



QUALITY SENIOR LIVING IN A RESIDENTIAL SETTINGSM

Dear Choices Waiver Officials:

We are writing to support the proposed 10% rate increase for choices waiver assisted living and secured (memory loss) homes.

It's been since 2007 that rates were established. Costs of operation have risen dramatically since then. Costs including wages, insurances, electricity, gas and utilities, mortgages, etc., have all gone up, yet reimbursement has not. This puts the financial burden on facility owners and families.

The modest increase brings that daily rate in secured homes from the current \$82.60 per day to \$90.86 per day. In assisted living homes from \$69.75 per day to \$76.72 per day.

The increase is still well below the average price paid by private paying residents, but will help offset some of the increased burdens of operation since the 2007 standard.

We have a second proposal for your consideration. There are actually three levels of care offered in assisted living. Level I, Level II and Secured Units or Memory Loss Homes.

The current assisted living reimbursement barely makes it possible for Level I care to be offered.

The needs of care and requirements of staffing and operating on Level II home owners makes it very difficult to place choices waiver patients in the Level II homes.

We propose choices waiver create a Level II rate of \$83.75 per day. This splits the difference between the lower current rate and the secured or memory loss rate.

This would allow residents the ability to be in this higher level of care home and give the owners a reimbursement that they could make work for these Level II patients.

Level of care is established by the RN's and case workers already in the system and very familiar with Level I, Level II, Memory Loss or Secured Homes requirements.

Please consider our support for the modest 10% increase. Especially in light of how long it's been since an increase and they sky rocketing costs of providing service.

Please consider our proposal of a Level II rate of care. This allows patients needing that level of care this opportunity and helps the owners afford to offer that higher level of care.

Sincerely,

Dennis Toland

Beehive Homes of Utah

Beehive Homes currently operates 50 homes in Utah, covering all three levels of care, Level I, Level II and Memory Loss or Secured Homes.



June 15, 2015

To Whom It May Concern:

As the owner of several assisted living homes in the State of Utah, I am writing to support a rate increase for the New Choices Waiver program. Currently, New Choices Waiver has two rates for all assisted living residents: a standard rate of \$69.75 for most assisted living residents and a higher rate of \$82.60 for memory care residents in a secured location. While these rates were likely sufficient when they were established in 2007, the assisted living industry has undergone significant change in the last eight years that necessitates a substantial increase.

From the perspective of an operator of assisted living homes in both rural Utah and the Wasatch Front, I believe it is time for Utah to take a smarter approach to Medicaid reimbursement for assisted living. The best solution is to create a three-tiered system for reimbursement based on the different levels of assisted living already established by the Utah Department of Health. Such an approach would create separate rates for Level 1 residents, Level 2 residents and memory care residents needing a secured (lock-down) location. I propose that this already-established differentiation be used to determine Waiver reimbursement rates, with a modest increase of the existing rates of at least 15 percent, as indicated in the table below.

<u>Type of Resident</u>	<u>Existing 2007 Rate</u>	<u>Proposed Rate</u>
Level 1 Resident	\$69.75	\$80.25
Level 2 Resident	\$69.75	\$90.00
Secured Memory Care Resident	\$82.60	\$95.00

Based on the existing market conditions, these rates are substantially justified for a number of reasons, only a few of which are discussed below.

Assisted Living Costs Continue to Rise

Assisted living costs have increased substantially since 2007. Inflation alone has contributed to increased costs of around 14 percent. According to the Social Security Administration, the cost-of-living adjustment since 2007 is actually more than this at about 17 percent. Thus, while a rate of \$69.75 may have been an accurate reimbursement rate for Level 1 care in 2007, the increased cost of doing business since then would dictate an increase to approximately \$79.58 and \$81.61. These inflationary forces have increased costs of everything from food to electricity to natural gas to water. While this

has increased the burden on operating assisted living homes, the true increase has come as wages have significantly increased and non-operational costs have skyrocketed. As the demand for elder care continues to grow, the supply of high-quality, experienced caregivers continues to shrink. Finding and retaining good employees is costing more and more each year, and the added burden of employee health care costs has not helped. Liability insurance, workers compensation insurance, property taxes, and other costs not directly associated with providing quality care have also continued to rise at exponential rates, as lawsuits and other risk factors have begun to crop up in all aspects of the assisted living business.

Yet Despite these Costs, Assisted Living Is Still Far Cheaper than Nursing Home Care

These cost pressures alone justify an increased rate, especially since even at these higher rates, the State of Utah is saving millions of dollars annually having high-functioning seniors in assisted living homes rather than nursing homes. The average cost of nursing care in Utah is \$165 a day, with the highest daily rates being around \$230 a day. As indicated in the table below, utilizing the average daily rate for nursing homes, the proposed savings over 30 days in assisted living compared to nursing homes is substantial.

<u>Type of Resident</u>	<u>Nursing Home Cost</u>	<u>Proposed Rate</u>	<u>Differential</u>	<u>Cost Savings Over 30 Days</u>
Level 1 Resident	\$165	\$80.25	\$84.75	\$2542.50
Level 2 Resident	\$165	\$90.00	\$75.00	\$2250.00
Secured Memory Care Resident	\$165	\$95.00	\$70.00	\$2100.00

Based on these numbers, it seems wise for the State of Utah to be doing whatever possible to help people move into assisted living, where they can live their life in a more dignified and free way than shifting them into nursing care.

But Nursing Care May Be the State's Only Option for Cash-Strapped, Elderly Utahns, as New Choice Waiver Simply Does Not Pay Enough for the Added Regulatory Burdens Placed on Facilities

The problem is, with these 2007 rates, the State of Utah risks being priced out of the assisted living market altogether. For many assisted living providers, there is no real need to admit for New Choices Waiver residents into their facilities. Facilities along the Wasatch Front, as well as in more rural areas, are often full—many of my homes have existing waiting lists of potential residents willing to pay cash for a room. Further, the minimum rates at these homes far exceed the existing \$69.75 New Choices Waiver rate. In the poorest areas of Salt Lake County, the very least a resident will pay for a quality assisted living experience is around \$80 a day for Level 1 care. In rural areas, both in northern Utah and in southern Utah, the base daily rate is around \$93 for Level 1 care. For Level 2 care, the rate can jump to almost \$100 a day, and in some circumstances, memory care residents will pay almost \$140. These examples show that other than a desire to serve the public and the needy, many assisted living facilities have absolutely no

financial incentive to welcome New Choice Waiver residents. With the added burdens being placed on homes under the new Home and Community-Based Services regulations being rolled out by federal and state authorities, as well as with the already existing paperwork, reporting, and evaluation criterion, the simple truth is that assisted living providers are finding fewer and fewer reasons to participate in burdensome—albeit well-intentioned—programs such as New Choice Waiver.

As a result of these higher costs, lower rates, and increased regulatory burdens, those facilities willing to take New Choice Waiver residents are simply shifting the financial burden onto the residents and their families. This is, of course, a tragic irony given that these individuals would not be on Medicaid if they could afford assisted living in the first place. Yet, along the Wasatch Front almost no provider will take residents on New Choice Waiver if they cannot contribute at least \$1000 to their care above and beyond the 2007 reimbursement rate. For individuals already strapped for cash, these lower rates are making the job of placement harder and harder, while increasing the monetary burdens of the already financially strained elderly.

The New Choices Waiver program has literally been a live saving option for families for many years, and most assisted living homes have been eager and willing participants in the program. But despite the continued growth of the industry, the costs of assisted living care continue to increase, and the Utah Department of Health must decide between keeping the New Choices Waiver program relevant in the assisted living context or shifting its focus and resources to skilled nursing care. Even with the very modest request for a 15 percent rate increase, it simply makes sense to continue investing in the New Choices Waiver program.

I strongly suggest that you support this three-tiered approach to assisted living reimbursement under the New Choice Waiver program.

Sincerely,



Jeffrey Merchant
Beehive Homes

Rebecca Castleton, Utah Arthritis Program
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MCAC Presentation on Policy Issue Brief
Subject: Reimbursement for Chronic Disease Self-Management Education Programs
June 18, 2015



1) **Summary of Issue**

Chronic disease and injury are leading causes of death and disability in Utah and contribute to high health care costs. Costs associated with their treatment are frequently shouldered by taxpayers through public programs such as Medicaid. Nationally, chronic diseases account for 75% of the \$2 trillion spent on health care each year in the United States. There are a significant number of Medicaid members with chronic conditions. During FY2012 Medicaid reimbursement for these was \$77,692,273 for 188,618 claims.

The Stanford Chronic Disease Self-Management Education (CDSME) programs, implemented in Utah as the "Living Well" programs (Living Well with Chronic Conditions, and Living Well with Diabetes) support participants with all these chronic conditions and more (*top chronic conditions of participants in 2014 include Arthritis, Diabetes, Depression/Anxiety, Hypertension, High Cholesterol, Chronic Pain, COPD/Emphysema, Heart Failure, Cancer, Osteoporosis, Stroke, etc.*) It is common for multiple chronic conditions to occur simultaneously as co-morbidities which make disease management more complex and expensive. The Living Well programs help participants learn and practice self-management skills for all chronic conditions. Since 2010, 5,396 Living Well participants in Utah have reported 14,390 chronic conditions, for an average of 2.7 conditions per participant. The Living Well program has been found particularly effective for patients with depression, anxiety, and chronic pain.

The Living Well programs can contribute to better health outcomes, better care, lower healthcare costs and could improve HEDIS measures for Medicaid members.

2) **Proposal/Motion and Desired State**

To open CPT Code 98962 for Education and Training for Patient Self-Management to reimburse at an appropriately determined rate for the Living Well implementation partners who bill Medicaid. CPT Code 98962 is for "group self-management education offered by a nonphysician health care professional." It is for 5-8 patients, 30 minutes, standardized curriculum by a nonphysician health care professional, to treat established illnesses and delay comorbidity. The purpose is to teach patient (may also include caregiver) how to effectively self-manage the patient's disease(s), in conjunction with patient's professional healthcare team.

Medicaid Precedent

Other state Medicaid programs have reimbursed for Stanford's self-management programs.

- Washington – COPES Waiver 2010
- Oregon – opened CPT codes 98960-98962 for reimbursement in 2011

There is currently a CMS study underway (Utah Living Well partners are participating) to gather participant data and study outcomes of several evidence based programs, including Stanford's CDSME programs.

3) **Background**

Stanford's CDSME programs were researched and developed over 20+ years in partnership with Kaiser Permanente. These programs include a standardized, evidenced-based and highly scripted curriculum teaching participants self-management tools, techniques, and supports behavior change in a peer-supported setting. Program fidelity is maintained with regular fidelity checks.

Workshops are 6 weeks long, groups of 10-15 people meet weekly for approximately 2 hours to learn and practice self-management tools through an interactive and experiential process. Patients are empowered to take greater control over their chronic condition(s) and become more compliant patients.

Subjects covered include:	Results of Living Well Programs:
<ul style="list-style-type: none"> • Techniques for frustration, fatigue, pain and isolation • Appropriate exercise to maintain and improve strength • Appropriate use of medications • Good nutrition • Communicating effectively with family, friends, and health professionals • How to evaluate new treatments 	<ul style="list-style-type: none"> • Increased Self-Reported Health • Increased Energy • Increased Activities & Social Roles • Increased Aerobic Activity • Increase Stretching and Strengthening • Increased Cognitive Symptom Techniques • Better Communication with Physicians • Decreased Health Distress • Decreased Fatigue • Decreased Hospitalization

4) **Current state**

The Living Well program is currently offered to community members, and supported through grants/contracts from Utah Arthritis Program (UAP.) Federal funder’s direction is to embed programs into delivery systems to sustain ongoing operations. Living Well programs are currently implemented across Utah by a network of 25+ partners including; local health departments, area agencies on aging or associations of governments, healthcare systems (UofU, Intermountain, VA, Utah Navajo Health System, and Molina in FY16), centers for independent living, and community based organizations reaching minority populations. Implementation partners are dependent on outside funds from UAP to sustain the program. UAP funds are time-limited: Administration on Aging grant funds end August 31, 2015 and CDC grant funds end June 30, 2017.

Since 2010 Medicaid has supported the Living Well programs through HPR referrals, promotion in the New Member Guide and the Provider newsletter, and on their website (<https://medicaid.utah.gov/living-well-chronic-conditions-program>). In addition Medicaid wrote letters of support and commitment in 2012 for federal grant applications that committed to “look to assist the delivery and potential implementation of CDSMP, exploring sustainable financing policies where feasible.”

7) **Reimbursement Issues**

CPT Code 98962 is currently closed. The reimbursement rate is undefined. We recommend that the CPT code 98962 only be charged once per session of the 6 week program. For example, for one participant who attends all 6 weeks, assuming the CPT code was reimbursed at \$25, the cost would be \$150 ($\$25 \times 6 = \150 per participant). Implementation organizations would only bill \$25 per participant, per week attended. For example, if a participant attended only 2 of the 6 sessions, only \$50 could be billed to Medicaid.

Assuming that 300 (a high estimate based on current participant numbers) Medicaid participants enrolled into the Living Well program each year, the highest total cost to Medicaid would be \$45,000 ($300 \times \150). However, we know that completion rates (a completer is defined as someone who attend 4 or more of the 6 sessions) are typically around 60-75% making the total cost much lower (\$27,000 – \$33,750).

Based on a BioMedCentralJournal article, there is an estimated \$713.80 in savings from averted health care costs. The following scenario would be possible for a Medicaid member

- 6 sessions x \$25/session = \$150 reimbursement
- \$563.80 cost savings to Utah Medicaid per participant
- Estimated 300 Medicaid members equals \$169,140 cost savings to Utah Medicaid per year

Several Area Agencies on Aging or Associations of Governments (Five County, Tooele County, Weber Human Services, Davis County, Salt Lake County already bill Medicaid through the New Choice Waiver or Aging Waiver.



UHPP and AARP Utah respectfully asks the Medical Care Advisory Committee to consider and recommend highly these two building blocks that will greatly increase access to healthcare and dental care for thousands of Utahns.

1. Medicaid expansion

- a. Passage of an alternative plan, preferably Healthy Utah, that closes the Medicaid coverage gap with an adequate health benefit package
- b. Consumer friendly waiver application
- c. Sustainable federal funding to close the coverage gap
 - i. By drawing down the maximum federal tax dollars available to implement an expansion plan

2. Reinstating Dental Benefits

- a. Adult Medicaid population with disabilities
- b. Adult Medicaid population that are elderly

Pharmacist Care

EXAMPLES OF PHARMACIST SERVICES

Medication Therapy Management (MTM)

- "Pharmacists provide MTM... by identifying, preventing, and resolving medication-related problems"³ Rather than providing education on an individual medication, pharmacists review all of the medications a patient is currently taking. They identify negative interactions or duplications and work with the patient to develop a plan for taking medications as prescribed. This service can be provided when a medication is being dispensed, or separately.

Collaborative Drug Therapy Management

"A collaborative practice agreement between one or more physicians and pharmacists wherein qualified pharmacists working within the context of a defined protocol are permitted to assume professional responsibility for ... selecting, initiating, monitoring, continuing, and adjusting drug regimens."⁴

Medication Reconciliation – "The process of comparing a patient's medication orders to all of the medications that the patient has been taking. This reconciliation is done to avoid medication errors such as omissions, duplications, dosing errors, or drug interactions."⁵

Patient Education – Pharmacists have the opportunity to educate patients on the medications they are taking and the importance of taking medications as prescribed. In addition, pharmacists are able to provide disease state education and encouragement on a regular basis when patients fill prescriptions.

Many patients do not take medications as directed. Not taking medications as directed increases the risk of **complications from chronic diseases, such as heart attack and stroke.**¹

Estimated cost of non-adherence: **\$100 billion to \$289 billion** annually.²

Outcomes of Pharmacist Care

Improved patient care:

- **Diabetes:** In a systematic review of 302 articles Machado et al. reviewed found a significant reduction in hemoglobin A1C levels in diabetic patients in the pharmacist intervention group.⁶
- **Hypertension:** A systematic review of 203 articles found pharmacists' interventions significantly reduced systolic blood pressure.⁷
- **Congestive heart failure:** Two systematic reviews of the literature concluded that pharmacists can improve patient care and reduce the rate of hospitalization, particularly in heart failure patients.^{8,9}
- **Medication Adherence:** Kaboli et al. reviewed 36 studies on the role of pharmacists and found improvement in medication adherence, knowledge and appropriateness.¹⁰

Pharmacist involvement has lowered costs:

- \$3.5 billion in avoided hospital costs by coordinating medications from multiple providers.¹¹
- \$1,200 to \$1,872 per patient in direct health care costs for patients with diabetes enrolled in the Asheville Project for up to five years.¹²
- \$1,230 per patient in indirect costs and \$725 per patient in direct cost savings for those with asthma.¹⁴



The impact of a pharmacist for one Utahn:

“A 47 year old American Indian female from Montezuma Creek, UT has had out-of-control diabetes since she was diagnosed in 2009. This has affected her vision at times, and caused her constant painful neuropathy (burning and numbness) in her feet. She was referred to the clinical pharmacy program on June 11th this year by her UNHS primary care provider. With a few visits involving education and medication adjustment to tailor her treatment options to her specific needs, her diabetes is under control for the first time in five years. Her A1c is 6.8% presently. She is no longer experiencing neuropathy pain in her feet, her vision is clear, and she has lost 10 pounds since June. We are so pleased to congratulate her on this success!” –A clinical pharmacist at Utah Navajo Health Systems



Monument Valley Community Health Center

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Request to Consider Increasing the Medicaid Reimbursement Rate for Pediatric Occupational Therapy

Easter Seals-Goodwill opened the Occupational Therapy clinic in 2010 in response to the increase of children presenting problems with balance and coordination, joint mobility, motor planning, visual perception, thought processing and attention skills as well as the ability to attend to self-care and feeding. Easter Seals-Goodwill partnered with The Children's Center and is co-located in their building. Many of the Children receiving mental health services in the Children's Center are referred to the Occupational Therapy Clinic when they show difficulty with the issues listed above.

Unfortunately we have had to turn away the children on Medicaid due to the low reimbursement rate. The reimbursement rate for Medicaid is \$20.88 per visit. Easter Seals-Goodwill attempts to keep the charges as low as possible with the current billing rate of \$123 per visit. Children on Medicaid are often those that would benefit most from the service. At Easter Seals-Goodwill the Occupational Therapist always works with the parent and child together, coaching the parent on the strategies. This method reduces the number of visits needed. As the parent begins to learn more about her child's development she can use the strategies in the home without needing extended services.

The number of visits per child varies as it is individualized to meet the child's goals. As the parent becomes accomplished in carrying out the strategies in the home the visits decrease from 4 times a month to two times a month. Typically a treatment plan is over 6 months. Easter Seals-Goodwill also offers specialized group services that meet specific needs. These are offered at low cost to families through the generosity of community funders. The addition of these groups to a child's individual therapy also reduces the number of visits needed.

An increase in the Medicaid rate to close the gap between the billing rate and the Medicaid rate would make a difference in our ability to serve all children that need occupational therapy. Currently we are serving one child, and have a waiting list of 8 children, on Medicaid. Unfortunately, due to the low reimbursement rate, we can only serve children on private insurance that covers a majority of the billing cost. We do have the capacity to serve the children on the waiting list but unfortunately do not have the financial capability to subsidize the service for more than one child.

Why Occupational Therapy?

Occupational therapy helps kids successfully participate in the things they do every day, or the activities and tasks that “occupy” their time. The goals and focuses of occupational therapy are different depending on the age of the child. Here’s a little glimpse of why a child may benefit from occupational therapy after the age of three.

During the preschool years, a child spends much of his or her time completing basic self-care activities (dressing, feeding, bathing, toileting, etc.); interacting and playing with others; engaging in coordinated movement activities; and working on fine motor skills such as drawing, coloring, and building with blocks. If a child is having difficulty in any of these areas, an occupational therapist helps figure out why the task is difficult. For example, the reasons for difficulties with self-feeding may include decreased strength or coordination in the hands or fingers, decreased hand-eye coordination, difficulty sitting still or blocking out distractions, or sensitivities to how foods smell or feel. Sometimes children are unable to complete tasks or engage in activities due to a disability or medical diagnosis, but many children present with these types of difficulties for no specific reason.

After determining why an activity is difficult, an occupational therapist provides the family with suggestions to work on building these skills at home, and may recommend occupational therapy treatment. The goal is to help the child increase underlying skills in order to increase his or her ability to successfully do the functional things that are important for kids to do. If a child struggles with any of the activities listed above, he or she would likely benefit from an occupational therapy evaluation.

Please share one thing that has made a difference in your child or families life since starting therapy.

1. The discovery of headphones! I could not take my son to the grocery store & with the headphones that were introduced in OT I now can. Game changer.
2. Henry's gross motor skills greatly improved while doing OT with Madelyn this summer. He is able to bear crawl, crab walk, and navigate through obstacle courses. He is much more confident within his body. His motor planning also improved!
3. It is such good therapy! I appreciated the therapist setting up activities that demonstrated how my child struggled so she could see what I see every day!
4. It is so great! Night and day from her other therapy!
5. My child always enjoys the therapy session, and Madeline is great about understanding when he is struggling with an activity and will help him work through it.
6. Ideas for calming. Ideas for approaching new foods. Ideas for helping with school. Madeline was fantastic for confirming if I was approaching numerous issues in the right way with my child. Madeline was, in this way, a tremendous help to me, patients Mother, for trying to figure out how to parent this child. Thank you Madeline!
7. Madeline is so positive and encouraging! I am just about brought to tears when I see how far my child's handwriting has progressed. The future I had imagined for him grew so much brighter when I realized that with Madeline's help he could actually be a fully independent writer one day.
8. Constant growth and communication/comprehension development.
9. We are now equipped with a toolbox of methods and ideas for coping with difficult circumstances. The sessions have helped me see what he does and does not respond to.
10. I learned ways to incorporate therapy at home that includes two of my kids together. That was really important because it's a lot easier to implement things when the activities are done when they can work together.
11. When my son started therapy he could barely recognize letters enough to form them, he can now read and write, even if the writing is still bothersome for him. He also couldn't stay focused on a task for even five minutes, he is now following directions, not negotiating all the time to try to get out of it and can stay on task for almost the duration of the activity, and is able to vocalize when he needs a break. Madelyn is excellent at engaging the child in the activity and teaching boundaries and limits.
12. My son seems to be happier. He is not having as many (no more...knock on wood) meltdowns @ school about writing and "stuff".
13. Brandon has loved Madelyn and the fun new "games" she has taught him. He is excited to show them to his siblings at home. It is so great to have so many ideas of fun things that can easily be adapted for home. Thanks so much! :)

MCAC Budget Item Request
Subject: Medically Complex Children's Waiver

- History of Medically Complex Children's Waiver
 - During the 2015 General Legislative Session HB199 was unanimously passed.
 - HB199 is a pilot program that directs the Department of Health to apply for a Medicaid waiver for children with disabilities and complex medical conditions.
 - HB199's Sponsor, Rep. Ed Redd, originally requested an appropriation of \$.3.3 million per pilot year of the program, which would have served 500 children each year.
 - HB199 was appropriated \$3.2 million of one-time funds "to be used in similar amounts over three years with the goal of serving a similar number of clients over three years."
- Current Status
 - The Department of Health is currently applying for a 1915(c) HCBS waiver with CMS.
 - The waiver is now known as the Medically Complex Children's Waiver (MCCW).
 - With the current appropriation and intent language, approximately 165 children may be able to receive services under MCCW.
 - The Legislature requires annual reports regarding the number of children served, the cost of the program, and the effectiveness of the program.
- Discussion
 - Approximately 4,300 children are in need of services.
 - The cost of caring for a child with disabilities and complex medical conditions outpaces a family's ability to pay, even with private insurance
 - Utah families are financially devastated as they try to keep up with the care and financial obligations associated with the complex medical needs of the child.
 - Families do not want to institutionalize their child, or surrender their child to State custody, but often cannot afford to keep their child.
 - The number of children in need far exceeds the number of slots available.
 - In order for the program to continue, empirical data, will be needed to show that there is cost benefit to the State and the needs of the family and the child are adequately addressed through the MCCW.
 - With only 165 children enrolled in the program it will be difficult to obtain such data, as the representation is so small compared to the estimated population in need.
 - The more children enrolled equates to more data collected, and more reliable results.
 - Opening more spots would allow relief to more Utah families.
- Budget Request
 - An additional \$2.2 million per year of the pilot
 - This would bring the number of children served to levels originally intended.
 - This would provide adequate and reliable data to safeguard the continuation of the program.
- **MCCW provides a limited service waiver, which is less costly than other more comprehensive waivers. MCCW helps families stay employed, keep their children at home, lowers service costs while still ensuring that their children get the services they need.**

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The Utah Assisted Living Association represents the majority of assisted living communities in the state of Utah. Many providers have shared their concerns about the reimbursement rates of the New Choice Waiver.

The New Choices Waiver's purpose is to "serve people who meet nursing facility level of care and who have been residing long term in a nursing facility or assisted living facility. The program provides supportive services to enable individuals to live in their own homes or in other community based settings."

The current method of reimbursement accurately captures the idea that memory care residents require more care and have a higher cost associated with that care. The same methodology should extend to the different levels of assisted living. We propose that the current reimbursement of two rates expand to three different rates, which will correspond to the levels of assisted living.

The Utah Department of Health established different levels of assisted living, Type I and Type II. The difference between the two levels is explained in the state rules and regulations R 432-270:

Type I facility residents:

- are ambulatory or mobile and are capable of taking life saving action in an emergency without the assistance of another person;
- have stable health;
- require no assistance or only limited assistance in the activities of daily living (ADL)
- do not require total assistance from staff or others with more than two ADLs.

Type II facility residents:

- may receive total assistance from staff or others in more than two ADLs, provided that the resident is capable of evacuating the facility with the limited assistance of one person.

Many Type II facilities have memory care options for those with dementia and Alzheimer's. These units are secure and offer a higher level of care.

The New Choices Waiver rates have remained the same from 2007. The costs to assisted living communities have risen over the past eight years. Inflation, increased labor costs, and other influences have caused the rates of assisted living to rise. The average assisted living type II resident not on New Choices Waiver can pay up to \$2,800 solely for room and board. That

results in more than a 30% difference. We propose a 10% increase for Type I assisted living residents and a 30% increase for assisted living type II and memory care residents.

Location of Resident	2007 Rates	Proposed Rates
Assisted Living Type I	\$69.75	\$76.75
Assisted Living Type II	\$69.75	\$90.50
Memory Care	\$82.60	\$107.50

If reimbursement rates do not increase, there will be fewer assisted living communities who will accept residents on the waiver program. This is contrary to the purpose of the waiver. There have been countless seniors that have benefited from this waiver. We want to see the waiver continue to help the seniors in the state of Utah.

Regards,

Jared L. Nye
President
Utah Assisted Living Association