TEXAS’ MONEY Follows THE PERSON

2nd National Medicaid Congress: Nursing Home Transformation

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Texas Department of Aging and Disability Service
Washington, D.C.
June 15, 20
Texas Demographics

Total population: 20,851,820
65-74 years: 1,142,608 (5.5%)
75-84 years: 691,984 (3.3%)
85+: 237,940 (1.1%)
Total 65+: 2,072,532 (9.9%)

TX ranks 46th with 75+ population
(Kaiser Family Foundation)

*2000 Census
Aged, Disabled and Blind make-up at 20% of Medicaid recipients; however, they utilize 62% of overall Medicaid expenditures.
Long Term Services Budget (08)

- Overall budget: $5,426,895,130*
- STAR+PLUS: 1,223,275,469

**Medicaid (DADS)**

- Nursing Facility: 1,758,279,463
- Total Community Care: 1,422,401,613**
- CC entitlement: 882,684,056
- 1915 (c) NF waivers: 539,717,557***

*LTS data reflect DADS budget – includes all LTS programs
**NF (c) waivers and entitlement programs
***Community based-Alternatives/Medically Dependent Children’s Program/Money Follows the Person; excludes PACE and Consolidated Waiver/STAR+
Funding Growth for Services
Nursing Facilities and Community Care

State Fiscal Years

CCAD
Nursing Facility
Promoting Independence History

- 1994 - CBA
- June 1999: Olmstead Decision
- June 2001: Senate Bill 367 and Rider 37 (Money Follows the Person)
- Rick Perry’s Executive Order RP-13
- June 2005: House Bill 1867
- 2007: CMS’ MFP Demonstration
Community Based Alternatives

- 1915(c) waiver to NF services
- Personal Assistance
- Adaptive Aids
- Adult Foster Care
- Respite
- Assisted Living
- Therapies
- Nursing
Interest List – March 31, 2007

- **CBA**: 32,988
- **MDCP**: 8,130

**Average Length on Interest List:**

- **CBA**: 1.2 years
- **MDCP**: 1.3 years

CBA (Community Based Alternatives); MDCP (Medically Dependent Children Program)
Money Follows the Person

- Created as an appropriation rider to the then DHS (DADS) Budget as Rider 37 (2001)

- The 2003 Legislature changed Rider 37 to 28 and did not allow for the expansion of the base number of appropriated waiver slots

- MFP slots do not count against the total appropriated community services slots
Financials

- CBA is 77.6% of NF costs on an annualized basis from CMS 372 report
- Low NF occupancy: no backfilling
- Waiver is done on an individual cost cap not the aggregate – therefore, MFP would be at least cost neutral
- No cost effectiveness study prior to implementation
Financials continued

- NF occupancy flat; has not changed vis-à-vis MFP (fewer facilities)

- Short stay to “game system” does not appear to be happening

- MFP individuals look like regular CBA individuals – and the overall costs are much less than of NF – therefore, if even half the clients would have been in a NF the state breaks even
- R 37/28 funding transfers was post hoc and monies were transferred from NF line item to Waiver line item
- MFP population was factored into NF forecasts for future funding requests to ensure adequate funding for Rider clients
- 2005: MFP has its own budget strategy
MFP Statistics

As of March 31, 2007:

- @ 13,000 individuals have transitioned from Texas Medicaid-certified nursing facilities
- @ 5,800 individuals remain active in the community
AGE RANGE: 9.1.03 – 2.28.07

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Gender/Ethnicity/Living Arrangement

- 60%: Female; 40% Male
- 60% White; 20% Hispanic; 12% Black; Minor numbers for Native American and Asians
- 22% Alone; 28% Assisted Living; 45% with Family; 5%, Group Home arrangement
2008-2009 Budget

Nursing Facility
- Net avg NF cost: @$2558

CBA
- Avg monthly cost: @$1255

Money Follows the Person
- Avg monthly cost: @$1249

FY 08: $81,396,147
Managed Care: STAR+PLUS

1998: STAR+ Pilot in Harris County

2007: Rollout of STAR+ to 4 large Service Delivery Areas:
  - Houston
  - Corpus Christi
  - Austin
  - San Antonio

2007: Non-capitated ICM model – Dallas/Ft. Worth
Supportive Public Policy Programs

- Relocation Specialists
- Transition Assistance Services
- Housing Voucher Program
- NF Money Follows the Person Transition Teams
Deficit Reduction Act of 2005: Section 6071 – MFP Rebalancing Demonstration

5 year Demonstration

$1.75 Billion
Texas Department of Aging and Disability Services
Commissioner Adelaide Horn

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