

oppaga Progress Report



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Other Initiatives to Decrease Long-Term Care Costs Should Accompany Medicaid Waiver Expansion

at a glance

The Legislature has increased funding for the Assisted Living for the Elderly Medicaid Waiver annually since Fiscal Year 1997-98. The Medicaid waiver pays for additional services, including extended congregate care (ECC) services, for eligible low-income residents in assisted living facilities. However, this expansion has not been done in conjunction with some of the other alternatives for reducing the cost of long-term care, such as placing additional limits on the growth of nursing home beds and tightening Medicaid's eligibility criteria for nursing home admission.

The Department of Elder Affairs and the Agency for Health Care Administration have increased public education activities and have streamlined some ECC regulations. However, ECC facilities still are inspected more frequently than nursing homes.

Purpose

In accordance with state law, this progress report informs the Legislature of actions taken by the Department of Elder Affairs (DOEA) and the Agency for Health Care Administration (AHCA) in response to a 1997 OPPAGA report.^{1, 2} This report presents our assessment of the extent to which the agencies have addressed the findings and recommendations included in our report.

Background

Extended congregate care allows qualified assisted living facilities to provide impaired residents with additional supportive and nursing services that they would otherwise need to receive in other settings, such as a nursing home. While assisted living facilities provide housing, meals, and personal services to all residents, additional ECC services enable residents who experience physical or mental declines to "age in place" and remain in familiar environments.

¹ Section 11.45(7)(f), F.S.

² Review of the Pilot Project Authorizing Direct Admission to Extended Congregate Care, [OPPAGA Report No. 97-26](#), December 1997.

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In 1995, the Florida Legislature established a pilot project that permitted a limited number of qualified assisted living facilities to directly admit individuals into ECC services. Prior to the pilot project, the Legislature allowed assisted living facilities to provide ECC services only to individuals who had resided in their facilities for 90 days or more. The Legislature also required our office to conduct a study of the pilot project.³

Florida has implemented a Medicaid waiver program to divert some individuals from nursing homes to assisted living facilities. The Assisted Living for the Elderly Medicaid Waiver pays for additional services, including ECC services, for Medicaid-eligible residents of assisted living facilities.

Prior Findings

In our 1997 report, we concluded that extended congregate care can provide a cost-effective alternative to more expensive nursing home care and can delay or avoid the need for publicly funded nursing home care.

However, despite its cost-effectiveness and the ability of assisted living facilities to directly admit into extended congregate care, the number of individuals receiving ECC services was relatively small. Our prior report identified three barriers that limited the growth in use of ECC: affordability, lack of knowledge about the availability of ECC, and higher levels of state regulation.

To address these barriers, our report recommended that the Legislature consider three policy options.

- Expand the Medicaid waiver program to divert more Medicaid-eligible individuals to assisted living facilities in conjunction with other OPPAGA-recommended initiatives to decrease the cost of long-term care.
- Direct DOEA and AHCA to establish a formal coordinated public education program about ECC and other long-term care alternatives.
- Direct DOEA in consultation with AHCA to examine ways to streamline the regulations for ECC facilities.

Current Status

The Legislature and the agencies have taken several actions we recommended. However, other recommended steps have not been implemented.

Medicaid Waiver Expansion

As shown in Exhibit 1, the Legislature has continued to increase funding for the Assisted Living for the Elderly Medicaid Waiver. Since 1996-97, funding has increased from \$3.3 million to \$21.6 million.

Exhibit 1
Assisted Living for the Elderly Medicaid Waiver Funding Has Continued to Increase

1996-97	\$ 3,381,022	--
1997-98	5,617,658	66.1%
1998-99	10,299,372	83.3%
1999-00	14,825,283	43.9%
2000-01	21,686,016 ¹	46.2%

¹ This appropriation is pending the Governor's approval.

Source: General Appropriations Acts for 1996-97 to 2000-01.

Although the waiver expansion resulted in more funding available for ECC services, only one of three OPPAGA-recommended

³ During our review, the Legislature amended the law to allow all ECC-licensed facilities to begin directly admitting individuals to ECC services.

initiatives to decrease long-term care costs was implemented. That initiative is to encourage individuals to participate in managed health care plans that include long-term care options. However, OPPAGA-recommended initiatives to place additional limits on the growth in nursing home beds and tighten Medicaid's eligibility criteria for nursing home care were not implemented with the expansion.

Limits on nursing home growth. There have been no changes in the Certificate of Need Program, which is administered by AHCA and controls the growth in the number of nursing home beds. However, AHCA plans to re-evaluate the Certificate of Need Program while it continues to address ways to account for additional capacity of community-based long-term care alternatives when determining the need for new nursing home beds.

Tightening Medicaid eligibility. AHCA also has not modified Medicaid's eligibility criteria for nursing home coverage of care. A previous OPPAGA review reported that a majority of nursing home pre-admission screening supervisors believed the current criteria were too lenient.⁴ The assisted living waiver does include additional eligibility criteria that are designed to limit expansion of the waiver to severely impaired elders who are otherwise likely to be admitted to a nursing home.

Managed long-term care plans. DOEA staff are recommending one initiative for decreasing the costs of long-term care by encouraging individuals to participate in managed health care plans where available. For example, AHCA and DOEA have implemented long-

term-care community diversion pilot projects in the Orlando and Palm Beach County areas designed to integrate Medicaid and Medicare financing and to test the effectiveness of managed care. In the pilot project areas, DOEA nursing home pre-admission staff are advising individuals seeking admission to nursing home care about this managed care option.

Public Education

Although the agencies have not established a coordinated public information program, they have taken some action to increase public awareness of ECC services.

- AHCA now maintains an up-to-date statewide Internet directory of assisted living facilities that identifies ECC facilities. DOEA's website provides information on assisted living, ECC, and the assisted living Medicaid waiver program.
- Staff at both agencies have increased their participation in meetings to educate the public about long-term care options, including ECC. AHCA also recently has made educational brochures available that provide information on a number of services, including assisted living facilities and ECC.

Streamlining Regulations

DOEA and AHCA have taken steps to streamline ECC regulations by reducing some documentation requirements. For example, new regulations simplified and condensed service plans of ECC residents and eliminated the need for ECC facilities to keep a log containing a list of residents receiving ECC services, their conditions, and services provided to them. The log was eliminated because the information was already maintained elsewhere in the facility.

⁴ *Performance Audit of the Comprehensive Assessment and Review for Long Term Care Services (CARES) Program, OPPAGA Report No. 94-33*, February 27, 1995. The criteria have not changed since this review.

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However, the state still inspects ECC facilities more frequently than it inspects nursing homes. ECC facilities must be inspected once every two years as well as receive two monitoring visits a year. Nursing homes are inspected each year with no interim monitoring visits required unless there are problems in a facility. The Legislature should consider eliminating one of the yearly monitoring visits in ECC facilities unless problems are found in a facility.

ECC Growth

Information on the number of individuals receiving ECC services is not available, but there is evidence that expansion of the Medicaid waiver along with the initiatives the agencies have taken have increased the use of ECC. For example, while the number of licensed assisted living facilities increased by 18.9% (1,986 to 2,361) from October 1997 (at the time of our original report) to February 2000, the number of facilities licensed to provide ECC services increased by 134% (191 to 447) during that period.

The use of ECC is likely to increase with further expansion of the Assisted Living for the Elderly Medicaid Waiver. At the same time, the numbers of frail elders will continue to grow at a rapid rate. To help slow the increase in long-term care costs, we continue to recommend that expansion of the waiver be done in conjunction with the other initiatives to decrease the costs of long-term care.

To encourage more facilities to provide ECC services, the two agencies should continue efforts to streamline ECC regulations while still protecting the health, safety, and welfare of the residents.

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