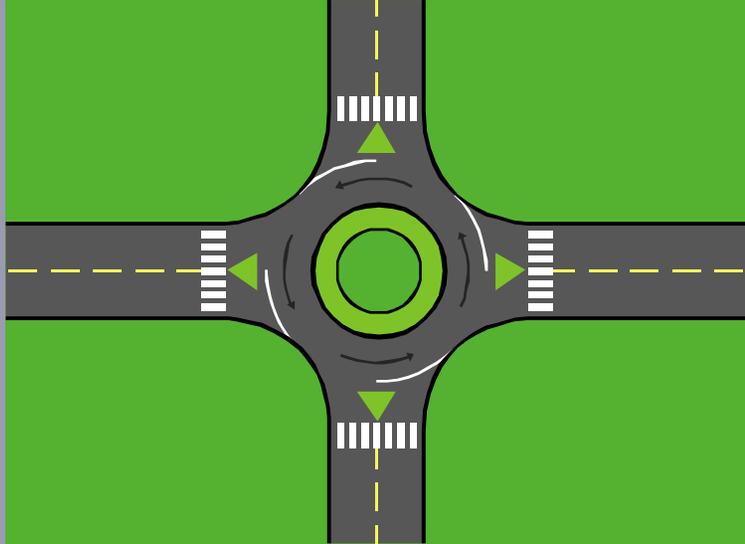
Funds are provided to enable the Department to contract for a fall prevention program.



◇ Continue Support for CHOICES Program

Additional funds were included in the budget to continue the Department's efforts to coordinate Medicare Part D services. Funds included will assist the elderly and people with disabilities in their Medicare Part D decision-making processes through counseling and related advice provided primarily through our community aging agencies.

Roadblocks for implementing LTC Solutions:



- ◇ Turf
- ◇ Avoidance
- ◇ Interest Group Lobby
- ◇ Gaps in Services
- ◇ Silos
- ◇ Complex System
- ◇ Family Expectations

Highlights of Three Programs That Will Have an Impact



- ◇ Personal Care Assistance Waiver
- ◇ Money Follows the Person
- ◇ Small House/ Greenhouse

Expand Personal Care Assistance Waiver Program



- ◇ 50 new slots added to PCA waiver increasing the total available from 698 to 748 effective July 1, 2007
- ◇ 712 consumers active on the waiver currently
- ◇ 65 are on the wait list, 124 are pending assessment
- ◇ CMS recently approved retroactively to 2006 allowing consumers to stay on the program beyond age 65 (previously had to be moved to another waiver or institutionalized)



What is Money Follows the Person (MFP)?

Increase \$\$ to Community

- ◇ MFP has historically been defined as “a system of flexible financing for long-term services and supports that enable available funds to move with the individual to the most appropriate and preferred setting as the individual’s needs and preferences change.”

Goals of Demonstration

- ◇ Reduce reliance on institutional care
- ◇ Increase effectiveness and efficiency of the long term care system



MFP Award

- ◇ 24 Million (Approx \$7 Million is enhanced match)
- ◇ \$10 Million State match
- ◇ Project total estimated at \$34 Million



Benchmarks

◇ Required

- Transition 700 people to the community;
- Increase \$\$ to home and community based services and support

◇ 3 Required Electives for rebalancing

- Increase in the number of people receiving information and assistance about long term care choices;
- Increase in the number of community direct care staff;
- Increase in the ratio of institutional discharges prior to 6 month/admissions.

Money Follows the Person, cont...



Benchmark:
Transition 700 People

<u>Calendar Year</u>	<u># To Transition</u>
2008	100
2009	200
2010	200
2011	<u>200</u>
	700



Focus areas

◇ Housing

1. Partnership with HUD;
2. Rental subsidies;
3. Housing Registry – inventory.

◇ Quality Improvement Initiative

1. Continually improve effectiveness and efficiency of long term care services;
 - Selected focus area: Improve workforce reliability;
-24 hour backup system.



Population to be Served

- ◇ Anyone Medicaid eligible who has been living in one of the following sites for at least 6 months:
 - Nursing Facility
 - Chronic Care Facility
 - Intermediate Care Facility
 - Institutions for Mental Diseases as allowed under the state plan



Transition Services and Supports

- ◇ Development of a transition plan;
- ◇ Coordination of all informal and formal supports;
- ◇ Housing search;
- ◇ Housing modifications;
- ◇ Transitional Expense budget;
- ◇ Coordinate medications and physician services;
- ◇ Follow for up to 6 months in community.



Pre-implementation

- ◇ **Develop operating protocol**
 - Formally engage all stakeholders;
 - Finalize demonstration design;
 - Plan for necessary operational changes.

- ◇ **Status Update**
 - Housing;
 - Service definitions;
 - 24 hour emergency back-up.



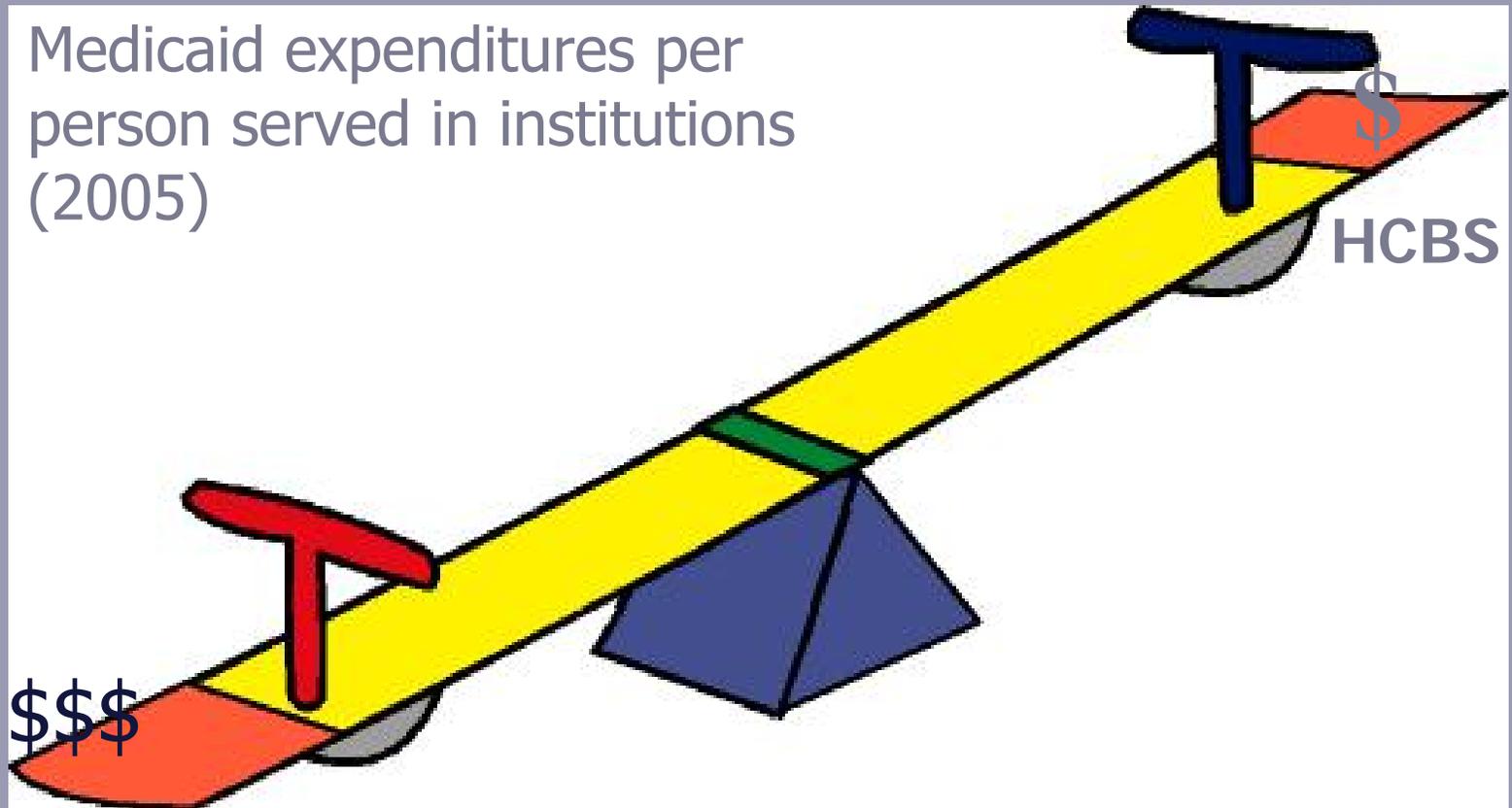
Selection of Participants for Money Follows the Person

- ◇ Inform nursing facility administrators and social workers about the demonstration;
- ◇ Continue existing method of 1:1 outreach in nursing facilities;
- ◇ Utilize preadmission screening data to identify those likely to be institutionalized over 6 months;
- ◇ Lottery system followed by first come first served.

Rebalancing in Connecticut

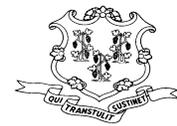


Medicaid expenditures per person served in institutions (2005)



**Institutional
Care**

Rebalancing in Connecticut: Factors



- ◇ 1991 Moratorium on expansion of new nursing facility beds
- ◇ Increased demand for HCBS
- ◇ Long-Term Care Planning Committee
- ◇ Nursing Facility Transition System
- ◇ Closure of 2,500 nursing facility beds over the past 7 years

Small House/ Green House



Green House Nursing Homes



- ◇ In these models, the campus or facility is comprised of small homes or units that house six to 10 residents each.
- ◇ All residents have a private room and bath.
- ◇ Residents come together for meals and recreation in a community space called the “heath” which contains a living room with a fireplace, an open kitchen and dining area.

Green House Nursing Homes



- ◇ The ratio of staff to residents is about a third higher than in the average nursing home.
- ◇ Super CNAs are paid about 30-40 percent more than the going rate for CNAs.
- ◇ The turnover rate is little to none, where annual turnover of CNAs can range as high as 100 percent.

Green Houses, Cont...



From Certified Nursing Assistant to Shahbaz or Super CNA

- ◇ The biggest difference between Small Houses/Green Houses and traditional nursing homes are “super CNAs”.
- ◇ Specially trained and empowered to assist the residents in everything from eating to toileting.
- ◇ The role of Super-CNA turns upside-down the traditional nursing home staffing model, where administrators and nurses call the shots while the certified nursing assistant or CNAs, do the grunt work.

Green Houses, Cont...



- ◇ In 2007 there were 35 Green Houses up and running on 13 campuses across the country.
- ◇ The Green House Replication Initiative is in its third year and has 24 projects in various phases of operation and development.
- ◇ States are moving into development of Small House/ Green House concepts through out the country.

Nursing Home and other Long Term Care Provisions in the Appropriations Committee Budget



Increase Nursing Home Staffing

The Appropriations Committee adopted increasing the required staffing levels in nursing homes, effective March 1, 2009. A total of \$10 million is provided to increase staffing minimums from 1.9 hours of direct care per patient, per day, to 4.1 direct care hours. The change is expected to have an annualized Medicaid cost of \$24.1 million.

Provide Rate Increases for Nursing Homes

The Appropriations Committee provided \$13 million for a 1% rate increase on Medicaid nursing home payments.

Provide Rate Increases for Chronic Disease Hospitals and Adult Day Care

The Appropriations Committee provided funding for a 2% COLA to Chronic Disease Hospitals and a 10% COLA for adult day care providers.

Medicaid - Nursing Home Update

The Appropriations Committee reduced the appropriation for nursing homes by \$40 million based on updated cost and caseload estimates.

Nursing Home and other Long Term Care Provisions in the Appropriations Committee Budget, cont...



Home Health Services Update

The Connecticut Home Care program assists the frail elderly in avoiding unnecessary or premature nursing home care by making available a variety of community-based services. The Budget provides \$17.6 million (Medicaid \$14,836,542; CHCP \$2,800,000) to fund the continued growth of home health and Connecticut Home Care services in SFY 2009.

Support Long-Term Care Rebalancing

Under this proposal, the Department of Social Services will plan and develop lower cost home and community-based options as an alternative to higher costing institutional care. By focusing efforts on the development of home and community-based services, the State will be able to provide more choices for Connecticut residents and begin to move away from an over-reliance on nursing home care. The Governor's Recommended Budget assumes a FY 09 savings of \$1.0 million as a result of this system re-balancing.

Move Individuals With Psychiatric Disabilities From Long Term Care Settings

\$900,000 of funding is provided to enhance efforts to move individuals with psychiatric disabilities from long-term care facilities to community settings. It is anticipated that this funding will allow an additional 230 mentally ill individuals to be served in community settings by FY 2011. In addition, \$1.3 million is provided to develop a state-of-the-art online screening system which will allow DSS to assume responsibility for screening individuals with mental illness and mental retardation for appropriateness for nursing home placement.



Increase Oversight of Financial Conditions of Nursing Homes

Five additional staff are recommended to provide stiffer financial oversight of the nursing home industry. This plan includes ongoing financial monitoring and reviews of nursing homes, including planned changes in ownership or control, and reviews of indebtedness and financial reporting requirements.

Medicaid-Hospice Benefit

The Governor recommended implementation of a Medicaid Hospice benefit by February 1, 2009. CT will be one of the last states to provide this coverage. Any additional costs incurred will be offset by reductions in end-of-life inpatient and other institutional care.

Allow Special Needs Trusts for Certain Boarding Home Residents

The income of boarding home residents may, over time, reach levels which make them ineligible for State Supplement programs. When this occurs, they may move to nursing homes. This proposal allows a special needs trust to reduce countable income to avoid placement in nursing homes.



Senate Bill 32 Nursing Home Financial Oversight

- ◇ Change of ownership review (CON)
- ◇ New NH Financial review committee
- ◇ Quarterly accounts payable reporting
- ◇ Receivership for inappropriate use of funds
- ◇ Management company reporting.



SB 32 AN ACT CONCERNING THE FINANCIAL CONDITION OF NURSING HOMES

- ◇ This bill implements the Governor's nursing facility oversight initiative.
- ◇ It will enable the Department to increase financial oversight of the state's 241 skilled nursing facilities by providing additional authority to monitor changing economic conditions.
- ◇ The goal is to better identify and root out the type of fiscal deterioration that led to the unprecedented bankruptcy filing of 15 Connecticut facilities owned by Haven Healthcare Inc. in November.
- ◇ This initiative will strengthen financial oversight at five critical levels that affect the viability of nursing homes: Ownership changes; High indebtedness;
- ◇ Timely identification of unpaid bills to vendors and other ongoing financial factors; split real estate and operational ownership; and unreasonable rent payments.

Other Nursing Home Bills



S. B. No. 662 (RAISED) AN ACT CONCERNING MEDICAID ELIGIBILITY AND REIMBURSEMENT.

Section 10- Nursing Home Bed Relocation within Cities

- ◇ Facilities located in municipalities with 2004 estimated populations greater than 125,000 (Bridgeport, Hartford and New Haven) would be allowed to submit a CON application for the relocation of up to 60 Medicaid certified nursing facility beds to a new site within the municipality.
- ◇ Provided the Department retains review and approval authority with regard to the number of beds relocated and costs to be allowed for Medicaid rate setting purposes, we do not object to this proposed change.

Other Nursing Home Bills, Cont...



*S. B. No. 559 (RAISED) AN ACT CONCERNING A PILOT PROGRAM FOR SMALL HOUSE NURSING HOMES.

- ◇ This bill creates a pilot program for the development of up to ten small house nursing homes. As defined in the bill, a small house nursing home is a home-like facility for the care of no more than 10 residents. In this bill, the Commissioner of Social Services will provide up to 10 grants (unspecified amounts) to be financed with general obligation bonds.
- ◇ Grants would be awarded through a competitive process to be outlined by DSS by no later than October 1, 2008. It should be noted that our current bond fund authority does not reflect these additional capital commitments.

Other Nursing Home Bills, Cont...



Other Major Nursing Home Bills Introduced during the 2008 Session on a range of subject matters

- SB 156 AN ACT CONCERNING A NURSING HOME REPORT CARD
- SB 383 AN ACT CONCERNING A NURSING HOME BILL OF RIGHTS
- SB 385 AN ACT CONCERNING NURSING HOME STAFFING LEVELS
- SB 386 AN ACT CONCERNING BILLING PRACTICES OF NURSING HOME FACILITIES
- SB 387 AN ACT CONCERNING OVERSIGHT OF ALZHEIMER'S SPECIAL CARE UNITS
- SB 388 AN ACT CONCERNING DIRECT CARE PROVIDER STAFFING IN NURSING HOMES
- SB 559 AN ACT CONCERNING A PILOT PROGRAM FOR SMALL HOUSE NURSING HOMES
- SB 577 AN ACT CONCERNING THE NURSING HOME FINANCIAL ADVISORY COMMITTEE
- SB 665 AN ACT CONCERNING CONTINUING CARE FACILITIES AND CONTINUING CARE AT HOME

- HB 5791 AN ACT CONCERNING A SINGLE POINT OF ENTRY FOR LONG-TERM CARE
- HB 5794 AN ACT IMPROVING NURSING STAFFING LEVELS AND ENFORCEMENT
- HB 5861 AN ACT CONCERNING MENTALLY ILL INDIVIDUALS IN NURSING HOMES
- HB 5864 AN ACT CONCERNING A NURSING HOME IMPROVEMENT PLAN