

IN HCBS Redesign Data Report: Preliminary Review of Consumer-Directed Attendant Care (CDAC) Program

Background

In April 2016, Indiana's Family and Social Services Administration (FSSA) Division of Aging (DA) contracted with The Lewin Group (Lewin) to support the State's efforts to redesign home and community based services (HCBS) for older adults and adults with disabilities. Lewin will prepare a comprehensive assessment report addressing the current Medicaid Aged and Disabled (A&D) waiver for adults, the Traumatic Brain Injury (TBI) waiver, the state-funded CHOICE program, and Medicaid State Plan home and community-based services (HCBS). This assessment will inform subsequent recommendations for improving Indiana's HCBS services and options for the redesign of federal authorities.

This data report, part of a series of four reports that provide a snapshot of different components of Indiana's aging and disability service programs, focuses on a review of the Medicaid Consumer-Directed Attendant Care (CDAC) program. Indiana also allows self-direction in the state-funded CHOICE program which we will cover in a separate CHOICE data report. The overall assessment excludes children in the A&D waiver and CDAC.

The state currently offers CDAC under the State's Medicaid 1915(c) A&D waiver and Money Follows the Person (MFP) demonstration program. The CDAC Program offers participants employer authority for attendant care services only. As such, participants or their authorized representative, as appropriate, assume responsibility for performing the employer tasks (such as recruiting, hiring, establishing work schedules, and training, paying, supervising, and dismissing workers) with the exception of setting the rate of pay for their attendants (set by DA) and performing the human resources and payroll functions performed by the fiscal intermediary (FI) engaged by the State. The current FI in Indiana is Public Partnerships, LLC. Currently, the CDAC Program does not offer budget authority to participants and their authorized representatives. Exercising budget authority would allow the participant and their authorized representative to develop and manage an individual budget/spending plan allowing them to set the wage for their attendants (within a range) and to purchase a variety of individual-directed goods and services (if they were included in the program).

Based on the latest guidance from the Department of Labor, Indiana appears to be exercising joint employer authority with participants by setting the wage rate and limiting the workers to 40 hours. Further discussion is needed with the state to discuss their interest in shifting to consumer sole employer model as this distinction has implications for redesign recommendations.

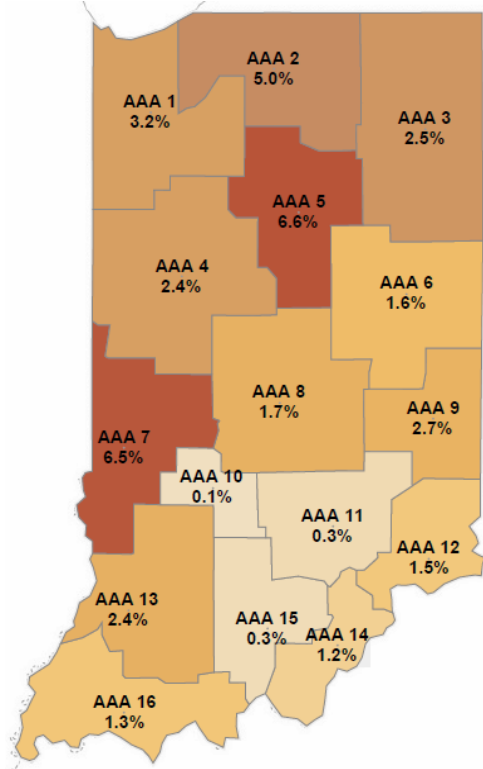
Eligibility and Enrollment in CDAC

The State set an enrollment goal for the CDAC program of 375 participants per year for the five waiver years. Based on Medicaid claims data received from Indiana's Enterprise Data Warehouse (EDW) in June 2016, approximately 255 participants used CDAC services in June 2015. **Table 1** shows the number of unique CDAC participants by state fiscal year.

Table 1 – CDAC Participants, SFY 2013-2015

Year	Number of CDAC Participants	% of Enrollment Goal
SFY 2013	284	76%
SFY 2014	289	77%
SFY 2015	279	74%

Figure 1 – Distribution of CDAC Participants by A&D Waiver Enrollment, SFY 2015



There are also regional trends in participation in CDAC. **Figure 1** displays CDAC participants as a percentage of adult A&D waiver participants by AAA region. Notably, the highest proportion of A&D waiver participants choosing to self-direct receive their care management in AAA regions 2, 5, and 7.

To enroll in the CDAC Program, the case manager uses the CDAC Initial Enrollment Checklist to evaluate a participant’s ability to self-direct or if a representative is able and willing to direct care on the participant’s behalf. All individuals must be financially eligible and enrolled in Medicaid, meet nursing facility level of care, be enrolled in the A&D waiver, live in his/her private home (not institutional), and be competent, willing and able to perform as an employer of his/her attendants as assessed by their case manager. However, if the case manager completes the initial suitability assessment before a participant/representative-employer receives orientation, employer’s skills training or both, it could represent a barrier to a participant’s authorization for self-directed services and reduce access to these services.

The majority (60%) of CDAC participants are younger adults (22-64). By comparison, 44% of the adults in the A&D waiver are 22-64. **Table 2** displays the breakdown of CDAC and non-CDAC participants by age category.

Table 2 – A&D Waiver Population Age Breakdown by Self-Directing Status, SFY 2013 – 2015

	SFY 2013		SFY 2014		SFY 2015	
	Self-Directing	Non-Self-Directing	Self-Directing	Non-Self-Directing	Self-Directing	Non-Self-Directing
Age 22-64	172 (61.0%)	3878 (44.7%)	172 (59.9%)	4625 (43.6%)	170 (60.8%)	5248 (43.0%)
Age 65+	110 (39.0%)	4791 (55.3%)	115 (40.1%)	5985 (56.4%)	109 (39.2%)	6953 (57.0%)
Total	281	8670	287	10610	279	12201

Breaking down the CDAC population by Federal Poverty Level (FPL) reveals that the majority of waiver enrollees self-directing services fall under 100 percent of FPL with the highest percentage of individuals

in the under 50 percent FPL category. **Table 3** displays the breakdown of CDAC participants by income category using FPL status and monthly income data from the monthly Medicaid membership files.

Table 3 – CDAC Participant Breakdown by Income Category

	SFY 2013 # of Enrollees	SFY 2014 # of Enrollees	SFY 2015 # of Enrollees
FPL Under 50%	89 (31.6%)	85 (29.6%)	92 (33.1%)
FPL 50% - 99%	82 (29.3%)	89 (30.9%)	78 (27.8%)
FPL 100% - 149%	74 (26.4%)	68 (23.7%)	66 (23.7%)
FPL 150% - 199%	29 (10.3%)	36 (12.4%)	33 (11.7%)
Over 200% FPL	7 (2.4%)	10 (3.4%)	10 (3.7%)
Total	281 (100%)	287 (100%)	278 (100%)

Medicaid Expenditures Among CDAC Participants

Indiana spent nearly \$9 million in total Medicaid expenditures, acute and primary care, as well as HCBS, for CDAC participants in SFY 2015 or an average payment of \$2,811 per member per month (PMPM). \$1,159 PMPM comes from State Plan services while \$1,652 comes from waiver services. This compares to a total average PMPM payment of \$2,974 (\$1,777 PMPM for State Plan services and \$1,197 for waiver services) for non-self-directing participants. **Table 4** displays the overall expenditures for individuals self-directing services on the A&D waiver broken down by funding source and year.

Table 4 – Medicaid Expenditures by Funding Source for Self-Directing A&D Waiver Population, SFY 2013 – 2015

	SFY 2013		SFY 2014		SFY 2015	
	Total	PMPM	Total	PMPM	Total	PMPM
State Plan	\$3,709,897	\$1,135	\$3,941,404	\$1,185	\$3,698,391	\$1,159
Waiver	\$5,558,706	\$1,700	\$5,579,794	\$1,677	\$5,274,711	\$1,652
Total	\$9,268,603	\$2,835	\$9,521,198	\$2,862	\$8,973,102	\$2,811

Approximately 80% of the self-directing population is dually-eligible for Medicare and Medicaid. Breaking down the self-directing and non-self-directing population by dual-eligible status reveals that PMPM expenditures for self-directing dual-eligible enrollees decreased from SFY 2013 to SFY 2015 while the trend increased for non-self-directing dual-eligible enrollees. In SFY 2015, expenditures among self-directing enrollees were lower than non-self-directing participants for both dual-eligible and non-dual-eligible enrollees. In SFY 2015, the PMPM payment for self-directing dual-eligible enrollees was \$2,419 while the PMPM payment for non-self-directing dual-eligible enrollees was \$2,519. The PMPM payment for self-directing non-dual-eligible enrollees was \$4,163 compared to \$5,706 for non-self-directing non-dual-eligible enrollees. **Table 5** displays the PMPM expenditures by self-directing and dual-eligible status.

Table 5 – Medicaid PMPM Expenditures by Dual-Eligible and Self-Directing Status, SFY 2013 – 2015

	SFY 2013		SFY 2014		SFY 2015	
	Self-Directing	Non-Self-Directing	Self-Directing	Non-Self-Directing	Self-Directing	Non-Self-Directing
Dual	\$2,477	\$2,409	\$2,466	\$2,425	\$2,419	\$2,519
Non-Dual	\$4,128	\$5,590	\$4,234	\$5,898	\$4,163	\$5,706

As expected, dual-eligible enrollees had substantially lower PMPM Medicaid expenditures given that hospital, pharmacy, and other acute spending would have been covered by Medicare. The difference in PMPM expenditures between dual-eligible and non-dual-eligible enrollees appears to be largely driven by differences in Medicaid State Plan expenditures. **Table 6** displays the Medicaid PMPM expenditures for self-directing participants by funding source and dual-eligible status.

Table 6 – Medicaid PMPM Expenditures for Self-Directing A&D Waiver Population by Funding Source and Dual-Eligible Status, SFY 2013 – 2015

	Medicaid Funding Source	SFY 2013	SFY 2014	SFY 2015
Dual	State Plan	\$772	\$775	\$780
	Waiver	\$1,705	\$1,691	\$1,639
Non-Dual	State Plan	\$2,447	\$2,604	\$2,466
	Waiver	\$1,681	\$1,629	\$1,698

The highest State Plan expenditures for CDAC participants are for home health services, medical supplies, inpatient hospital services, and pharmacy claims. Within waiver services, case management, home delivered meals, and adult day care represent the top services after attendant care. The majority of CDAC participant expenditures result from attendant care services. Interestingly, overtime payments for CDAC account for approximately 20% of total expenditures for consumer-directed attendant care or approximately \$300 PMPM. Overall, approximately \$1400 PMPM is spent on attendant care among self-directing participants compared to only \$475 PMPM spent on attendant care among non-self-directing participants. Further discussion with the state is needed to discuss issues related to the coverage of overtime and worker travel time between consumers. The significantly higher PMPM expenditure for attendant care among self-directing participants may be an indication of differences in acuity that will be explored in the functional screen data. It may also reflect that self-directing participants are receiving more of their assessed attendant care hours than participants utilizing agency-based attendant care, a trend identified in the evaluation of the Cash and Counseling program¹.

Case management PMPM expenditures for CDAC participants are comparable at \$95 for self-directing participants and \$94 for non-self-directing participants in SFY 2015, but PMPM expenditures for home delivered meals and homemaker services are less than half than non-self-directing participants. **Tables 7 and 8** show the highest State Plan and waiver expenditures and PMPM costs among CDAC participants.

¹ <https://www.mathematica-mpr.com/-/media/publications/pdfs/ccpersonalcare.pdf>

Table 9 compares the top PMPM expenditures by service between self-directing and non-self-directing participants in SFY 2015.

Table 7 – Top State Plan and Waiver Expenditures for CDAC Participants, SFY 2013 – 2015

Service	SFY 2013	SFY 2014	SFY 2015
State Plan Services			
Home Health	\$1,886,314	\$1,788,138	\$1,701,563
Medical Supplies/DME/Prosthetics/Orthotics	\$530,879	\$625,712	\$556,423
Inpatient Hospital	\$507,651	\$501,704	\$463,731
Pharmacy	\$258,908	\$339,233	\$407,519
Waiver Services			
Attendant Care, Consumer-Directed	\$3,691,796	\$3,705,504	\$3,500,097
Attendant Care, Overtime	\$847,363	\$943,139	\$937,623
Case Management	\$337,319	\$317,310	\$304,302
Home Delivered Meals	\$132,399	\$104,642	\$113,345
Adult Day Services	\$167,450	\$128,913	\$110,663

Table 8 – Top PMPM Expenditures for CDAC Participants, SFY 2013 – 2015

Service	SFY 2013	SFY 2014	SFY 2015
State Plan Services			
Home Health	\$577	\$537	\$533
Medical Supplies/DME/Prosthetics/Orthotics	\$162	\$188	\$174
Inpatient Hospital	\$155	\$151	\$145
Pharmacy	\$79	\$102	\$128
Waiver Services			
Attendant Care, Consumer-Directed	\$1,129	\$1,114	\$1,097
Attendant Care, Overtime	\$259	\$283	\$294
Case Management	\$103	\$95	\$95
Home Delivered Meals	\$41	\$31	\$36
Adult Day Services	\$51	\$39	\$35

Table 9 – Top PMPM Service Expenditures SFY 2015, Self-Directing vs. Non-Self-Directing Participants

Service	Self-Directing	Non-Self-Directing
State Plan Services		
Home Health	\$533	\$1,136
Medical Supplies/DME/Prosthetics/Orthotics	\$174	\$124
Inpatient Hospital	\$145	\$165
Pharmacy	\$128	\$124
Waiver Services		
Attendant Care (Consumer-Directed or Agency)	\$1,413	\$475
Case Management	\$95	\$94

Service	Self-Directing	Non-Self-Directing
Home Delivered Meals	\$36	\$78
Adult Day Services	\$49	\$47
Assisted Living	\$0	\$244
Respite Care	\$14	\$78

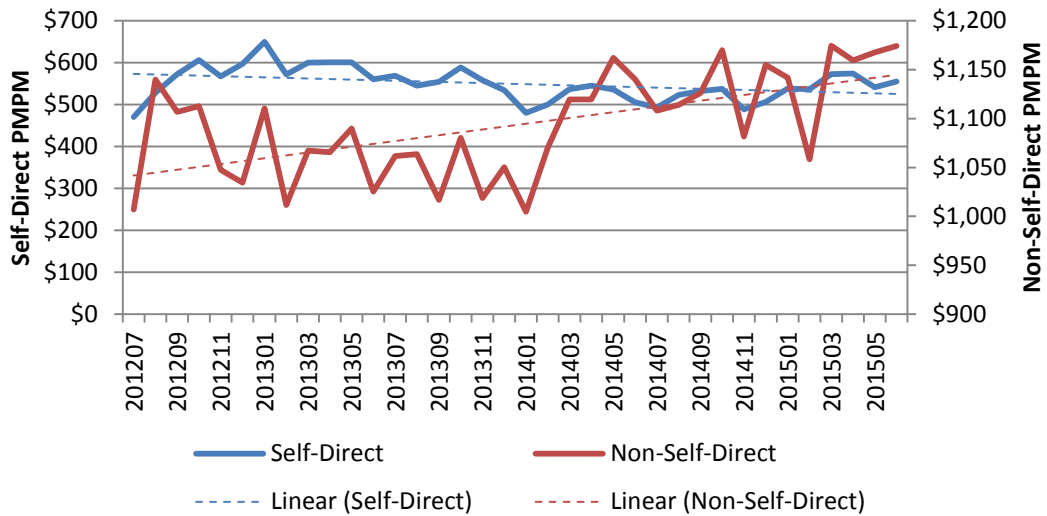
Attendants in Indiana are not allowed to provide services to medically unstable participants as a substitute for skilled care that would normally be provided by a home health aide, licensed practical nurse, registered nurse, licensed physician or other health professional. Based on claims data from SFY 2015, Indiana spent over \$1.7 million on State Plan home health services in addition to over \$4.4 million spent on consumer-directed attendant care services. However, for self-directing A&D waiver enrollees had lower PMPM cost of State Plan home health at \$533 in SFY 2015 compared to \$1,136 in the non-self-directing population. The difference in the overall State Plan PMPM expenditures between the self-directing and non-self-directing populations appears largely driven by this difference in home health expenditures. This difference between the two populations may be a function of case management practices around service planning, home health prior authorization practices and/or the variation in the need for medical support. Further discussion with the State and analysis of functional screen data may provide insight into measured differences in acuity.

Notably, PMPM costs for home health services among non-self-directing waiver enrollees increased between state fiscal year (SFY) 2013 to 2015 while the trend decreased among CDAC participants overall. However, the decline was most significant (\$266 PMPM) among the approximately 20 percent of individuals self-directing attendant care who are also non-duals. Further analysis will explore the impact of Medicare and Medicaid home health policies and participant acuity interactions.

Especially of note is the sharp increase in home health PMPM expenditures at the beginning of 2014, increasing from \$1,005 PMPM in January to \$1,119 in March for non-self-directing participants. This corresponds to the change in reimbursement rates for home health services during SFY 2014². **Figure 2** displays the PMPM trend for State Plan home health expenditures over the last three years.

² A 3% reduction (from 95% of the state median rate) was utilized after January 1, 2014 compared to the 5% reduction utilized prior to December 31, 2013, resulting in higher home health reimbursement rates.

Figure 2 – State Plan Home Health PMPM Costs by Self-Directing Status, SFY 2013-2015



In addition to the State Plan and waiver costs incurred by CDAC participants, the program pays an additional \$76.25 PMPM to the single, statewide Fiscal Intermediary (FI) to perform the payroll function for participants enrolled in the CDAC Program and their authorized representatives, as appropriate. In this role, the FI acts as the employer agent for participant/representative-employers performing the payroll and limited human resource functions on their behalf. The FI also responds to all questions and issues posed by participant/representative-employers. Further discussion is needed with the State on the coverage of worker compensation insurance.