AGING AND LONG TERM SUPPORT ADMINISTRATION

Assisted Living Rate Increase

2015-17 BIENNIAL BUDGET

Transforming Lives

Request	FY16	FY17	15-17
FTE	0	0	0
GF-State	$4,165,000	$4,167,000	$8,332,000
Total	**$8,334,000**	**$8,334,000**	**$16,667,000**

DECISION PACKAGE SUMMARY

The Aging and Long Term Supports Administration (ALTSA) and Developmental Disabilities Administration (DDA) request funding to increase the rates for Assisted Living Facilities (ALF) residential services. Assisted Living is the only setting to receive two rate reductions in the last five years. Assisted Living Facilities include Assisted Living (AL), Adult Residential Care (ARC) and Enhanced Adult Residential Care (EARC). This setting is a crucial component of the Medicaid service array that allows people in need of a residential placement to be served in the community rather than a nursing home.

PROBLEM STATEMENT

Assisted Living Facilities are a type of residential care setting licensed by the Department to provide services for seven or more residents. ALFs providing services to Medicaid clients contract individually with the State. Medicaid rates are set based on the CARE classification and geographic area. In fiscal year 2010, the Legislature reduced rates by four percent, and in fiscal year 2013, rates were reduced by another two percent. While the number of Medicaid clients served by ALTSA and DDA continues to increase, the number of Medicaid clients served in this setting has steadily declined from close to 4,700 in April 2012 to below 4,400 in March 2014, which has put pressure on the nursing home census.

PROPOSED SOLUTION

A five percent rate increase will increase the ALF average daily Medicaid rate from $71.10 per day to $73.58 per day, making serving Medicaid clients a more viable option for ALF providers. The majority of the clients are served by ALTSA, so the funding increase for DDA clients living in ALFs accounts for only $250,000 of the total.

EXPECTED RESULTS

Maintaining a range of personal choice for Medicaid residential care settings with a viable ALF provider network supports Goal 4: Quality of Life – Each individual in need will be supported to attain the highest possible quality of life. Maintaining a community residential setting option that allows clients to be served in the community rather than a more expensive nursing home setting meets Goal 5: Public Trust – Strong management practices will be used to ensure quality and efficiency.

AGING AND LONG TERM SUPPORT ADMINISTRATION

Assisted Living Rates

2015-17 BIENNIAL BUDGET

The decision package is essential to implementing the ALTSA Strategic Objective 4.1: Ensure seniors and individuals with a disability who are in need of long-term services and supports are supported in their community, and ALTSA Strategic Objective 4.2: Increase the number of individuals ALTSA is able to assist in transitioning to their homes or the community from nursing homes. The majority of individuals who require support choose to receive help in their home or a community-based setting. Washington State has developed a system that is cost effective and offers individuals choices regarding how and where they will be supported. We believe there is opportunity to increase the number of individuals being supported in the community. By doing so, we facilitate choice, increase quality of life, and contribute to the financial health of Washington. Washington is recognized as a national leader in this area.

This request supports the Results Washington Goal 3.2.a to increase the percentage of long-term service and support clients served in home and community-based settings.

STAKEHOLDER IMPACT

The advocates for senior and disabled services support maintaining a range of community service options as an alternative to nursing home care. The industry associations, Washington Health Care Association and Leading Age, have been lobbying for Assisted Living Facility rate increases for years.

Ken Callaghan – 360-725-2499   September 11, 2014