

Testimony
Department of Human Services
Human Services Interim Committee
Representative Chuck Damschen, Chairman
April 9, 2014

Chairman Damschen, members of the Human Services Interim Committee, I am Karen Tescher, Assistant Director of the Long Term Care Continuum in the Medical Services Division for the Department of Human Services (Department). I appear before you today to provide information regarding the feasibility of implementing suggested changes for home and community-based services that were brought forward during prior committee meeting testimony.

Replication of Community of Care Model

This is the third biennium that state funding, appropriated through the Department, has been provided to the Community of Care organization. The funding provided has been \$120,000 per biennium.

In order to replicate the Community of Care model in other communities in North Dakota, a mixture of revenue including state general funds, local support, grants, memberships, donors and fundraisers would be necessary. Replication of this model would also require a strong emphasis on recruiting and retaining volunteers as volunteerism within the community is an integral component in the success of the current model.

Certain services are difficult to provide due to the lack of qualified service providers (QSPs) as well as the necessary travel.

Please see [Attachment A](#) which is a map of the current number of QSPs and a distribution of agency and individual QSPs per county.

Currently, there are 1,584 individual and 144 agency QSPs enrolled with the Department.

The marketing activities which have taken place by the Direct Service Workforce Coordinator to educate and encourage more individuals to become QSPs are:

- Traveled to 21 counties for QSP sessions. Approximately 90 have attended the sessions.
- Completed a Request For Proposal (RFP) to solicit proposals for marketing consultation in an attempt to increase awareness and promote careers in the area of Direct Service Workforce. The contract resulting from the RFP is scheduled to be awarded on May 2, 2014.
- Held an informational session at the Burdick Job Corps for 35 students to introduce them to the Direct Service Occupations.
- Began conducting meetings with individuals that will be involved with the Work Force Committee - the meetings are to secure a clear understanding of the major issues and to help define possible initiatives. From the major focus issues we will then form sub-committees to work on the specific issues.

The Rural Mileage Differential went into effect on January 1, 2014. The purpose of the rural differential is to create greater access to home and community-based services for recipients who reside in rural areas

of North Dakota by offering a higher rate to QSPs who are willing to travel to provide services. QSPs that are willing to travel at least 21 miles round trip to provide care to authorized recipients in rural areas, will be reimbursed at a higher rate. QSPs are not paid for the time they drive to or from the recipient's home; the rural differential rate may only be claimed for the time spent providing services.

Please see [Attachment B](#) which shows the number of QSPs receiving the mileage differential and the location of the recipients they are serving.

Addition of another level of service under Service Payments for Elderly and Disabled (SPED) by reducing the number of impairments needed to qualify for services.

Case managers and county directors have indicated that there is an increasing number of individuals applying for home and community-based services under the SPED funding source that are very close to qualifying, but fall short of meeting the functional eligibility criteria. In their request, the case managers and county directors have indicated the care needs of these individuals are minimal, but they cannot afford to pay for services. An additional program option such as *SPED Limited* would allow individuals to receive services in their homes. Services could include Lifeline, homemaker services; and minimal case management. The *SPED Limited* program may result in individuals being able to stay in their own home for a longer period of time. Based on information previously provided by the counties and considering a July 1, 2016 effective date, the projected cost for 765 recipients for the 2015-2017 biennium would be approximately \$2.5 million, of which \$2.3 million are general fund and \$0.1 million are county funds. (Assuming the same 95% State/5% County funding that

is currently in place for the SPED program.) The projected cost includes one FTE to administer the new program; the FTE would have a hire date of January 1, 2016. The FTE would be responsible for creating policy and providing education and training for providers, as well as the day to day management of the program including working with counties and reviewing case plans and oversight of program funding. The estimated cost does not include any increase that may be needed with the rural mileage differential as information would be needed from the counties to determine the number of recipients that would require the differential. If *SPED Limited* was implemented, the estimated cost of the differential would need to be considered and would increase the total estimated costs.

A need for medical transportation and escort to be included in allowable tasks under the current funding sources.

Currently, if an individual is eligible for Medicaid, they can receive medical transportation by an enrolled transportation provider. Comments provided in earlier testimony included the need for health care/resource interpreters to accompany the recipient into the medical appointments to assist in receiving medical information and helping with understanding the information received from a medical provider. This would be outside the scope of what a QSP could provide and may be more appropriate for a family member to fill that role. The case manager can help refer and arrange for family members and the recipient to attend scheduled appointments, while the QSP role centers on providing personal care services to the recipient.

Non-medical transportation and escort services are allowable under the home and community-based services area in order to assist recipients with necessary community tasks; i.e., shopping.

Concern with requiring recipients to apply for Medicaid if they need personal care. Currently, if a recipient has \$1,038 or less per month of income after medical deductions, they would not have a cost-share under the SPED program; however, if that individual needs bathing assistance and has minimal assets, they are required to apply for and, if approved, access these services through Medicaid.

Considerations if individuals were allowed to choose between Medicaid and SPED:

- Individuals receiving services through the SPED program, are exempt from estate recovery while Medicaid recipients are subject to estate recovery at the time of their death.
- Currently, there are 11 individuals on Medicaid that would exceed the SPED service cap of \$3,269. It would be to their benefit to remain on Medicaid in order to receive the amount of personal care they require.
- We estimate there are 65 individuals that are currently only receiving personal care through Medicaid that are below the SPED cap. If they were allowed to receive their personal care services through the SPED program, it is estimated to cost an additional \$1 million in general fund for the 2015-2017 biennium. This extra cost is the result of losing the federal Medicaid match and because the recipient would no longer be paying their recipient liability. This estimated cost only includes the current recipients and does not include any growth for individuals who may need the service, but have chosen not to enroll for Medicaid service to avoid the recipient liability. Of the 65 individuals, 30 are paying less than \$100 per month in recipient liability, while 7 are paying over \$500 per month. The 65 individuals are paying approximately \$348,000 per biennium in recipient liability.

Recommends an increase in medical expense deductions for the SPED program. Current allowance is \$350 for an individual and \$700 for a couple, including health insurance.

The medical expense deductions have not been adjusted for at least seven years.

There are currently 1,200 SPED recipients. 1,085 of the recipients do not pay any fee based upon the sliding fee scale.

Of the remaining 115 recipients, with a fee;

- 46 recipients pay less than \$50 per month,
- 35 recipients pay between \$50-\$149 per month,
- 27 recipients pay between \$150-\$499 per month, and;
- 7 recipients pay between \$500-\$1,285 per month.

If the medical expense deductions for SPED were changed from \$350 to \$500 for individual recipients and from \$700 to \$1,000 for families, we estimate that only 67 individuals would continue to pay a fee:

- 25 recipients would pay less than \$50 per month,
- 24 recipients would pay between \$50 and \$149 per month,
- 15 recipients would pay between \$150 and \$499 per month and;
- 3 recipients would pay between \$500 and \$1,141 per month.

Recommend a funding provision for services that address the growing issue of loneliness and isolation

The Department could develop a service to allow two hours per week of companionship for individuals that would meet nursing facility level of care. The service would be limited to individuals that are living alone and family members would not be paid for this service. Eligible recipients would likely be the population most commonly unable to be out in the community for socialization due to their medical conditions. These individuals are generally at the greatest risk for

institutionalization. This service would be for individuals currently receiving personal care service levels B and C and those individuals being served on the HCBS waiver.

We believe this service would be utilized by no more than 50% of the individuals that currently meet nursing facility level of care. If the companionship service was implemented, we anticipate a July 1, 2016 start date. The cost for one year would be .6 million of which .3 million is general fund. The estimated cost for a biennium would be approximately \$1.1 million of which \$.55 million is general fund.

I will be happy to answer any questions that you may have.