

September 4, 2008

To: LCOG Executive Committee

From: Kay Metzger, Director, Senior and Disabled Services

Subject: Legislative Priorities

As a preface to the September 25 Legislative Dialogue (Committee agenda item 2), a letter will go to the members of the Lane County delegation reflecting broad legislative interests from the LCOG membership. That will, of necessity, be quite general. What follows, however, is a list of priorities that have been developed within LCOG's Senior & Disabled Services Division. They are presented to the Executive Committee and Board for endorsement and would then be reflected in communication with our delegation and with the Legislature as a whole. Endorsement of these three priorities is recommended.

Background:

- One of Senior & Disabled Services (S&DS) responsibilities as the Area Agency on Aging and Disability Services for Lane County is to work as an advocate for those we serve. To this end, S&DS, with the help of the members of its Senior Services and Disability Services Advisory Councils, strives to develop and maintain positive relationships with the elected officials who represent Lane County in the State Legislature. It also endeavors to inform and educate members of the State Legislature about the needs and concerns of seniors and people with disabilities.
- To facilitate this work, the Advocacy Committee of the S&DS Advisory Councils develops a set of priorities for the upcoming legislative session. The priorities are reviewed and approved by the Senior Services and Disability Services Advisory Councils and by the Lane Council of Governments Board of Directors.

- The recommended priorities are consistent with the mission of S&DS which is to promote dignity, independence and choice to seniors and people with disabilities. Several have been on LCOG’s list of priorities during prior legislative sessions. Others are directed at enhancing the provision of services currently available or creating new cost effective options to Medicaid. The proposed priorities are set forth in summary form here. A brief explanation of each issue is attached.

LCOG S&DS Legislative Priorities:

- ❖ Increase Consumer Involvement and Improve Access to Health Care Benefits
- ❖ Increase Funding for Services that Prevent or Postpone the Need for Medicaid
- ❖ Improve Access to Medicaid Services through Equitable Reimbursement and Workload Based Staffing

Increase Consumer Involvement and Improve Access to Health Care Benefits for Senior and People with Disabilities Oregon Health Plan Recipients

The Department of Medical Assistance Programs (DMAP) administers state programs that provide medical coverage to low-income Oregonians, including the Oregon Health Plan and Medicaid. DMAP is the entity responsible for monitoring the Managed Care Organizations on contract to provide Oregon Health Plan benefits. For those clients not covered by a Managed Care Organization, DMAP operates as the “insurance carrier”. The policies and procedures established by DMAP have a significant impact on the lives of those receiving services through publicly-funded programs. Seniors and people with disabilities are uniquely impacted, in that access to health care is critical to their independence and well-being. Therefore, their participation in decisions related to service delivery is critical.

The State of Oregon should work for culture change within the Department of Medical Assistance Programs to incorporate the interests and perspectives of consumers in the decision-making process.

Navigating through the bureaucracy of health care can be daunting for anyone. Many seniors and people with disabilities face complex health issues that require special treatments, equipment or supplies. Excessive paperwork or complicated processes can present significant barriers in accessing the health care benefits they are entitled to. As envisioned originally, the Oregon Health Plan included an advocacy function to assist senior and disabled consumers. However, that function has been essentially lost within the Department of Medical Assistance Programs and no longer exists. Without some outside intervention, a senior or person with a disability may go without the needed health care service (such as a mobility aide or some other form of equipment or supply) and end up requiring hospitalization or a higher cost of care due to injury.

Many seniors and people with disabilities need help understanding the Oregon Health Plan system. Creation of an **Ombudsman for Health Care** would accomplish this by coming alongside the person to help navigate the complexities involved in accessing benefits.

An Ombudsman for Health Care Office should be established to assist consumers in accessing the benefits they are entitled to.

**Increase Funding for Services that
Prevent or Postpone the Need for Medicaid
such as the
Oregon Project Independence Program**

“The state shall... develop and seek support for plans to assure access to information, counseling and screening as appropriate by persons potentially in need of long-term care without regard to the person’s income.” ORS 410.020(6)

The State of Oregon has a tradition of supporting quality of life, independence and choice to its citizens with disabilities and who are aging. We should not abandon this framework when economic times are difficult. Services should be available to all and should include a special focus on outreach to under-represented communities and an awareness of the Americans with Disabilities Act.

The provision of non-Medicaid supports assists seniors and people with disabilities to maintain their independence and remain in their homes, thereby avoiding other costly state-funded services. Oregon Project Independence (OPI) is a core element of this system. By providing a small amount of OPI assistance to individuals that have some financial limitations, the State can provide the means

for this population to sustain independent lives and continue contributing to their community, both economically and socially.

Today OPI is funded at approximately 85% of the level it was funded in 2003. The funding stream has moved from State General Funds to the senior tax deferral trust fund, which will not sustain service at current levels. Yet the need for OPI is increasing due to the more stringent eligibility requirements of Medicaid and the aging of the population. People who use OPI are at serious risk to become Medicaid eligible. In Lane County, almost 8% of the people inquiring about Medicaid in-home services in 2008 chose OPI over Medicaid. Considering the average monthly cost for an OPI client is a fraction of the monthly cost to provide Medicaid in-home services, an 8% diversion delivers significant cost avoidance to the State. The 2005 Legislature approved changes to the OPI program that expanded eligibility to adults with disabilities ages 18-59, however as of this date funding has not been appropriated to allow the service expansion.

In addition to reinvesting in the Oregon Project Independence, the state should also invest in the development of other nationally tested models for prevention of entry into Medicaid, such as person-centered help through such concepts as the Aging and Disability Resource Connection.

Investing State General Fund in tested services that have proven to prevent entry into Medicaid is cost effective and smart government. Investing in programs such as OPI today will result in significant cost-avoidance tomorrow. Either we pay a little now or a lot later.

Improve Access to Medicaid Services through Equitable Reimbursement and Workload-Based Staffing

The Oregon Legislature can provide stability to the Seniors and People with Disabilities System by supporting equitable reimbursement to Transfer Area Agencies on Aging and workload based staffing.

Equitable Reimbursement to Transfer Area Agencies on Aging & Disabilities
In keeping with the provisions of Oregon law (ORS 410), responsibility for the delivery of long term care, medical assistance, and financial assistance services to lower income seniors and people with disabilities is divided geographically between local governments (counties and councils of governments) and the Oregon Department of Human Services (DHS). Generally, clients residing in western Oregon are served by local government-operated Area Agencies on Aging and

Disabilities (Transfer AAADs); those in other parts of the state are served by DHS.

Historically, DHS has funded its own field offices more generously than it has funded the AAADs. Since personnel and operating costs are substantially the same, regardless of which government runs an office, this means that customers of AAADs (such as residents of Lane County) receive fewer services than customers of DHS-operated offices. The 2003 Legislative Session approved HB2288, which called for funding the Transfer AAADs at 95% of what it would cost DHS to deliver the same services. Subsequently, Oregon Administrative Rule 411-002-0175 was crafted to provide a methodology for 95% funding to AAADs. **However, the problem still persists.** Today, the disparity in funding (a.k.a., “equity gap”) continues at 10%. The AAADs are required to provide services for the State at only 90 cents on the dollar. State statute calls for the AAADs to be reimbursed at the rate of 95 cents on the dollar – a deal for Oregon. But without this, our clients face longer response times, longer waits for appointments when immediate help is needed, inadequate staffing and high caseloads along with less ability to keep clients in lower cost home and community based care.

It’s time to keep the promise and fund equity for Transfer Area Agencies on Aging and Disabilities.

Fund Workload Based Staffing Models

Two recent independent studies (completed by Public Knowledge, Inc. and McKinsey & Associates) confirmed that the staffing model used by the Department of Human Services to calculate the number of employees needed for the Medicaid and Food Stamp programs was flawed and seriously out of date. The current staffing formula for Seniors and People with Disabilities (SPD) was created nearly twenty years ago and does not reflect major changes in programs, expectations, expertise, and work flow. The two studies confirmed that the workload has increased substantially, and the latest calculation projects the system serving seniors and people with disabilities needs an estimated **260 positions** in order to provide adequate access to Medicaid and deliver services to support the health, independence and safety of our clients.

It’s time to support access and delivery of Medicaid services to seniors and people with disabilities.