Maryland Department of Health and Mental Hygiene

201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – Laura Herrera Scott, M.D., M.P.H., Acting Secretary

January 20, 2015

The Honorable Martin O'Malley
Governor
100 State Circle
Annapolis, MD 21401-1925

The Honorable Thomas V. Mike Miller, Jr.
President of the Senate
H-107 State House
Annapolis, MD 21401-1991

The Honorable Michael E. Busch
Speaker of the House of Delegates
H-101 State House
Annapolis, MD 21401-1991

Re: SB 620/HB 946 (Chapters 426 and 427 of the Acts of 2004) and Health – General §15-135(g) – Report on Home- and Community-Based Long-Term Care Services

Dear Governor O'Malley, President Miller and Speaker Busch:

Enclosed please find a report pursuant to SB 620/HB 946 – *Money Follows the Individual Accountability Act*, which passed during the 2004 legislative session of the General Assembly. The report addresses the Department of Health and Mental Hygiene's efforts to promote home- and community-based services and to help nursing facility residents transition to the community.

If you have any questions or need more information on this subject, please contact Allison Taylor, Director of Governmental Affairs at (410) 767-6480.

Sincerely,

Laura Herrera Scott, M.D., M.P.H.
Acting Secretary

Enclosure

cc: Secretary Gloria Lawlah, Department of Aging
Acting Secretary George Failla, Department of Disabilities
Chuck Lehman
Mark Leeds
Allison Taylor
Sarah Albert, MSAR #8421

Money Follows the Individual Accountability Act Report
December 2014

Health-General Article §15-135 requires the Department of Health and Mental Hygiene (DHMH) to report to the Governor and the General Assembly on:

(1) DHMH's efforts to promote home- and community-based services;
(2) The number of nursing facility residents referred by nursing facility staff or identified on the Minimum Data Set assessments as expressing a preference to return to the community;
(3) The number of nursing facility residents who transitioned from nursing facilities to home- and community-based waiver services;
(4) Any obstacles DHMH encountered in assisting nursing facility residents to make the transition from a nursing facility to a community-based residence; and
(5) DHMH's recommendations for removing the obstacles.

This legislative report is intended to satisfy these reporting requirements.

BACKGROUND#

The Maryland Medicaid Program has offered home- and community-based services as an alternative to nursing facility placement for many years. Service options began to increase dramatically in 2001 with the implementation of two home- and community-based waiver programs designed to provide community-based services to older adults and individuals with physical disabilities, the Waiver for Older Adults and the Living at Home Waiver, respectively. Medicaid's home- and community-based services waivers are limited by enrollment caps and budget allocations. Since the Living at Home (LAH) Waiver and Waiver for Older Adults (WOA) began, they have been inundated with applications – most of them from individuals who live in the community, but some from individuals who live in nursing facilities. As a result, the LAH in December 2002 and the WOA in May 2003 closed to applicants from the community. Since that time, enrollment of applicants from the community has been limited.

When LAH and WOA closed to community applicants, DHMH created a Waiver Services Registry for each of the two waivers. The Registry is a central clearinghouse that collects contact information on individuals interested in receiving waiver services. In January 2014, LAH and the WOA were combined to create the Home and Community-based Options Waiver. In 2015 DHMH will combine the two Registries into a single Registry for the Home- and Community-based Options Waiver.

As the LAH approached its enrollment cap in November 2002, DHMH announced a new "money follows the individual" policy. Under this policy, an individual who has been a nursing home resident, paid for by Medicaid, for at least 30 consecutive days, can apply for waiver services, even if those waivers are closed to community applicants. The policy is now codified in the Annotated Code of Maryland, Health-General Article §15–137.

The range of community options continues to expand as the Medicaid Program implements provisions of the Affordable Care Act including Community First Choice, the Balancing Incentive Program, and the extension of the Money Follows the Person Demonstration. In 2014, numerous changes occurred across the home- and community-based service system in order to streamline existing programs, expand services to eligible individuals, and to maximize available federal funding opportunities.

EFFORTS TO PROMOTE HOME AND COMMUNITY-BASED SERVICES

In 2014, DHMH made a number of changes to the existing community-based long-term services and supports system. The most significant changes were related to the merging of the LAH and the WOA in order to create the new Home- and Community-based Options Waiver, and the creation of the new Community First Choice Program. By merging the waivers, Medicaid was able to standardize services, rates, and provider enrollment, as well as streamline administrative processes. The Community First Choice (CFC) Program was implemented at the same time as the waiver merger in order to expand the types of services available to community Medicaid-eligible beneficiaries, as well as take advantage of permanent enhanced federal funding.

CFC is a program created by the Affordable Care Act and offered by the Centers for Medicare and Medicaid Services (CMS). The State was approved to start the program effective January 6, 2014. Maryland's program offers all mandatory and optional services allowable under the program, including personal assistance services, emergency back-up systems, transition services, and items that substitute for human assistance. The State will collect an enhanced match on these services for the duration of the program. In order to maximize the enhanced federal match, the State consolidated similar services from three existing programs (services previously covered through LAH and WOA, as well as services covered through the State Plan personal care option for individuals needing a nursing facility level of care) and now offers them through CFC. This included removing CFC services from other programs to prevent duplication. These changes allow a more seamless experience for applicants and participants who may move between programs; standardization of rates, provider qualifications, and regulations across programs; and offer more choice and self-direction opportunities for participants of all three programs. Applicants and participants in these programs receive supports planning services which provide assistance with coordination of the eligibility and enrollment process as well as ongoing monitoring of service provision.

The Balancing Incentive Program. The Balancing Incentive Program (BIP), offered by CMS and created by the Affordable Care Act, provides financial incentives to States to increase community-based services as an alternative to institutional services. States that spend less than 50 percent of their long-term care dollars on community-based long-term services and supports (LTSS) receive a two percent increase in their Federal Medical Assistance Percentages (FMAP). In order to receive this enhanced FMAP, states must achieve a balance by spending at least 50 percent of their LTSS budget on home and community-based supports, and implement three structural changes: a No Wrong

Door/Single Entry Point System, conflict-free case management systems, and a core standardized assessment. Maryland was the second BIP state to be approved to begin collecting enhanced FMAP as of April 1, 2012. BIP structural changes must be completed within the program period ending September 30, 2015. Maryland estimates that an additional $106 million in federal funds will be generated by participation in BIP.

In the first 18 months of BIP participation, key deliverables completed include achievement of the community-based supports spending benchmark, implementation of a core standardized assessment across the LAH, WOA, and personal care programs, and statewide coverage by the Maryland Access Point sites, Maryland's name for the No Wrong Door/Single Entry Point System (NWD/SEP).

The 2014 BIP accomplishments are primarily related to enhancements to the LTSSMaryland Tracking System and the Maryland Access Point system. LTSSMaryland is the web-based eligibility coordination system for a number of home- and community-based programs; it also contains the In-home Supports Assurance System which is a telephonic timekeeping system for personal assistance providers. Maintaining eligibility and program information in a single system makes it possible to review participation and service utilization across multiple programs. New features that were added to the system in 2014 include Community First Choice, dynamic plans of service that change based on program type, the Brain Injury Waiver module, the Level One Screen, and the addition of the Waiver Services Registry.

Maryland Access Point. Initially funded and supported through a federal Aging and Disability Resource Center initiative of the Administration on Community Living and CMS, the Maryland Access Point (MAP) program serves as a trusted local resource that provides information about and access to long-term services and supports. MAP sites can be accessed in person or via phone and additional information can be accessed through the MAP website. The MAP program operates and maintains a statewide public web-based resource directory that provides an extensive database with a user-friendly search capability, consumer needs assessment and personal folder secure data sharing among agencies, and e-form capability, among other functions. In 2014 staff from the Department of Aging and Medicaid worked with the provider union in preparation for a new searchable personal assistance provider registry that will be hosted and maintained on the MAP website. The provider registry will be accessible to the general public, free of charge, and can be used by individuals searching for public and private-pay personal assistance providers. The new statewide toll-free number for the MAP program went live in June of 2014. The 866-MAP-LINK centralized phone number allows individuals to call from anywhere and be routed to their local MAP site or receive a warm hand off to the site of their choosing.

In addition to the statewide website, 20 local MAP sites are providing statewide coverage for all Maryland residents. The MAP expansion has been supported financially and programmatically from the MFP Demonstration and the Balancing Incentive Program. Standards of operation and partnership development have been established and the MAP sites operate as conduits for new federal initiatives, the purpose of which is to create

consistent standards across the MAP sites and develop programs that divert people from inappropriate and default transition to nursing homes. In 2012, Maryland Department of Aging received a $2.3 million three-year grant, from 2012 through 2015, to enhance options counseling statewide, to integrate the MAP initiative with the Balancing Incentive Program and other Affordable Care Act programs, and to develop a strategy for sustainability. In 2013, the MAP program was codified under Human Services Article §§10-1001 through 10-1004 of the Annotated Code of Maryland.

A strong partnership between the Maryland Department of Aging and DHMH has allowed for continued progress on the initiatives of the grant. One of MAP's strengths is to educate individuals on both publicly and privately funded services, make referrals to available programs, develop action plans for immediate needs, and to help people plan for future needs. The Level One Screen is a new tool the MAP sites started to use in 2014 to assist in these options counseling sessions. The Level One Screen can be accessed in person or over the phone, and is designed to be used to help determine service needs, prioritize individuals based on risk of institutionalization, and make referral recommendations. In 2015 the MAPs will administer the Screen to new callers that express an interest in waiver services. A separate process (using a contractor) will take place to contact all individuals on the combined Home- and Community-based Options Waiver Registry and administer the Screen in order to prioritize based on risk and target limited funding of waiver slots to those individuals that would be most likely to enter a nursing facility in the absence of services.

The MAP sites provide valuable services, such as options counseling and the Level One Screen, to individuals that are Medicaid eligible. This year DHMH worked with the Department of Aging to develop a plan for federal Medicaid reimbursement on the State and local dollars that support those administrative activities for Medicaid-eligible individuals. As more individuals seek long term services and supports, the federal match will be an important source of revenue to maintain and grow the MAP program to adequately meet the needs of Marylanders seeking assistance. The request to leverage State and local dollars in order to collect the federal match will be submitted early in 2015.

Money Follows the Person
In 2008, CMS awarded Maryland the Money Follows the Person (MFP) Demonstration grant to improve the transition process and increase the number of transitions from institutions, such as nursing facilities, to home- and community-based services. The goal of the MFP Demonstration is to offer additional resources to individuals in institutions by increasing outreach efforts and decreasing barriers to transition. The first MFP participant moved to a community residence on March 18, 2008. Since then, 2,117 individuals have transitioned to the community from institutions, including 1,915 individuals from nursing facilities, 152 individuals from State Residential Centers (with 108 from Rosewood) and 50 individuals from chronic hospitals, through the end of November 2014.

Several efforts for nursing facility residents have been implemented, including peer outreach and support, options counseling, and housing assistance. Nursing facility residents can receive assistance to complete waiver applications, navigate community resources, identify affordable and accessible housing options, apply for housing subsidies, and move from the facility to a community residence. Since July 1, 2009, DHMH and its representatives have conducted face-to-face outreach visits with 29,052 institutional residents, provided options counseling 13,689 times, and assisted nursing facility residents with 4,587 applications for home- and community-based waiver services.

Housing
As the housing needs have evolved, so has MFP's response to the issue. MFP initially hired and trained five housing specialists in 2011 to provide direct housing assistance to MFP applicants[1] that were eligible to apply for 112 vouchers that were reserved for nursing facility residents. All of the vouchers were awarded and a waitlist has been created to fill vouchers when there is turnover. MFP continues providing direct housing assistance, but has also broadened the focus to housing policy in order to work with partner agencies and develop a strategy to expand available housing stock over several years.

In 2013, Maryland was awarded $10.9 million from the US Department of Housing and Urban Development for the Section 811 Project Rental Assistance Demonstration Program (PRA Demo). The funds will be used to operate 150 units for non-elderly adults with disabilities with income at or below 30 percent area median income who are Medicaid recipients throughout the Baltimore/Washington Metropolitan Statistical Area (MSA). Applicants of the program must be eligible for Medicaid-funded community services and individuals transitioning from institutions through the MFP program will be given priority for the units. Since the award, the Maryland Partnership for Affordable Housing (MPAH), consisting of representatives from the Maryland Departments of Disabilities, Health and Mental Hygiene, and Housing and Community Development, as well as several non-profits and Centers for Independent Living, has developed trainings and program guidelines, as well as a web-based registry for interested individuals. The first PRA Demo units are projected to be available for lease in 2015.

In May of 2014, Maryland applied for an additional $10.9 million in funding through a second round of the PRA Demo. If awarded, the funds will be used to operate an additional 150 units for non-elderly adults with disabilities with income at or below 30 percent area median income who are Medicaid recipients throughout the State of Maryland.

MFP housing staff invested a significant amount of time providing training during the fall of 2014. The MFP housing trainings were targeted to supports planners and focused on direct housing assistance, including the documentation needed for housing, assessments

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[1] Living at Home Waiver applicants received housing assistance through the existing case management provider, MFP specialists worked primarily with applicants to the Waiver for Older Adults and applicants to state plan services.

that can be used to identify housing, how to prepare for an individual's transition, and how to support the individual to be a good tenant once they have moved to the community. The MFP housing training was provided to Supports Planning Agencies within the Baltimore/Washington MSA in order to ensure housing assistance would be available to individuals applying for the initial round of PRA Demo units. MPAH also held statewide trainings during the months of September and October for Supports Planning Agencies. The trainings provided supports planners with information related to the PRA Demo eligibility requirements, use of the MPAH web-based referral and registry system, and strategies for assisting people to transition to permanent supportive housing.

Plans are underway for a new round of the MFP Bridge Subsidy program. The MFP Bridge Subsidy program provides rental assistance until the individual is able to move onto a permanent housing subsidy issued through the local public housing authority. MFP Bridge Subsidy will provide a total of $2 million in statewide housing subsidies for MFP-eligible individuals transitioning from nursing facilities or State Residential Centers back to the community through the use of home and community-based waivers. Implementation of MFP Bridge Subsidy will take place in February 2015.

THE NUMBER OF INDIVIDUALS REFERRED BY NURSING FACILITIES OR IDENTIFIED BY THE MINIMUM DATA SET

The Minimum Data Set is a federal assessment for all nursing facility residents, regardless of payer. MDS assessments, conducted at admission and annually, ask whether the resident has expressed a preference to return to the community. A resident is defined as any person staying within the nursing facility, regardless of their expected duration of stay or if they maintain another official residence elsewhere.

CMS implemented a new version of the MDS assessment on October 1, 2010. As part of the revised assessment, there was a new requirement for states to create a Local Contact Agency (LCA) responsible for responding to requests for information about community living. The MFP demonstration was designated as the LCA for Maryland, responding to MDS referrals by providing options counseling to all interested nursing facility residents, regardless of Medicaid eligibility or payment source. In November 2013, a daily MDS electronic feed was implemented into the LTSSMaryland tracking system to automate the referral process. Since its implementation on October 1, 2010 through December 10, 2014, the MFP demonstration has received and responded to 11,946 referrals including 8,581 referrals for individuals who are not eligible for Medicaid.

THE NUMBER OF INDIVIDUALS WHO HAVE TRANSITIONED FROM NURSING FACILITIES TO HOME AND COMMUNITY-BASED WAIVER SERVICES

Since the LAH closed to community applicants in December 2002 through January 5, 2014, 1013 individuals have transitioned from nursing facilities to the community through the waiver.

The WOA closed to community applicants in May 2003. From Fiscal Year 2003 through January 5, 2014, there were 3,265 individuals who transitioned into the waiver directly from a nursing facility, or had been in the nursing facility (paid by Medicaid) within the previous three months prior to enrolling in the waiver.

Since the inception of the Home- and Community-based Options Waiver on January 6, 2014, through December 15, 2014 there have been 140 individuals in a nursing facility within the previous three months that transitioned into the waiver.

OBSTACLES CONFRONTED IN ASSISTING NURSING FACILITY RESIDENTS TO MAKE THE TRANSITION FROM A NURSING FACILITY TO A COMMUNITY-BASED RESIDENCE

The primary obstacle for individuals that wish to transition from a nursing facility to a community-based residence is the lack of affordable, accessible housing. Housing affordability for individuals on public benefits is difficult everywhere, but Maryland is one of the least affordable in the country. Traditional "extremely low-income" programs that target individuals at 30 percent of area median income are still not affordable for the population of Medicaid beneficiaries that receive Supplemental Security Income (SSI). In order to make truly affordable housing for SSI recipients in Maryland, rents must be subsidized down to 13 percent of area median income. It is necessary to provide outreach and education to developers and housing financers so that they understand that even the extremely low-income housing programs are still out of reach for a significant number of individuals that rely on Medicaid-funded home- and community-based services.

RECOMMENDATIONS FOR REMOVING THE OBSTACLES CONFRONTED IN ASSISTING NURSING FACILITY RESIDENTS TO MAKE THE TRANSITION FROM A NURSING FACILITY TO A COMMUNITY-BASED RESIDENCE

MFP funding supports dedicated housing staff through the end of the demonstration, but in order to maintain the progress that has been achieved in the housing arena, DHMH needs staff committed to expanding existing relationships and developing new ones in the area of housing. Medicaid, the State Housing Finance Agency, developers, public housing authorities, and advocates must work together to find solutions that will allow individuals to have safe, affordable, accessible housing. Overall, it is necessary to conduct outreach to builders and developers so they understand the demand for affordable, accessible housing, as well as provide education to landlords and property managers so they understand the supports and services that are available to individuals that receive home and community-based services. Without a sufficient supply of safe, accessible, affordable housing, low-income individuals that could be served in the community will remain in nursing facilities.