

Medicaid Home Care Presumptive Eligibility: Cost Savings Highlights from Other States

Re: HB 144 (Chairman Burch)

Washington (WA):

- **WA's PE program helped shrink the average wait time required to determine Medicaid financial eligibility by 66% (from 37 days to 17 days).**¹
- WA officials determined that PE clients saved Medicaid an average of \$1,964 a month by authorizing HCBS for people who would have entered an institution if services were delayed.²

Colorado (CO):

- **CO's PE pilot cost \$106,879, but saved the state a total of \$407,012.** These savings were generated by diverting patients from costly nursing facility care into home and community based services (HCBS).³
- CO officials estimated a third of Medicaid hospital discharges could be diverted to home care, but study results showed, "About 60% of the Medicaid eligible people discharged from hospitals avoided nursing home placement."⁴

Connecticut (CT):

- An Area Agency on Aging (AAA) study estimated CT could save \$6,033 per month for every client deemed presumptively eligible for HCBS rather than paying for institutional care.⁵
- The CT Home Care Program explores Medicaid eligibility for approximately 2,157 clients annually. The AAA study showed preventing premature institutional care for one month and for 25% of the 2,157 applicants could save the state \$3,251,787.⁶

Kansas (KS):

- Researchers at the University of Kansas (KU) found KS's PE pilot would have only needed to divert 5 people (2.5% of 200) away from institutional care in order for it to be cost effective. In the end, the PE pilot successfully diverted 11% of participants (22 of 200) away from nursing homes and into HCBS. The KU study documented a less than 1% error rate in determinations.⁷
- Rosemary Chapin, the study's author, stated they feared the pilot would incur significant costs, so state lawmakers created a large "safety fund" just in case. **The program was so cost effective the safety fund went untouched.**⁸

Ohio (OH):

- OH's PASSPORT, administered by AAAs, is a Medicaid waiver program which has PE for home care.
- PE has contributed to OH reducing the percentage of its Medicaid budget spent on institutional care from 60% to 48%.⁹
- OH data indicates the error rate in assessments is about 1% of applications.¹⁰

¹ Robert Mollica, *Expediting Medicaid Financial Eligibility*. National Academy for State Health Policy (2004), pp. 5.

² Robert Mollica, *Expediting Medicaid Financial Eligibility*. National Academy for State Health Policy (2004), pp. 6.

³ U.S. Department of Health and Human Services Office of Disability, Aging and Long-Term Care Policy. *Fast Track and other Nursing Home Diversion Initiatives: Colorado's Nursing Home Transition Grant*. Prepared by The MEDSTAT Group, Inc. (2003), pp. 2, 6.

⁴ Robert Mollica, *Expediting Medicaid Financial Eligibility*. National Academy for State Health Policy (2004), pp. 10.

⁵ CT AAA Legislative Testimony before the Human Services Committee, March 5, 2013.

⁶ CT AAA Legislative Testimony before the Human Services Committee, March 5, 2013.

⁷ Rosemary Chapin, et al. *Expedited Service Delivery Pilot Evaluation Final Report*. University of Kansas School of Social Welfare Office of Aging and Long Term Care. (1999), pp. 12, 43.

⁸ Rosemary Chapin made this assertion in a phone conversation with Caitlin Maloney of Alston & Bird, LLC on Tuesday, January 13, 2015. Ms. Chapin can be reached at (785) 864-8941 or by email at rchapin@ku.edu. Ms. Maloney can be reached at caitlin.maloney@alston.com.

⁹ Catherine Candisky, *The Columbus Dispatch*, "Ohio Reduces Spending on Nursing Homes." Sept. 11, 2014.

¹⁰ Robert Mollica, *Expediting Medicaid Financial Eligibility*. National Academy for State Health Policy (2004), pp. 8.