

turning knowledge into practice

New Directions in HCBS: Cash and Counseling and Money Follows the Person

Presented by

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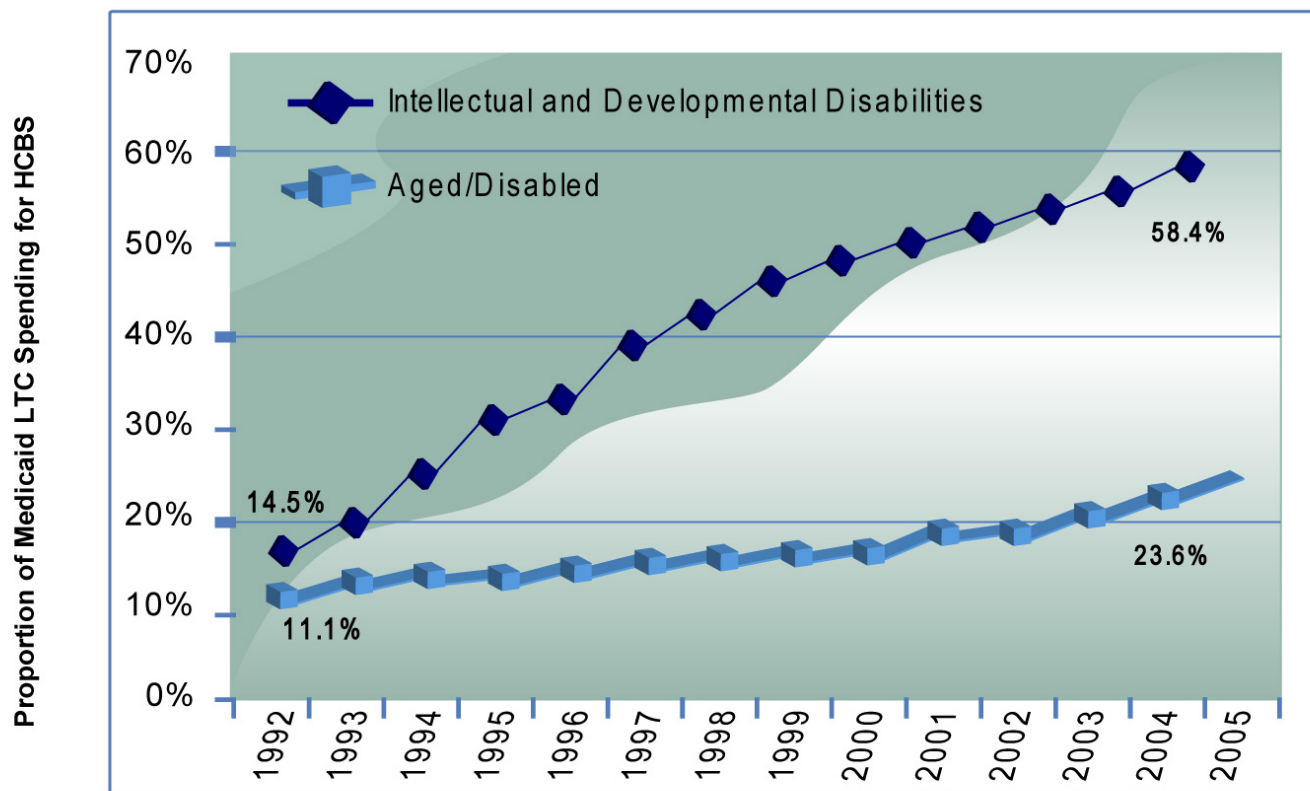
Long-Term Care Policy at Federal Level

- Little agreement on financing reform
- Broad bipartisan consensus to change delivery system
 - Change balance of institutional and home and community-based services
 - Give consumers greater control over their services

Percent Medicaid LTC for HCBS for Aged/Disabled and Developmentally Disabled, 1992 to 2005

Medicaid LTC Devoted to HCBS

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Source: 2006 Thomson Healthcare Medicaid LTC Data, Lewin Analysis. Long-term care includes nursing facility, state-plan personal care and home and community-based waivers for the aged and disabled. ICF-MR and MR/DD waivers for intellectual and developmental disabilities.

Consumer Choice as a Strategy for Reducing Institutional Use

- Aging and Disability Resource Centers
- ***Consumer direction, including cash and counseling***
- Residential care facilities
- ***Money follows the person***

Cash and Counseling

- Case and Counseling is a form of consumer-directed home care
- In traditional system, case managers decide what services consumers will receive and restrict choice of providers to agencies
- Under consumer-directed home care, consumers hire, fire, direct, train, and schedule

Cash and Counseling (cont.)

- In Cash and Counseling, people with disabilities have a “budget,” used mostly as a voucher.
- People with disabilities also have greater choice in what services they receive, not just who provides it
- Deficit Reduction Act of 2005 allows states to implement “Cash and Counseling” without a waiver
- The Netherlands, United Kingdom, Germany and Austria

Cash and Counseling Demonstration

- Demonstration sponsored by Office of the Assistant Secretary for Planning and Evaluation, Centers for Medicare & Medicaid Services, and Robert Wood Johnson Foundation
- AR, FL, NJ; randomized controlled trial among people volunteering for the demonstration
- Evaluation conducted by Mathematica Policy Research, Inc.; results summarized in special issue of *Health Services Research*, February 2007
- Robert Wood Johnson Foundation sponsoring technical assistance to help states replicate

Cash and Counseling Demonstration Results

- Satisfaction higher for Cash & Counseling group than for agency-directed group
- Successful with people with severe disabilities and with younger adults and older people with disabilities
- 2/3 choose family and friends as providers
- Not cheaper, although reduction in nursing home and hospital costs partly offset increased personal care costs.
- More costly because people more likely to use the authorized level of services

Money Follows the Person (MFP)

- Key components
 - Nursing facility transition program to move people out of institutions
 - A flexible budget or no waiting list for home and community-based services waivers
- Different approach:
 - Developmental disabilities historically focused on deinstitutionalization
 - Older people and younger adults with physical disabilities focused on diversion at admission

Money Follows the Person Demonstration

- Prodded by younger people with disabilities, Money Follows Person challenges this notion
- Deficit Reduction Act of 2005 mandates a large scale demonstration
- Financial incentive to states—higher federal Medicaid match for one year for people transitioned from institutions to community
- 31 States planning to transition almost 38,000 people, over 5-year period, almost half older people

MFP Questions

- How many institutionalized people want to be transitioned and can do so at a reasonable cost?
- Are transition services adequate to move people?
- Are community services and housing available?

MFP (cont.)

- Does MFP save money?
 - Advocates argue:
 - ◆ Targeting population already using institutional care
 - ◆ Lower cost of care at home
 - Many people already transition to community
 - Identifying people to transition and services
 - Cost per person in the community
 - Acute care costs
 - Room and board
 - Excess demand for nursing home care

Conclusions

- Cash and Counseling and Money Follows the Person present new concepts of people with disabilities
- Assume people can make decisions on what services to receive and from whom (in some cases, family)
- Expand concept of who is able to live in the community by breaking down notion of continuum
- Initiatives are for people with severe disabilities as well as light or moderate disabilities

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