



KENTUCKY ASSOCIATION OF PRIVATE PROVIDERS

1915(C) WAIVER REDESIGN TASKFORCE

JUNE 21, 2021

1:00 PM

CAPITOL ANNEX ROOM 129

Kentucky's 1915c HCBS Waivers:

1. ABI/ABI LTC
2. HCB
3. Model II
4. MPW
5. SCL

Individuals with intellectual/developmental disabilities who would be admitted to an ICF or a nursing facility if waiver services were not available.

What are 1915c HCBS Waiver Services?

- A community-based alternative to institutionalization.
- Allow individuals to live safely in the community.
- Cost effective



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SCL and MPW Waiver Wait Lists

Waiver	Funded Slots	Currently Available Slots	Individuals on Waitlist	Average Time Elapsed Since Placed on Waitlist
MPW	10,500	121	7,492	2.9 years
SCL	4,491	197	2,980: -122 Urgent -2,786 Future Planning	Urgent: 3.64 years Future Planning: 7.16 years

Multi-year wait times for SCL and MPW slots are common.



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HCBS Costs



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CY 2019 1915(c) HCBS Waiver Expenditures

Note: CMS provides approximately 70% of funding for waiver services.

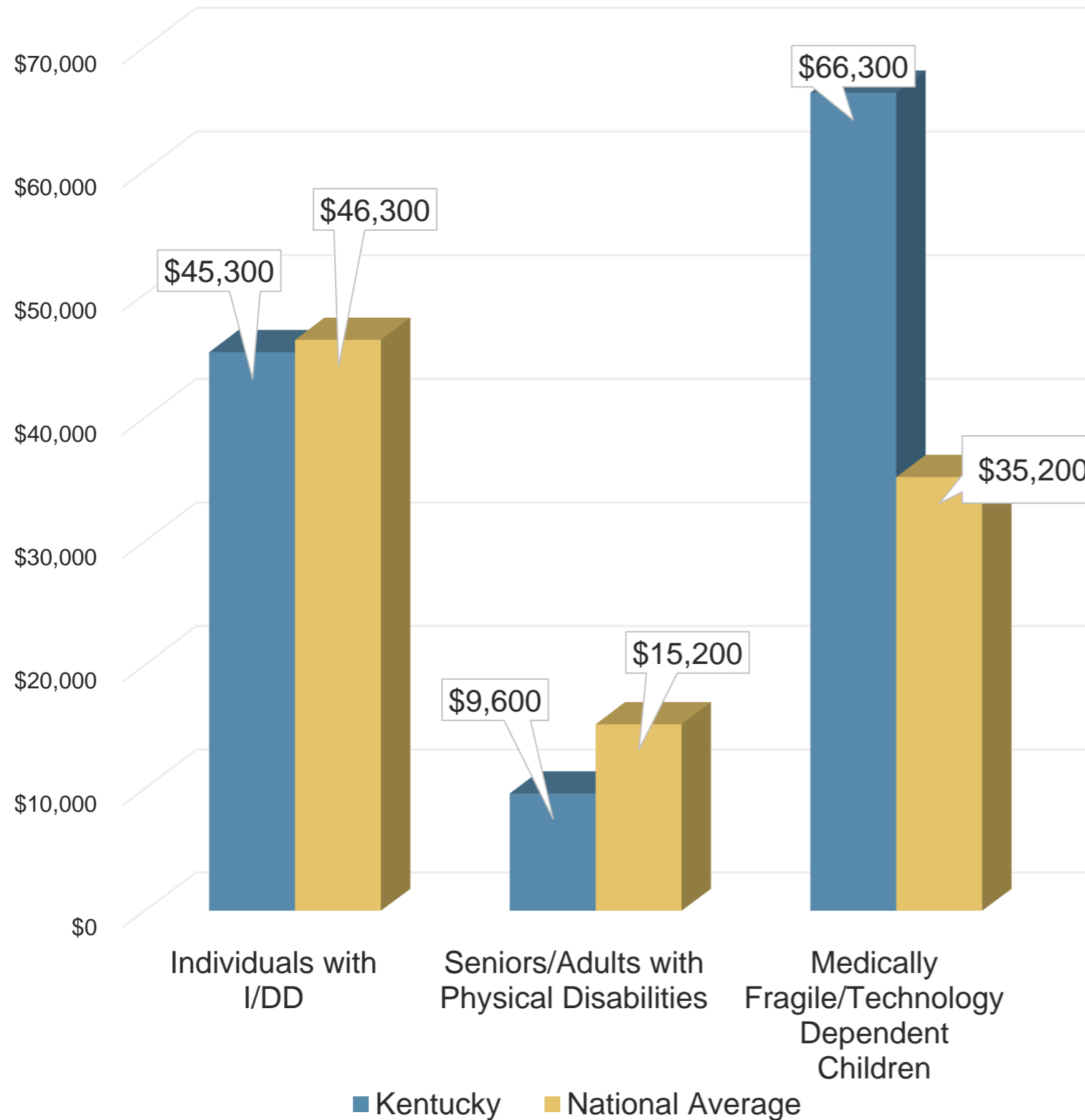
Waiver	Population Served	Total Paid Claims Amount	Federal Share	State Share
ABI Acute	296	\$23,035,476	\$16,124,833	\$6,910,643
ABI LTC	263	\$26,674,621	\$18,672,235	\$8,002,386
HCBS	10,658	\$159,288,787	\$111,502,151	\$47,786,636
MW II	33	\$2,351,010	\$1,645,707	\$705,303
Michelle P	10,212	\$342,408,962	\$239,686,273	\$102,722,689
SCL	4,921	\$386,802,581	\$270,761,807	\$116,040,774
Total	26,383	\$940,561,437	\$658,393,006	\$282,168,431

Note: MPW services are limited to 40 hours/week with an annual expenditure limit of \$63,000 and do not include residential services.

- HCBS services fall in the larger category of Long-Term Services and Supports (LTSS).
- Nationally, LTSS accounts for 32% of the total national Medicaid expenditures.
- **Kentucky's LTSS spend accounts for only 21% of its total Medicaid spend, which places us in the bottom 10 states for LTSS spend.**
- The national average per resident LTSS spend is \$522.44.
- **Kentucky is well below the national average at 468.30.**

- Nationally, HCBS accounts for 56.1% of LTSS expenditures.
- **Kentucky's HCBS spend accounts for only 42.8% of our LTSS spend, which places us in the bottom quartile.**
- The national average per resident HCBS spend is \$298.18.
- **Kentucky's average per resident HCBS spend is \$200.21.**
- Nationally, 72% of all 1915c Waiver Spend is on I/DD services. **74% of Kentucky's 1915c waiver spend is on I/DD services.**

Kentucky v. National Spend for HCBS



- Kentucky's per enrollee spending for 1915c waiver services for individuals with I/DD is slightly below the national average.
- Kentucky ranks #5 of all states by the Case for Inclusion. Kentucky was ranked #40 in 2007.
- 365 days of institutional care for Kentucky's I/DD population would cost the state approximately 438,000 per person. **The return on investment and cost savings are clear.**

Source: Kaiser Family Foundation <https://www.kff.org/report-section/medicaid-home-and-home-and-community-based-services-enrollment-and-spending-appendix-tables/>



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SCL and MPW Waiver Applications

Navigant Rate Study

- The service definitions, terms, processes and expectations included in that applications are too vague to evaluate in a meaningful way.
- Implementation of the waiver applications and proposed rates will result in individuals with I/DD experiencing a reduction in services.
- KAPP has service specific comments and tweaks. These are contained in our public comments that were submitted in December 2019.

- The rate study was not transparent.
- Stakeholders were not given adequate time to the proposed rates before they were submitted to CMS for approval.
- Stakeholders were not given the information necessary to respond to the proposed rates before they were submitted to CMS for approval.

- The proposed rates are based upon old service definitions and allowable units and do not relate to the changes proposed in the waiver applications.
- The proposed rates are based upon 2018 cost data.
- The proposed rates do not reflect the actual costs of doing business, but instead, reflect the strict budget neutrality parameters placed upon Navigant.
- 30% response rate
- BLS Data
- Provider Tax



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Outstanding Issues to be Addressed by the 1915c Waiver Task Force



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- Workforce
- Reimbursement Rates
- Exceptional Supports/Gaps in Care
- SCL and MPW Waitlists
- Supports Throughout Lifespan
- Restrictive Regulations

- Kentucky's 1915c waiver providers have struggled for years to recruit and retain qualified DSPs. Why?
 1. Low DSP wages
 2. Emotionally/physically demanding work

86% of respondents report that they have experienced difficulty recruiting and/or retaining staff during the COVID-19 pandemic despite offering enhanced wages in the form of hazard pay, bonuses, etc.

- Of that 86%:
 1. 77.78% are residential providers
 2. 2.8% are "fully staffed" and 50% are "critically understaffed."

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3. Of that 86%:

- A. 77.78% are residential providers
- B. 2.8% are "fully staffed" and 50% are "critically understaffed."
- C. 72.22% experienced increased overtime costs as a result of understaffing
- D. Respondents reported an average of \$22,797.02 in overtime costs during their last pay period due to understaffing.



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Recommendations

- Funding:
 1. Address immediate workforce crisis by implementing rate increases across all waivers.
 2. Implement a long-term funding solution, based upon accurate data, to establish a sound rate structure that includes a wage component that can be adjusted for cost of living.
- Revise regulations to allow for flexibility, innovation and true person-centered care.
- Make certain Appendix K changes permanent.

- Address SCL and MPW waitlists:

MPW waitlist to include emergency and urgent categories like SCL.

Allow for immediate reallocation of a slot when an individual dies.

- Address the gap in care for individuals with significant support needs.
- Overhaul the referral and involuntary termination (30-day notice) processes so that individuals do not remain with providers who are no longer able to support their needs.



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Questions?