

AGING AND LONG TERM SUPPORT ADMINISTRATION



Implement Community First Choice

2015-17 BIENNIAL BUDGET

ML Request	FY16	FY17	15-17
FTE	17.1	26.5	21.8
GF-State	\$(36,339,000)	\$(35,997,000)	\$(72,336,000)
Total	\$74,640,000	\$75,395,000	\$150,035,000

DECISION PACKAGE SUMMARY

The Aging and Long-Term Support Administration (AL TSA) and the Developmental Disabilities Administration (DDA) request the implementation of the Community First Choice (CFC) Option, as directed by the 2014 Legislature. By using the CFC, AL TSA and DDA will improve their current community-based entitlement programs in support of their strategic objectives to serve a higher percentage of clients in home and community-based settings, and to improve client choice and quality of life. The CFC draws in approximately 56 percent in federal match, rather than the current 50 percent, so state expenditures will be lowered, although total expenditures will increase.

PROBLEM STATEMENT

The federal Affordable Care Act established the CFC option as a way for states to expand their home and community-based services in long-term care. As an incentive for expansion, an additional six percentage points are offered in federal match. For Washington State, this would mean approximately 56 percent match vs. the current 50 percent, creating significant General Fund-State savings compared to the maintenance level.

The CFC entitlement program is similar to Washington State’s current home and community-based entitlement (Medicaid Personal Care), but also requires some additional services beyond what our state currently provides, and also allows some optional services. The CFC option offers an opportunity to restructure our current entitlement to better meet the needs of our aging population, and by providing additional federal match it reduces the fiscal impact to the state while making overall services more responsive, person-centered, and driven by client choice.

The Department had been investigating the possibility of changing its current community-based entitlement program for several years. After the much delayed release of the final CFC rules, and some clarifications about concerns, the 2014 Legislature required the Department to “refinance” its current personal care program under the CFC, and provided certain parameters (HB 2746).

The design of the CFC is subject to federal requirement to work with stakeholders. A stakeholder workgroup is currently meeting and will have recommendations by the fall. Therefore, the final design of the CFC is pending and will be under development over the next nine months, plus additional implementation time. The fact that the system design, which ultimately must be approved by the federal Centers for Medicare and Medicaid Services (CMS), is still not complete, is one of the risks that may affect being able to implement CFC on the projected schedule. Another is negotiating the



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interactions among various information technology systems, such as ProviderOne Phase 2, ACES, and the CARE assessment tool. Also, CFC has a Maintenance of Effort (MOE) requirement. If the department has to cut current services by more than five percent, then implementation would need to be delayed by a year to meet the MOE.

This decision package includes the best estimated impact of the CFC as of June 2016, prior to the recommendations of the workgroup. Due to the complexity of the process, the size of the dollars, and the need for transparency for this item with stakeholders, this adjustment for the CFC is being requested as a decision package rather than as part of carry forward level or as part of a caseload or utilization adjustment.

PROPOSED SOLUTION

This decision package assumes funding changes similar to those estimated in the fiscal note to HB 2746, with some updates. It may change again after decisions of the workgroup. Assumptions include:

- 97 percent of the current personal care and certain waiver costs can receive the 56 percent federal match.
- The new benefits under CFCO will not exceed three percent more than current per capita costs for personal care and certain waiver services.
- Caseloads will grow only slightly more than they otherwise would have without the change – two percent more.
- No loss or gain in client participation toward the cost of services.
- Grandfathering approximately 700 long-term care clients on MPC who will not meet the new CFCO criteria with state only funds (this is updated from a previous estimate of 1,500; we now know that clients with a developmental disability will be eligible for CFC through a different avenue of eligibility).
- \$10 average cost per person/month for a new monthly waiver benefit so that certain CFC clients retain their Medicaid medical eligibility.
- Unknown costs to be determined: potential cost for changes to ProviderOne, ACES, and other systems.

EXPECTED RESULTS

The budget request supports DSHS Goal 4: Quality of Life – Each individual in need will be supported to attain the highest possible quality of life and DSHS Goal 5: Public Trust – Strong management practices will be used to ensure quality and efficiency.

This item is essential to implementing the ALTSA and DDA Strategic Objective 4.1: Improve the percentage of clients served in home and community based settings, and the similar Results Washington goal 3.2. The new CFC will be better positioned to serve our aging population with more choices and services in the community.

STAKEHOLDER IMPACT

Stakeholders will support this proposal as they supported HB 2746 in the last session, including the ARC of Washington, the Developmental Disabilities Council, the AARP, and SEIU-775NW. They will want to be sure the legislation is successfully implemented – and have a say in how the savings are invested.



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