

Testimony
Department of Human Services
Health and Human Services Committee
Representative Robin Weisz, Chairman
June 16, 2010

Chairman Weisz, members of the Health and Human Services Committee, I am Karen Tescher, Assistant Director of the Long Term Care Continuum in Medical Services, for the Department of Human Services. I am here today to provide you with a comparison of the costs associated with the Money Follows the Person (MFP) demonstration grant services to the costs associated with nursing facility or intermediate care facility services.

The MFP budget for the 09-11 biennium includes funding for one FTE and the related operating costs totaling \$179,699 and \$195,225 for supplemental service payments and transition coordination service costs.

The supplemental demonstration services provided by the grant include payments for transition related expenses such as accessibility equipment and modifications, health and safety technology, apartment furnishings, security and utility deposits, home modifications, adaptive equipment and/or assistive technology, household supplies, and one time vehicle modifications. \$3,000 is budgeted for each transition.

The transition coordination service provides assistance and support prior to discharge and for one year following transition.

The first MFP transition occurred in August of 2008, and to date there have been a total of 31 transitions from nursing facilities and Intermediate Care

Facilities (ICFs). Of those total numbers, 17 have transitioned from nursing facilities and 14 have transitioned from ICFs.

Of the total 31 transitions, six individuals have completed the 365 days of enhanced MFP funding following the transitions. The information represents six individuals that have been transitioned for at least one year. Of the six individuals, three were transitioned from ICFs and three transitioned from nursing facilities.

For comparison of costs associated with institutional care and transition to the community, data was collected for all costs one year prior to transition and one year following transition.

Nursing Facility Transitions:

- Institutional cost for the three nursing facility transitions: \$124,172.74 with an average annual cost of \$41,390.91.
- Pre transition medical costs: \$1,510.37 with an average annual cost of \$503.46.
- Pre transition medication costs: \$7,050.61 with an average annual cost of \$2,350.20. Only two of the three had medication costs due to Medicare Part D covering the medications for the remaining individual.
- Total cost to the Medicaid program for the year prior to transition was: \$132,733.72 with an average of \$44,244.57.

The post transition costs for the year after transition:

- Transition Coordination: \$5,850.00 with an average of \$1,950.00.

- Supplemental Services: \$5,736.87 with an average of \$1,912.29.
- HCBS Services: \$90,428.05 with an average of \$30,142.68.
- Post transition Medical Costs: \$13,860.81 with an average of \$4,620.27.
- Post transition Medication costs: \$743.98 with an average of \$247.99.
- Total cost to the Medicaid program for the year following transition was: \$116,619.71 with an average of \$38,873.23.
- Two individuals transitioned to their own apartment and one transitioned to the Program of All Inclusive Care for the Elderly (PACE).

Intermediate Care Facility Transitions:

- Institutional costs for the three ICF transitions: \$347,640.56 with an average annual cost of \$115,880.19.
- Pre transition Medical Costs: \$8,929.05 with an average annual cost of \$2,976.35.
- Pre transition Medication costs: \$7,012.44 with an average annual cost of \$2,337.48.
- Total cost to the Medicaid program for the year prior to transition was: \$363,582.05 with an average annual cost of \$121,194.02

Post Transition Costs for one year:

- Supplemental Services: \$8,417.86 with an average of \$2,805.95
- Transition Coordination Services: \$656.75 with an average of \$218.91.
- HCBS Services: \$281,255.71 with an average of \$93,751.90
- Post Transition Medical: \$4,763.69 with an average of \$1,587.89
- Post Transition Medication: \$7,756.02 with an average of \$2,585.34

- Total cost to the Medicaid program for the year following transition was \$302,850.03 with an average of \$100,950.01.
- Two individuals transitioned to a Minimum Supported Living Arrangement (MSLA) and one individual transitioned to an Individual Supported Living Arrangement (ISLA).

This concludes my testimony. I will be happy to answer any questions you may have.