

# DDD and LTC Work Session

January 29, 2013

Prepared by Senate Ways and Means staff

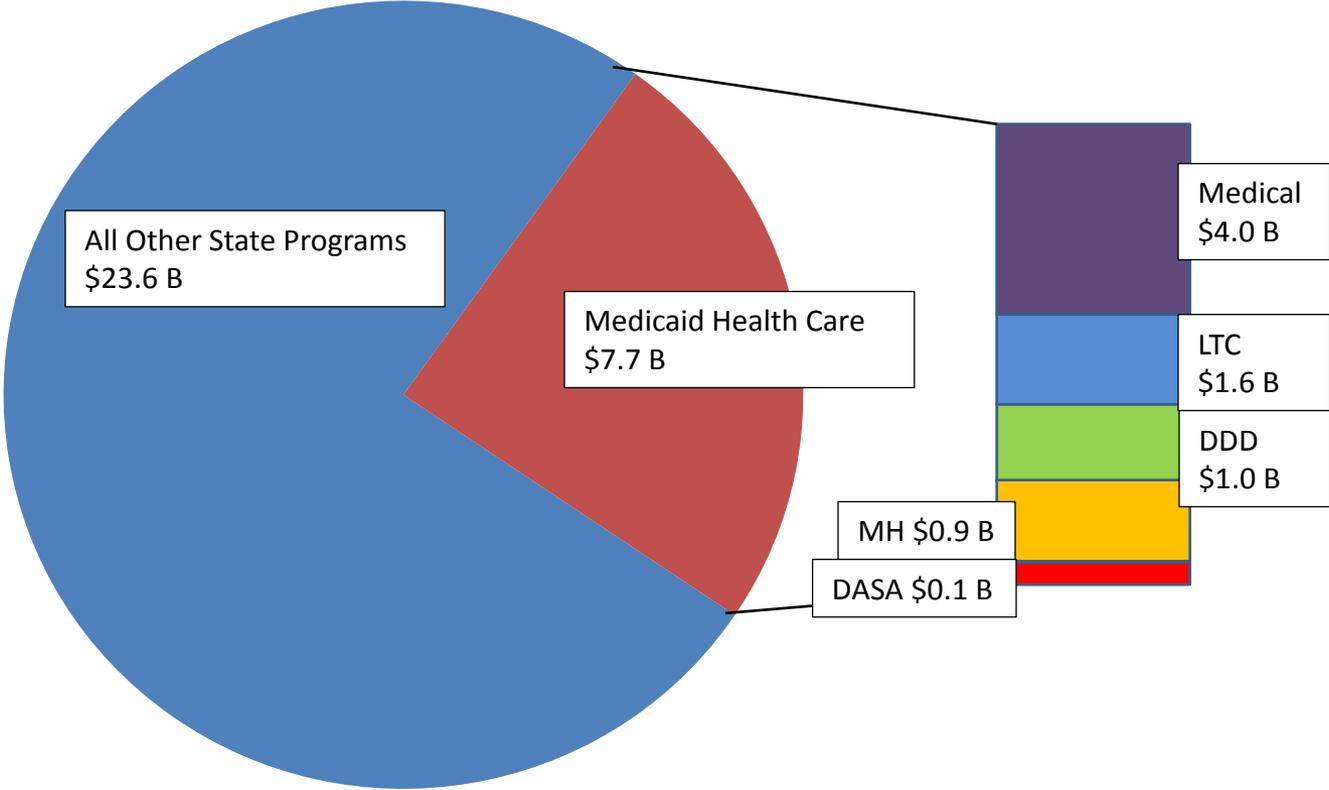


# Long Term Care (LTC) and [Division of] Developmental Disabilities (DDD)

- Two largest programs in DSHS
  - 2011-13 GF-S Biennial Budget (*including 2012 Supplemental*):
    - LTC = \$1.6 Billion
    - DDD = \$1.0 Billion
  - Primarily Medicaid programs—entitlement program with home and community options (waiver programs)
    - Medicaid is an optional program and is funded as a shared cost, Washington gets about 50 percent cost share.
    - Program structure is determined by federal law and regulations, court decisions, and state program rules.
  - Long Term Care caseload is forecasted by CFC. Some of the DDD caseload is forecasted, remainder is managed via the budget.
    - LTC = 58,000 clients
    - DDD = 22,000 paid services clients (6,000 are forecasted) and 17,000 no paid services

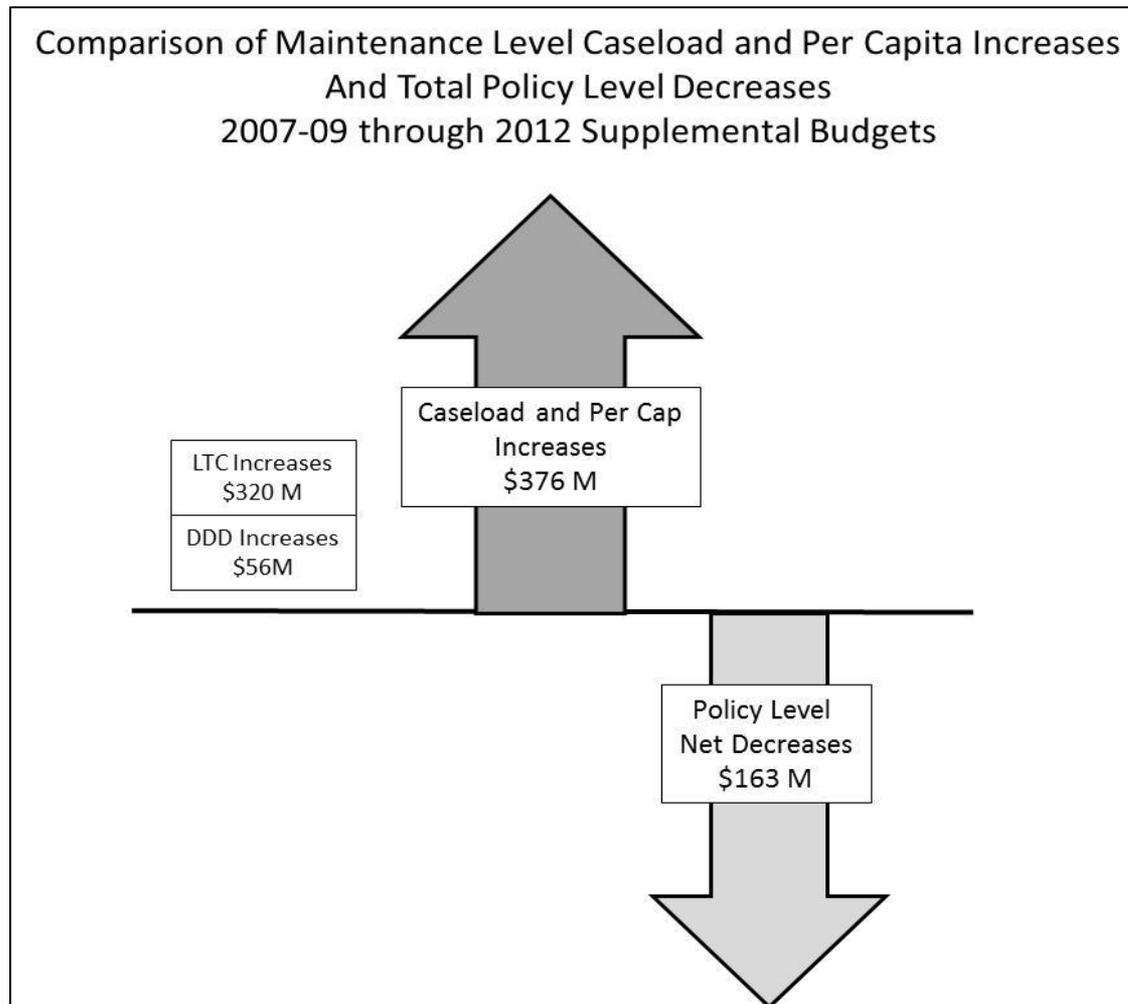
# Health & Long Term Care Program Expenditures

2012 Supplemental Enacted Budget in Billions—NGF-S only



Total=\$31.3 Billion

# Caseload Programs: Client caseload and associated per capita expenditures are forecasted and changes are budgeted at maintenance level



# Caseload Growth Drivers

(So you say there's a demographic bubble?)

## Washington State Population

Age	1970	1980	1990	2000	2010	2020	2030	2040
50-54	189,085	198,548	216,381	391,757	495,296	459,309	470,342	527,540
55-59	167,147	203,986	191,595	285,510	453,078	484,324	449,976	514,646
60-64	138,250	179,037	189,376	211,075	382,087	475,969	445,641	457,393
65-69	107,159	151,324	185,990	176,225	270,474	422,814	456,700	425,924
70-74	84,464	112,023	148,641	160,941	186,746	338,930	427,997	403,659
75-79	62,732	77,409	111,603	142,705	142,068	219,071	348,805	380,615
80-84	40,412	49,330	69,744	98,187	111,118	129,806	242,100	311,382
85+	25,945	41,476	55,427	84,083	117,271	136,943	198,350	339,846

Source: Office of Financial Management

# Caseload Growth Drivers

(So you say there's a demographic bubble?)

Beginning of the baby boom

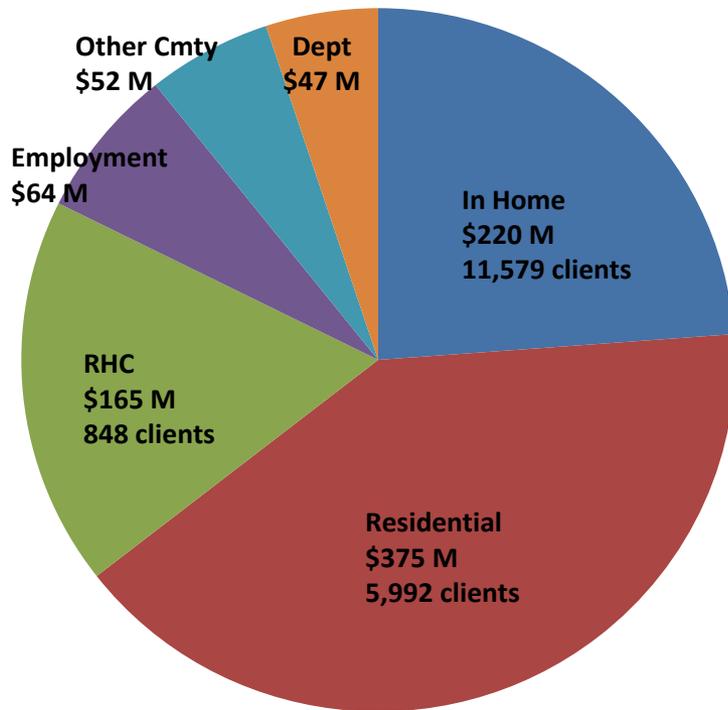
Baby boom echo

Age	1970	1980	1990	2000	2010	2020	2030	2040
Percent increase from prior decade		5.00%	8.98%	81.05%	26.43%	-7.27%	2.40%	12.16%
50-54	189,085	198,548	216,381	391,757	495,296	459,309	470,342	527,540
55-59	167,147	203,986	191,595	285,510	453,078	484,324	449,976	514,646
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# LTC and DDD Expenditures, by Category

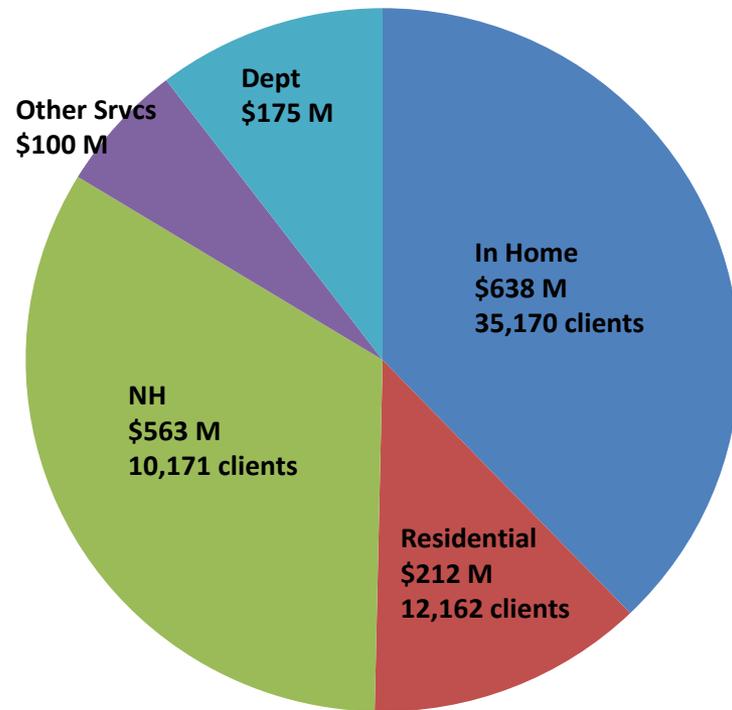
(Total Funds, FY12 Actual Expenditures)

## DDD



Total FY12=\$926 M

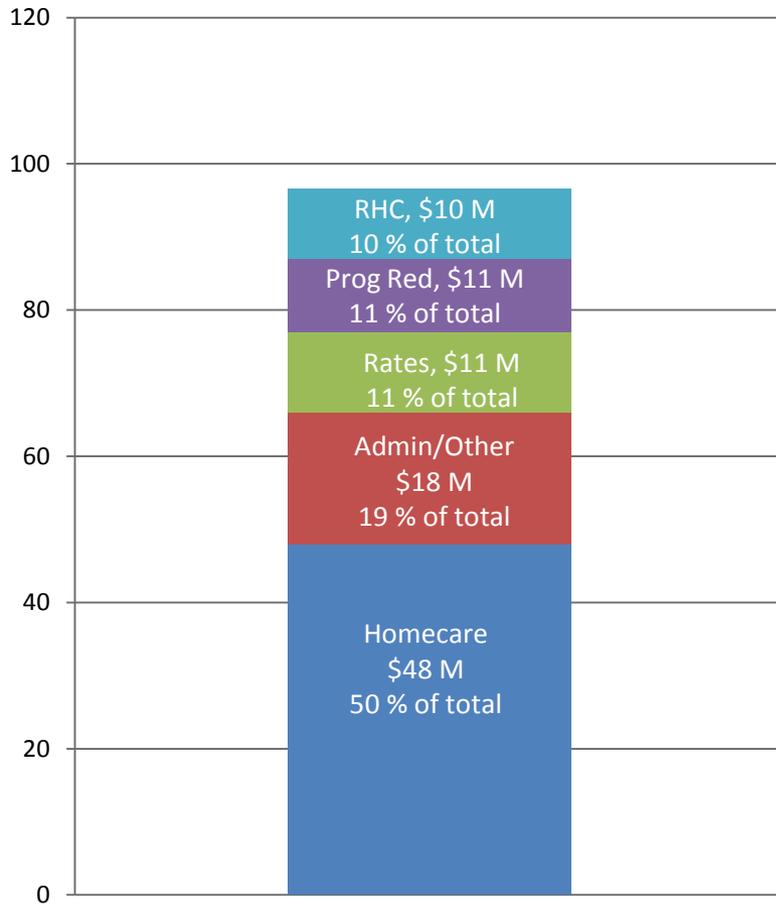
## LTC



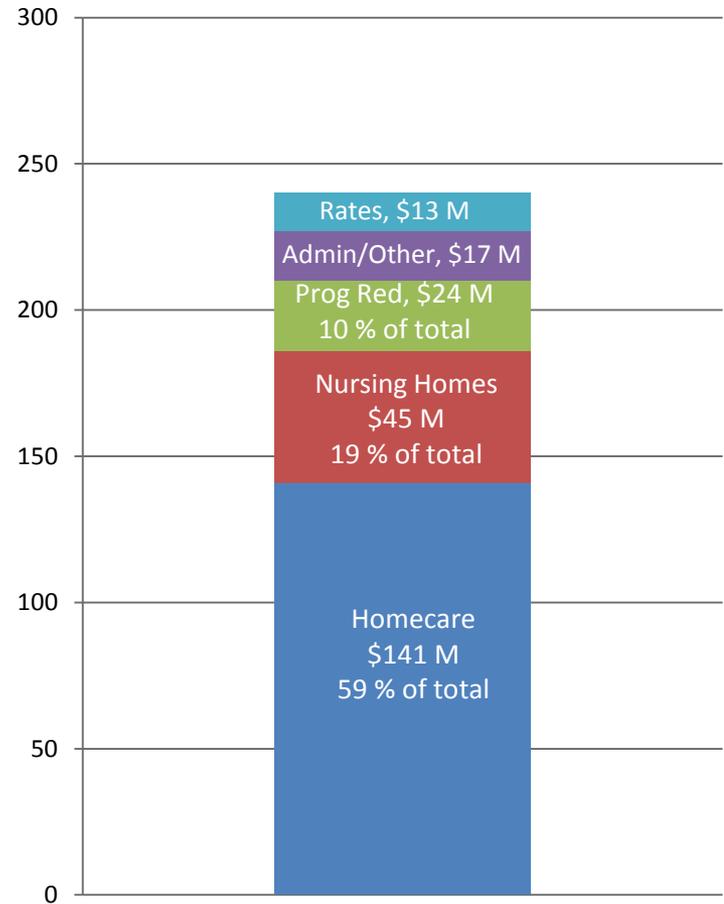
Total FY12=\$1.6 B

# DDD and LTC Budget Reductions

GF-S, 2009 Supplemental through 2012 Supplemental



DDD



LTC

# 2013-15 Governor's Proposed Budget

## Changes from 2012 Supplemental

Budget Step	NGF-S Amount (in millions)	Percent Change from 2011-13
2011-13 Estimated Expenditures	\$2,593	
2013-15 Carryforward Level (+\$ 68M)	\$2,616	1 percent
Maintenance Level (+\$ 105M)	\$2,767	6.7 percent
Gov Proposed Policy (+\$ 118M includes CBA)	\$2,885	11.3 percent

# 2013-15 Biennial Governor's Proposed Budget

## DDD and LTC Items (excerpted items)

Item Title	NGF-S (\$1,000)	Total Funds (\$1,000)
Interest arbitration award (IPs, assumes agency parity break)	\$126,406	\$252,780
ML caseload and per cap increases	84,127	156,336
New placement requests	13,877	26,262
IT system	9,661	39,571
Affordable Care Act (Gov assumed expansion)	967	7,355
Enforcement (investigators, license fees)	-3,714	5,580
NH Rate Changes	-28,652	-57,304
Total (excerpted items)	\$202,672	\$430,580

# 2013-15 Interest Arbitration Award

Description	IP Impact (GF-S, millions)	Agency Parity (GF-S, millions)
Wages	\$75.7	\$18.0
Pay Differentials	12.5	3.0
Health Care	23.4	5.8
Paid Holidays	2.7	0.6
Cert & Testing Fee	1.4	0.4
Mileage	7.6	1.8
Continuing Ed	<u>0.1</u>	<u>0.03</u>
Total	\$123.6	\$29.7

# Appendices

# Common Terms

- Adult Day Health: Day activity designed to provide rehabilitative and therapeutic interventions for LTC clients.
- Employment and Day: Services provided to DDD clients to enable them to access or be supported in employment or day activity.
- In Home: Care, services and supports provided to individuals in their own homes. Provided by Individual Provider or Agency Provider.
- Residential/Community Residential: Refers to care settings that are neither institutional or home based. For example, boarding homes, assisted living, adult family homes are all community residential facilities.
- Respite: Funding provided for caregiver of in-home client to hire respite caregiver.
- SOLA: State employee care model used in DDD.
- Supported Living: Contracted staff care model used in DDD.
- Waiver: Medicaid program that provides an alternative to the entitlement/institutional setting...five waiver programs in DDD, one in LTC.

# LTC Eligibility

(Functional and Financial Eligibility)

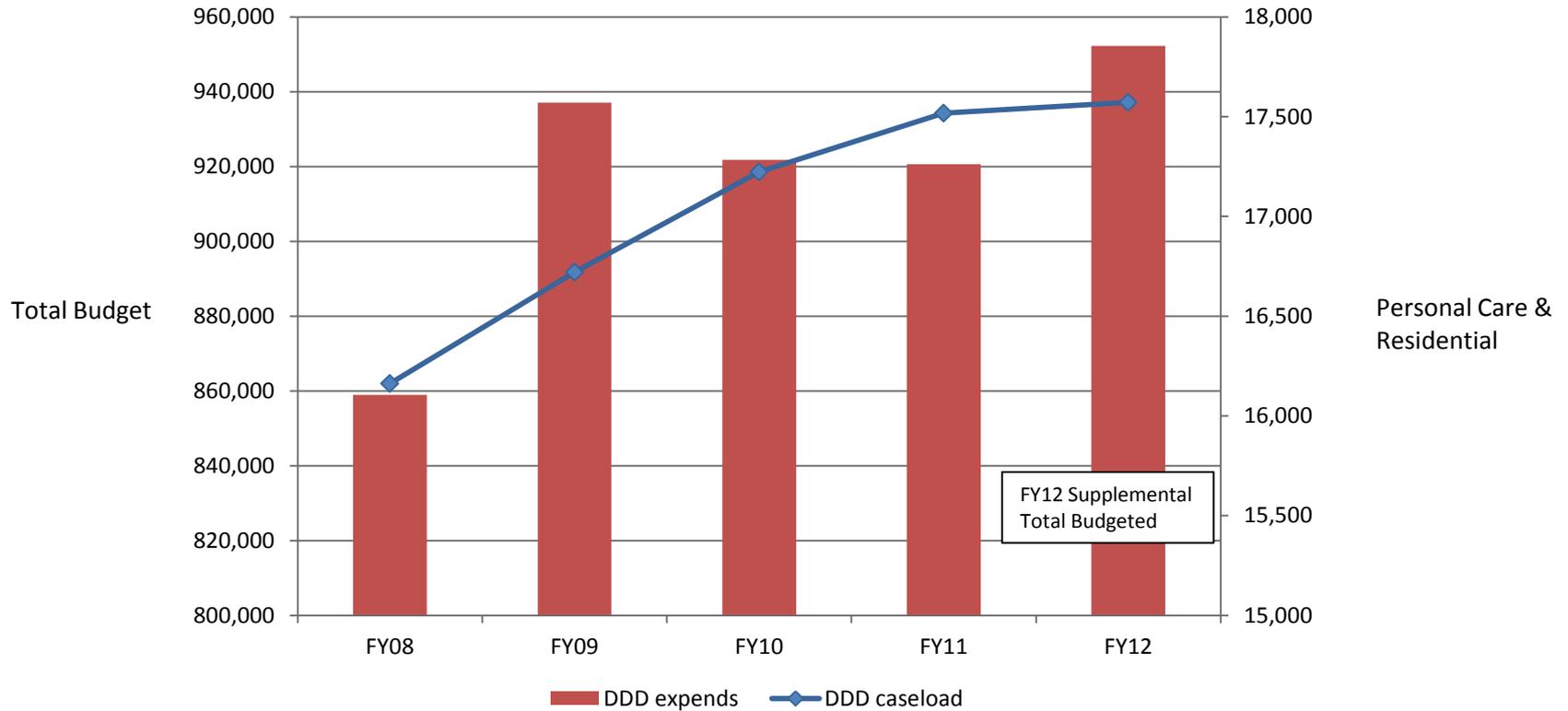
- Must meet functional eligibility:
  - Nursing Facility Level of Care (NFLOC) defined in WAC 388-106-0355
  - CARE assessment measures need and drives service authorization. Needs=activities of daily living (ADL) limitation, challenging behaviors, skilled nursing, lack of informal supports
- Financial eligibility
  - *Countable* income less than 100 percent of SSI for state plan services.
  - *Adjusted* income less than 100 percent of SSI for waiver services.
  - Limited assets (\$2,000 single, \$3,000 married)
    - Regulations guide the exemption and transfer of certain assets and the recovery of Medicaid costs from a client's estate.
    - Clients have the option of spending down into Medicaid eligibility.
      - Client's situation currently exceeds income or asset thresholds but they have high medical costs
      - Clients first spend their income/assets on care and then Medicaid pays.

# DDD Eligibility

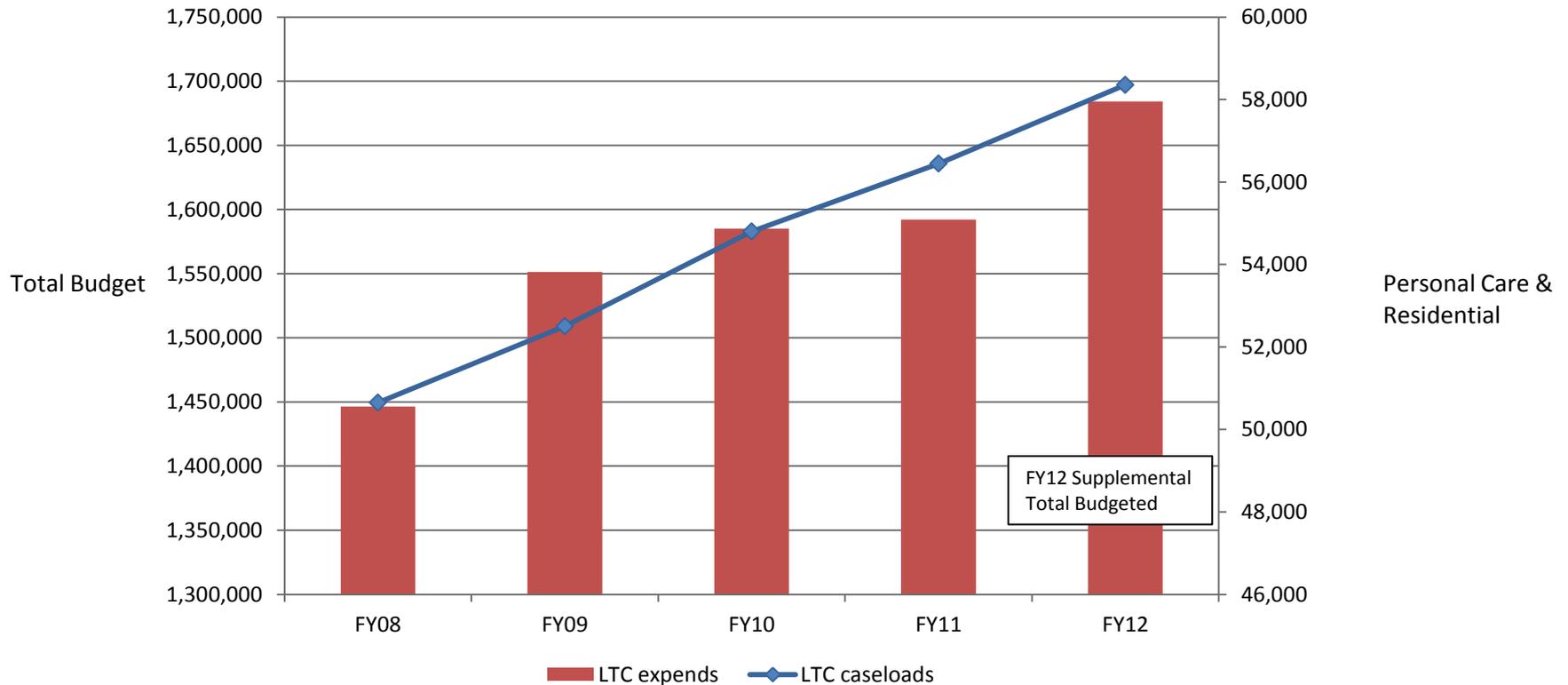
## (Functional and Financial Eligibility)

- Must have diagnosed developmental disability:
  - Present before 18
  - Expected to last lifetime
  - Results in substantial limitations to intellectual and/or adaptive functioning
  - Includes cerebral palsy, epilepsy, autism, intellectual disability (ID)
  - Could be other neurological condition requiring treatment similar to ID.
- Must meet functional eligibility:
  - DDD assessment measures need and drives service authorization.  
Needs=activities of daily living (ADL) limitation, challenging behaviors, skilled nursing, lack of informal supports
- Must meet financial eligibility:
  - 100 percent of SSI (\$700/mo) for state plan services
  - 300 percent of SSI (\$2,100/mo) for waiver services
  - Limited assets (\$2,000 single, \$3,000 married)
  - Person of 18 years or older qualifies based on their assets/income, not their parents

# Historical DDD Caseloads and Total Budget



# Historical LTC Caseloads and Total Budget



# Caseload Growth Drivers

(So you say there's a demographic bubble?)

Age	LTC IP/AP Participation Rate*	Number of participants				
		2000	2010	2020	2030	2040
50-54	.29**	1,136 391,757	1,436 495,296	459,309	470,342	527,540
55-59	.29**	285,510	1,314 453,078	484,324	449,976	514,646
60-64	.90	211,075	3,435 382,087	4,279 475,969	445,641	457,393
65-69	1.15	176,225	270,474	4,862 422,814	5,252 456,700	425,924
70-74	1.89	160,941	186,746	6,399 338,930	8,081 427,997	7,621 403,659
75-79	2.79	142,705	142,068	219,071	9,732 348,805	10,619 380,615
80-84	3.56	98,187	111,118	129,806	8,624 242,100	11,091 311,382
85+	3.39	84,083	117,271	136,943	198,350	11,531 339,846

\*Percent of total age band population participating in LTC IP/AP Medicaid Services, FY12 average.

\*\*Participation rate for age 18-59.

Source: Caseload Forecast Council staff