



## RENEW. REFORM. REVIVE.

BUDGET OF THE STATE OF OHIO • FISCAL YEARS 2012-2013

### **REBALANCING MEDICAID LONG-TERM CARE**

*Enabling Seniors and People With Disabilities to Live With Dignity in Settings They Prefer*

**OHIO'S SENIORS AND PEOPLE WITH DISABILITIES WANT IMPROVEMENTS IN LONG-TERM CARE:** Ohio's Medicaid program serves approximately 173,000 individuals with long-term care needs—primarily seniors and people with disabilities—each year. Although only 7 percent of the Medicaid population uses long-term services and supports, approximately 41 percent of annual Medicaid expenditures stem from services to these individuals. Today, the delivery system for long-term services and supports is complicated and fragmented, which leads to high costs and confusion. For example, a Medicaid-eligible person who needs long-term services must choose among as many as five waivers and two Medicaid state plan delivery models with different enrollment requirements and processes and varied service packages for each. In addition, spending on long-term care is out of line with individual demand for personalized care in home- and community-based settings.

**THE BUDGET PROVIDES SERVICES PEOPLE WANT, AT OR CLOSE TO HOME:** HB 153 makes the Medicaid long-term care system more user-friendly and enables seniors and people with disabilities to live with dignity in their homes or in community settings. Several key reforms make this possible:

- **Create a unified long-term care system.** HB 153 creates a unified budget for long-term care services, allowing individuals' choices, instead of political decisions, to drive spending decisions. The bill also will consolidate the five home- and community-based waivers that serve individuals with a nursing-facility-level of care into a single, seamless waiver. These changes will improve access into and within the service delivery system, provide consistent opportunity for individual choice, and achieve greater transparency in price and quality for individuals who need long-term care.
- **Prioritize funding for home- and community-based services.** The budget makes a significant investment in home- and community-based services for seniors and people with physical disabilities (PASSPORT/Choices, Assisted Living, Home Care and Aging Transitions waivers) and people with a developmental disability (Level One, Individual Options, DD Transitions and the new SELF waivers). All told, the budget spends \$532 million more on home- and community-based services over the biennium (above SFY 2011 levels), including \$55.6 million more for PASSPORT/Choices. The Ohio Association of Area Agencies on Aging (O4A) and Ohio Chapter of the American Association of Retired People (AARP) support the funding levels for PASSPORT in the budget.
- **Reform nursing facility payments.** The budget completes the transition from a cost-based payment methodology for nursing homes to a price-based system, a change that was initiated by the legislature in 2005 (HB 66) to reward efficiency. Additional nursing home payment reforms in HB 153 link more of the Medicaid payment to quality measures and increase the amount of funding for services provided directly to residents. It also enacts common-sense regulatory-reform provisions that will provide nursing facilities with greater flexibility in how they provide care, while increasing the focus on quality.
- **Align programs for people with developmental disabilities.** The budget consolidates Medicaid programs for people with disabilities in the Department of Developmental Disabilities and eliminates barriers that keep people with developmental disabilities from accessing the services they need.

**THE OUTCOME:** The budget makes Medicaid long-term care system improvements and invests resources in programs that directly benefit vulnerable Ohioans. Overall Medicaid spending for long-term care services in SFY 2013 is \$166 million more than in SFY 2011, and the budget "rebalances" where the money is spent by increasing allocations to home- and community-based services from 36 percent of Medicaid long-term care spending today to 42 percent in SFY 2013. Along with a more seamless service delivery system and an increased focus on quality of care in nursing facilities, this will allow seniors and people with disabilities to receive the high-quality services they deserve in settings they demand.