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## Early Learning & Human Services Committee

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### SSB 6387

**Brief Description:** Concerning individuals with developmental disabilities who have requested a service from a program that is already at capacity.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Hill, Hargrove, Ranker, Fain, Braun, Tom, Dammeier, Parlette, Becker, Schoesler, Hewitt, Bailey, King, Angel, Roach, Keiser, Litzow, Kohl-Welles, O'Ban, Conway and Benton).

#### Brief Summary of Substitute Bill

- Requires the Department of Social and Health Services (DSHS) to implement a Medicaid program to replace the Individual and Family Services program by May 1, 2015, and the number of clients served in this new program must increase by 4,000 by 2017.
- Requires the DSHS to expand the Home and Community-Based Services Basic Plus waiver client caseload beginning June 30, 2015, which must be increased by 1,000 individuals by 2017.
- Requires the DSHS to refinance Medicaid Personal Care services under the Community First Choice Option.

**Hearing Date:** 2/24/14

**Staff:** Luke Wickham (786-7146).

#### **Background:**

There are a number of services available to individuals with developmental disabilities in Washington. The Developmental Disability Administration (DDA) provides services such as housing, medical care, personal care, and job training.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Some individuals receive care in Residential Habitation Centers (RHCs) and others receive services in community living situations or their own homes. There are four RHCs in Washington including Lakeland Village, Yakima Valley School, Fircrest School, and Rainer School.

Intermediate Care Facility Services and Medicaid Personal Care (MCP) services are guaranteed under Medicaid if people meet financial and disability eligibility criteria. However, other services available under the Medicaid waiver for Home and Community Based Services depend on additional eligibility criteria and the availability of funds.

#### Individual and Family Services Program.

The Individual and Family Services Program (IFS) supports families who are caring for a family member with a developmental disability in their home. The supports provided through IFS are intended to keep eligible individuals at home with parents or relatives. The IFS services that families may receive include:

- respite care;
- therapies;
- architectural and vehicular modifications;
- equipment and supplies;
- specialized nutrition and clothing;
- excess medical costs not covered by another source;
- co-pays for medical and therapeutic services;
- transportation;
- training;
- counseling;
- behavior support;
- parent/sibling education; and
- recreational opportunities.

#### Home and Community Based Services Basic Plus Waiver.

The Medicaid Home and Community-Based Services (HCBS) waiver permits Washington to provide home and community-based services that assist Medicaid beneficiaries to live in the community and avoid institutionalization. The Basic Plus waiver serves individuals who meet the Intermediate Care Facilities for Individuals with Intellectual Disabilities guidelines and choose to live in their community. The HCBS Basic Plus Waiver is managed by the Aging and Disability Services Administration and the Division of Developmental Disabilities within the Department of Social and Health Services (DSHS).

#### Medicaid Personal Care.

The MPC program provides assistance with activities of daily living to individuals who are eligible for non-institutional categorically needy or alternative benefit plan medical programs. The services provided through MPC include assistance with bathing, dressing, eating, meal preparation, housework, and travel to medical services. This service is provided in the person's own home or adult family home. Federal matching funds cover 50 percent of the cost for personal care services under MPC.

#### Community First Choice Option.

The Community First Choice Option (CFCO) is a Medicaid program that allows states to receive a six percent increase in federal matching payments. Eligibility for this program is based on

income and a determination that but for the provision of home and community-based services, the individual would need to reside in a nursing home or other institution. The services provided through the CFCO are based on an individual care plan developed through an assessment.

The required services through the CFCO include:

- assistance with activities and instrumental activities of daily living;
- acquisition, maintenance, and enhancement of skills to complete those tasks;
- back-up systems, such as beepers, that will ensure continuity of care and support; and
- training on hiring and dismissing attendants.

There are also additional optional services through the CFCO, including transition costs and additional items that will increase an individual's independence or substitute for personal assistance.

The CFCO is an entitlement program with no caps or targeting by age, severity of disability, or any other criteria.

#### State Auditor's Developmental Disability Program Evaluation.

The State Auditor released a Developmental Disabilities Program Evaluation (Evaluation) on July 31, 2013. This Evaluation reported that of the 35,150 individuals who have applied and are eligible for services, 15,100 individuals are on the waitlist, 7,800 individuals receive partial services, and 12,500 individuals receive full services. Those on the waitlist have been waiting an average of three and a half years. The report found that supporting a client in an RHC incurs twice the average cost of the most expensive community-based residential service option. It found that there are virtually no crisis stabilization programs at the community care level near the majority of clients. It also found that the opportunities for integrated employment depend largely on where a person lives.

The Evaluation also made recommendations that the Legislature set policy that directs the DDA to develop strategies to maximize cost-effective service options and set policy to reduce the number of eligible people awaiting services. It also recommended that the DDA should provide financial incentives to counties to encourage equal access to integrated, individual employment for clients regardless of where they live in the state.

#### **Summary of Bill:**

After an individual is considered eligible for services by DSHS, that individual may request an assessment for eligibility for Medicaid programs and specific services provided by the DDA. The Secretary of DSHS shall prioritize services to Medicaid eligible clients. Services available through the state Medicaid plan must be provided to eligible individuals. The DSHS shall develop a service request list database for eligible individuals and have an unmet need for programs offered under a home and community based waiver, but the provision of a specific service would exceed budgeted capacity.

The DSHS must implement a Medicaid program to replace the IFS program for Medicaid-eligible clients by May 1, 2015. The program must offer services that resemble those currently offered by the IFS program. The DSHS must expand the client caseload beginning June 1, 2015. By June 30, 2017, the DSHS must increase the number of clients served in the new Medicaid

program by 4,000 individuals from the number of individuals served in 2014 by IFS. The DSHS is authorized to use the funds previously provided for the IFS program to cover the costs of increasing the number of clients served in the new Medicaid program. To the extent possible, DSHS must use savings from refinancing Medicaid personal care services under the CFCO to offset costs for the increased client caseloads in fiscal years 2016 through 2019.

The DSHS must expand the home and community-based services basic plus waiver client caseload beginning June 30, 2015. By June 30, 2017, the DSHS must increase the number served on this program by 1,000 individuals from the numbers served in 2014. The DSHS is authorized to use funds previously provided for the IFS program to cover the costs of increasing the number of clients served in the basic plus waiver program. To the extent possible, DSHS must use savings from refinancing MPC services under the CFCO to offset costs for the increased client caseloads in fiscal years 2016 through 2019.

The DSHS shall refinance MPC services under the CFCO. Beginning July 1, 2014, the DSHS must seek stakeholder input on the program design prior to the submission of a proposal. The CFCO must be designed in a way to meet the federal minimum maintenance of effort requirements and all service requirements. Without legislative authorization, the per capita cost of all services offered in the CFCO benefit design, including required and optional services, may not exceed a three percent increase over the per capita cost before the refinance. The CFCO must be fully implemented by August 30, 2015. In fiscal year 2015, the DSHS must use savings from the implementation of a Medicaid program replacing the IFS program to cover the 2015 costs of refinancing under the CFCO. For the 2015-2017 and 2017-2019 biennia, the DSHS shall use savings from the refinance under the CFCO to offset costs related to implementation of the Medicaid program replacing IFS and expanding the caseload of that program and the home and community-based services basic plus waiver program.

The term assessment is defined as an evaluation provided by DSHS to determine whether an individual meets the functional and financial criteria for Medicaid services and an individual's support needs for service determination.

The term "service request list" is defined as a list of eligible persons who received an assessment which determined eligibility for services, but services were denied due to funding limits.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.