STATEMENT
DC Coalition on Long Term Care
Committee on Health
Performance Hearing
DC Department of Health Care Finance
March 10, 2011

Thank you very much for this opportunity to testify on the performance of the DC Department of Health Care Finance in this its fifth month of official existence. I am Judith Levy, Coordinator of the DC Coalition on Long Term Care. Since its formation in 1995, the Coalition's consumers, advocates and health care providers have worked with a succession of Medicaid officials to expand home and community -based long term care programs to help DC low- income residents with chronic health care needs. The Coalition has often brought to the attention of this Committee problems which have created barriers to the full development and utilization of home and community- based services for low-income DC residents. These issues have included: delays in the processing of applications and recertification for services under the Elderly and Persons with Physical Disabilities Medicaid Waiver (EPD waiver); problems with Medicaid transportation services; inadequate wages and access to health benefits for the home care workers who are reimbursed through Medicaid.

During the past year Coalition members have seen many improvements and successes under the leadership of Julie Hudman as Director, and the dedication and energy of the existing staff and the new staff have focused on improvements in the Department's policies, programs and operations and they still find time to develop new

initiatives. Today providers and consumers are faced with the challenge of a change in leadership and staff. The current economic situation makes this period even more difficult. These programs are lifelines to one-third of the city's residents who live in poverty and to the newly unemployed.

Prior to the end of the year, DHCF instituted a dramatic change with the reduction of the State Plan Personal Care services. These services went from 1040 hours a year to 520 with the goal of moving most of these clients to the EPD Waiver. Coalition members are reporting delays in the processing of EPD Waiver applications and the inability of DHCF to keep up with new applications or waiver recertification. Advocates and providers are also concerned that increased clients in the EPD Waiver Program will lead to clients placed on a waiting list. We all know how difficult it is to manage a waiting list. The failure of DHCF to process the waiver recertification paperwork has resulted in waiver clients having their Medicaid terminated. These are clients who could easily deteriorate without assistance causing them to need more costly nursing home placement.

In addition to these concerns, providers are not being reimbursed in a timely manner. While they cannot terminate waiver services because of this issue, some of them are considering dropping out of the program. We understand the need for the District government to monitor and control unnecessary expenditure but it must also be aware of unintended consequences.

Fortunately, the Department's communications with consumers have been enhanced by the development of an Ombudsman Office under the able and thoughtful direction of Maude Holt. This program appears to be a success with providing consumers of Medicaid and private health care programs the opportunity to have problems or concerns addressed by a knowledgeable staff. As the implementation of the Affordable Care Act progresses and increases the numbers covered for health care we urge the Council, we urge the Council to make sure this program is adequately staffed. Our only concern is that there must be sufficient staff available to quickly assist the great number of persons seeking assistance. Complaint resolution requires careful investigation, technical knowledge and patient persistence. Time is of the essence in many cases. The success of the program will require sufficient knowledgeable staff to meet the challenges.

Finally, we wish to highlight the progress of two Waiver expansion programs not yet fully implemented. Both Money Follows the Person and Participant-Directed Programs have been in development for many years. Due to staff changes the work that had been progressing on the Participant-Directed Services has come to a screeching halt. The Money Follow the Person continues to be developed under the dedicated work of Leyla Sarigol., Project Director. It has been almost 10 years since the work on these programs have been initiated. Other jurisdictions have successfully implanted these programs.

<u>The Affordable Care Act – health reform—includes programs to expand consumer access to home and community based care.</u> That's good for consumers and good for state

economies. The Affordable Care Act doesn't just expand access to medical care. It also establishes several programs that will help expand access to long-term care, particularly home- and community based care, for people with disabilities and seniors who need those services. That's things like home health aides to assist with daily activities; help with meal preparation; training for individuals to be more independent; and, other help that can make it possible for people to stay in their homes and avoid moving into an institution. States can provide home-and community-based services for less money per person than nursing home care, so shifting the focus from institutional care to home care can save states money.

- In DC, average Medicaid spending on home- and community-based care for seniors and adults with disabilities is about 75 percent less per person than nursing home care.
- A study of 10-year Medicaid costs found that states that have established homeand community-based care programs saw an average 8 percent reduction in Medicaid spending, where states without well established programs saw nearly a 9 percent increase in overall Medicaid long-term services spending. (January 2009 Health Affairs).

Health reform sets up new programs that will make it easier for states to expand home and community based care and gives states added federal payments if they take these programs up. New programs in health reform are designed to make it easier for states to offer home and community based services.

- Community First Choice Option is a new statewide program for home and community based personal attendant services that will give states a six percentage

point increase in their federal Medicaid payments for program costs. The administrative process for offering this program is also easier than what is required for a lot of the home- and community- based programs now.

- The State Balancing Incentive Payments Program gives extra federal dollars to participating states that agree to make administrative changes in Medicaid that have been shown to help expand consumer access to home- and community-based services. The program essentially helps states fund up front administrative costs to support strong home- and community- based services.
- Health reform also extends and expands some existing programs that give more people access to home care in Medicaid. For example, it extends Money Follows the Person, a program that helps people in Medicaid move out of institutions and back into the community.

The District cannot afford to go backwards. For these and many other reasons, the Coalition is grateful for this opportunity to provide these comments on the performance of the Department of Health Care Finance. Department of Health Care Finance is performing so ably.