

The background of the slide is a dark blue-grey color. It features a faint, light-colored map of the state of Kentucky. In the lower-left corner, there is a faint compass rose with a needle pointing towards the top-left. The text is centered on the slide.

# Kentucky

Where are we and  
where are we going?

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# Kentucky

## The key questions:

- ▶ How can Kentucky rebalance our long-term care Medicaid expenditures?
- ▶ What reforms will be necessary to rebalance our expenditures?
- ▶ What do we need to do?

# Kentucky total MA long term care

	Total 1999	Total 2006	2006 per capita	Percent Increase
<b>Total LTC</b>	\$783.5m	\$1,219m	\$289.91	56%
<b>LTC sub to community</b>	\$188m	\$356.6m	\$88.74	89.6%
▶ <b>Waivers</b>	\$98m <sup>1</sup>	\$242m <sup>2</sup>	\$57.68	148%
▶ <b>Home health</b>	\$90m	\$113.9m	\$27.09	26.5%
▶ <b>PCO</b>	\$0	\$0	\$0	
<b>LTC sub to institution</b>	\$595.6m	\$862.8	\$205.13	49%
<b>ICF-MR</b>	\$85.6 m	\$128.8 m	\$30.61	50.1%
Nursing Facility	\$510 m	\$734m	\$174.52	44%

1. \$48m for MR/DD and \$45m for A/D. Another \$5m on a technology dependent waiver.

2. \$ 173.7m for MR/DD and \$61.6m for A/D.

# What does that tell us?

- ▶ Between 1999 and 2006, there was a 49% increase for institutional LTC and an 89.6 % increase for community LTC.
- ▶ In 2006, KY spent 71% (\$862.8m) of its total LTC on institutional expenditures and 29% (\$356.6m) on community expenditures.

# Drilling down further

## ▶ MR/DD

- KY spent \$128.8m on institutions and \$173.7 on community
  - ▶ 42.6% on institutions and 57.4% in the community

## ▶ A/D

- \$734m on institutions and \$ 356.6m on community services
  - ▶ 80.7% on institutions and 19.3% in the community

# Medicaid Expenditures: Aging and Disabilities Institutional vs. Community

	<b>Nursing Facilities</b>	<b>P/D and Aged Waivers</b>	<b>Home Health</b>	<b>Personal Care Option</b>	<b>Institutional vs. Community</b>
<b>FY 1999</b>	\$510m	\$45m	\$90m	\$0	\$3.77 to \$1
<b>FY 2000</b>	\$558m	\$57.5m	\$105m	\$0	\$3.43 to \$1
<b>FY 2001</b>	\$565m	\$72m	\$117m	\$0	\$2.98 to \$1
<b>FY 2002</b>	\$615m	\$74m	\$111m	\$0	\$3.32 to \$1
<b>FY 2003</b>	\$620m	\$69m	\$103m	\$0	\$3.60 to \$1
<b>FY 2004</b>	\$627m	\$55m	\$106.5m	\$0	\$3.88 to \$1
<b>FY 2005</b>	\$721m	\$51m	\$105m	\$0	\$4.62 to \$1
<b>FY 2006</b>	\$734m	\$61.6m	\$113.9m	\$0	\$4.18 to \$1

Includes only state funded services that trigger federal match.

# What does that tell us?

- ▶ In FY2006, Kentucky spent 80.7% of its LTC expenditures for A/D services in institutions and 29.4 % in the community.
- ▶ Kentucky ranked 34th nationally in P/D expenditure ratio for institutional versus community expenditures.

# **A look at the nursing facility institutional side**

- ▶ **Who is in KY's Nursing Facilities And  
What Can Be Done?**
  - **According to the MDS, as of 3/31/07,  
there were approximately 22,706 persons  
in Kentucky's Nursing Facilities.**

# **A look at the nursing facility institutional side**

- ▶ **A breakdown of these persons shows that:**
  - **11.9 % (2,702) were 64 years and under**
  - **14.6% (3,223) were 65-74 years**
  - **33.3% (7,561) were 75-84**
  - **40.2% (9,128) were 85+ (Sage).**
- ▶ **Why are there so many “younger” people in nursing facilities?**

# A look at the nursing facility institutional side

- ▶ **Who is in KY's Nursing Facilities?**
  - 4,201 (18.5%) are married
  - 3,224 (14.2%) were never married
  - 12,534 (55.4%) are widowed (A5)
- ▶ What services did the non-disabled spouses need to help them keep their loved one in the home?
- ▶ Had they been offered any services before the NF placement? Adequate services?

# A look at the nursing facility institutional side

## ▶ Who is in KY's Nursing Facilities . . .

- 56.5% (12,829 persons) were on Medicaid
    - ▶ they were the persons on whom the federal \$734 million was expended (A7a)
  - 72.9 % (16,553) were female (AA2)
  - 14.8% (3,360) have a "support person" who is positive towards discharge (Q1b)
  - 19.0% or 4,314 indicated they want to live in the community (Q1a)
- ▶ Has the State ever asked them what services they need to move into the community?

# Some strategies

- ▶ 1. “Close the front door”
  - 13.9% (3,156) of KY Nursing Facility residents entered directly from their homes (not from hospitals, rehabilitation centers or other nursing homes) and were not receiving health services at home before they were institutionalized.
  - Another 5.2% (1,181) entered KY Nursing Facilities directly from their homes but had been receiving some health services.

# Some strategies

- ▶ 1. “Close the front door” . . . .
  - Nearly 55.5% of NH residents entered directly from an acute care hospital and 1.9% directly from a rehabilitation hospital.
  - Directly prior to admission, 60.2% (13,669) of the residents did not live alone.
- ▶ What help and services did they need for them to stay in their homes?

# Some strategies

- ▶ 2. Use the Money Follows the Person Grant
  - KY recently received \$49.8 million in enhanced match for MFP.
  - Of the 431 persons to move out, 215 are “elderly” or “PD”, and another 216 MR/DD.
- ▶ What about others?

# Medicaid \$: Developmentally Disabled Persons Institutional vs. Community

	<b>ICF/MR</b>	<b>MR Waiver</b>	<b>Ratio</b>
<b>FY 1999</b>	\$86m	\$48m	\$1.79 to \$1
<b>FY 2000</b>	\$85m	\$64.5m	\$1.38 to \$1
<b>FY 2001</b>	\$94m	\$81.5m	\$1.15 to \$1
<b>FY 2002</b>	\$98m	\$92m	\$1.06 to \$1
<b>FY 2003</b>	\$113m	\$109m	\$1.04 to \$1
<b>FY 2004</b>	\$107m	\$137m	\$0.78 to \$1
<b>FY 2005</b>	\$108m	\$154.4m	\$0.70 to \$1
<b>FY 2006</b>	\$128.8m	\$173.7m	\$0.74 to \$1

Includes only state funded services that trigger federal match.

# What does that tell us?

- ▶ There was a 50% increase between 1999 and 2006 in ICF-MR spending.
- ▶ In FY 2006, Kentucky spent 42.6% (\$128.8m) of its LTC expenditures for MR/DD on institutional-based services and 57.4% (\$173.6m) on community-based MR/DD services.
- ▶ Kentucky ranked 34th in MR/DD expenditure ratio for institutional versus community expenditures.

# What to do?

- ▶ Initiatives should focus on how the integration and delivery of acute and community long term care services advance *community integration principles*, such as:
  - consumer directed services
  - person centered planning
  - accessible, affordable, integrated housing
  - voluntary service coordination . . .

# What to do?

- ▶ . . . advance *community integration principles* . . .
  - delivery of services in the most integrated setting
  - access to independent community-based service coordinators
  - service plans responsive to the unique needs of individual enrollees, including:
    - ▶ Access to network and out of network specialists, if needed, who have experience in serving individuals with disabilities

# What to do?

- ▶ . . . advance *community integration principles* . . .
  - delivery of services based on individual need as determined by functional assessment
  - livable wage/benefits for attendants
  - comprehensive, continuous quality improvement programs