

ADULT RESIDENTIAL - ASSISTED LIVING

MEDICAID HOME AND COMMUNITY BASED SERVICES (HCBS) WAIVER



Assisted Living Facilities. There are about 200 licensed assisted living facilities in Montana, serving elderly and disabled individuals who need assistance and are unable to stay in their own homes. Their needs are such that they don't require the more medically complex services offered in nursing homes.

Medicaid. Most individuals in assisted living facilities pay for their own care. However, assisted living facilities serve about 600 Medicaid beneficiaries under the Medicaid HCBS waiver program. The Medicaid rates paid to assisted living facilities are so low that the facilities routinely limit the number of Medicaid residents they are willing to take. DPHHS and the legislature have stressed the importance of serving individuals in settings other than nursing homes through the home and community based waiver program - when the individual does not require the more intense services of a nursing home. The state has even implemented a "nursing home transition" program for individuals in nursing homes whose condition would allow them leave the nursing home if other appropriate services are available.

Nearly half of the people on the waiting list for HCBS and many of those who move to community based settings through the nursing home transition program need assisted living services.

Access issues.

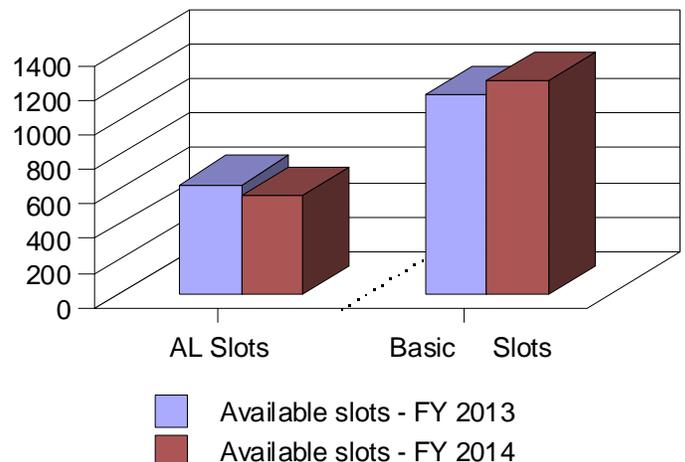
Low rates. For many years there have been access problems for those seeking assisted living under the waiver - largely because assisted living facilities have limited the number of waiver clients they are willing to serve, due to the very low rates paid by Medicaid for this service. Today's rates are only 2% higher than they were on July 1, 2008!

Cuts in waiver slots. However, the problems with access to this service have grown significantly over the past year. DPHHS, through its case management contractors, has cut the availability of assisted living slots and the waiting list for these services has grown. At the same time, "basic slots" have increased.

Over the past year, there has been a 10% cut in availability of assisted living services, while basic services have increased almost 7%. It is clear that assisted living slots have been converted to basic slots.

Waiting list for assisted living. Cuts to this service have led to a significant growth in the adult residential (AR) waiting list. Adult residential is the category assisted living facilities fall under. The most recent numbers I have compare March 2013 to August 2013. During that five-month period, the waiting list for this service increased from 115 to 163 - a 42% increase.

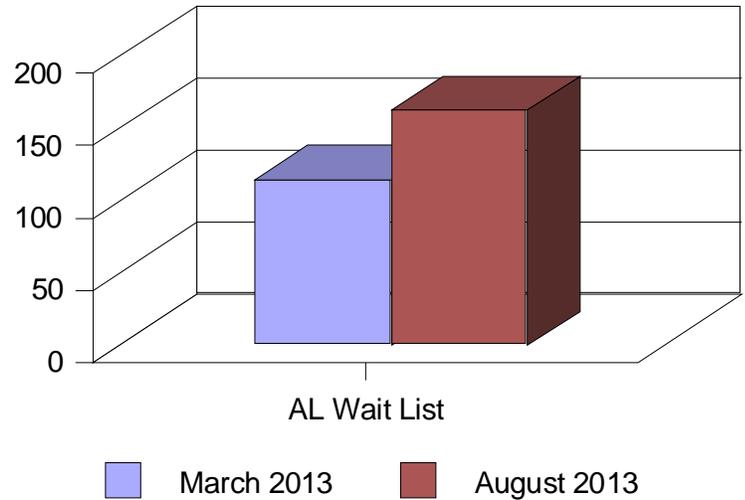
AL vs BASIC SLOTS



The legislature did not cut or direct a cut in these services. To the contrary, the legislature approved additional slots and added funding to help alleviate an issue with the waiver program being overspent in FY 2013.

The department is currently working on a variety of steps to alleviate the problems caused by these cuts. However, the steps being taken, while very helpful in the long term, are not likely to yield results for quite some time. In the meantime, elderly needing assisted living services under the waiver are being told there are no slots available and nursing home placement is the most likely alternative. We believe there are solutions that would yield more timely results, such as converting some basic slots back to assisted living as they come open. And we need to explore how to avoid similar issues in the future.

AL Wait List



Recommendations. The question that arises is, what can be done to assure access to assisted living services under the waiver? Options include:

- ◆ Converting basic slots to assisted living until there is a balance between the services in terms of increases and decreases in slots and until the increased assisted living waiting list is brought under control.
- ◆ The legislative subcommittee on appropriations should specify separate funding for basic slots and assisted living so the funding can be better tracked and to assure legislative intent is carried out.
- ◆ The legislature should consider rate increases for assisted living above the typical across the board levels because assisted living rates are so far below market that the rates are clearly affecting access.

Failure to address access problems in assisted living under the waiver will mean that seniors on Medicaid who need this service will simply find it is not available and nursing home placement of individuals who could be served in a less intensive health care setting will increase. This has already begun to happen. It is unfortunate, because our goal should always be to allow each individual to choose the setting and services that are most appropriate for them given their individual needs and situation.

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