



2015 State of the States: Key Survey Takeaways

September 2, 2015

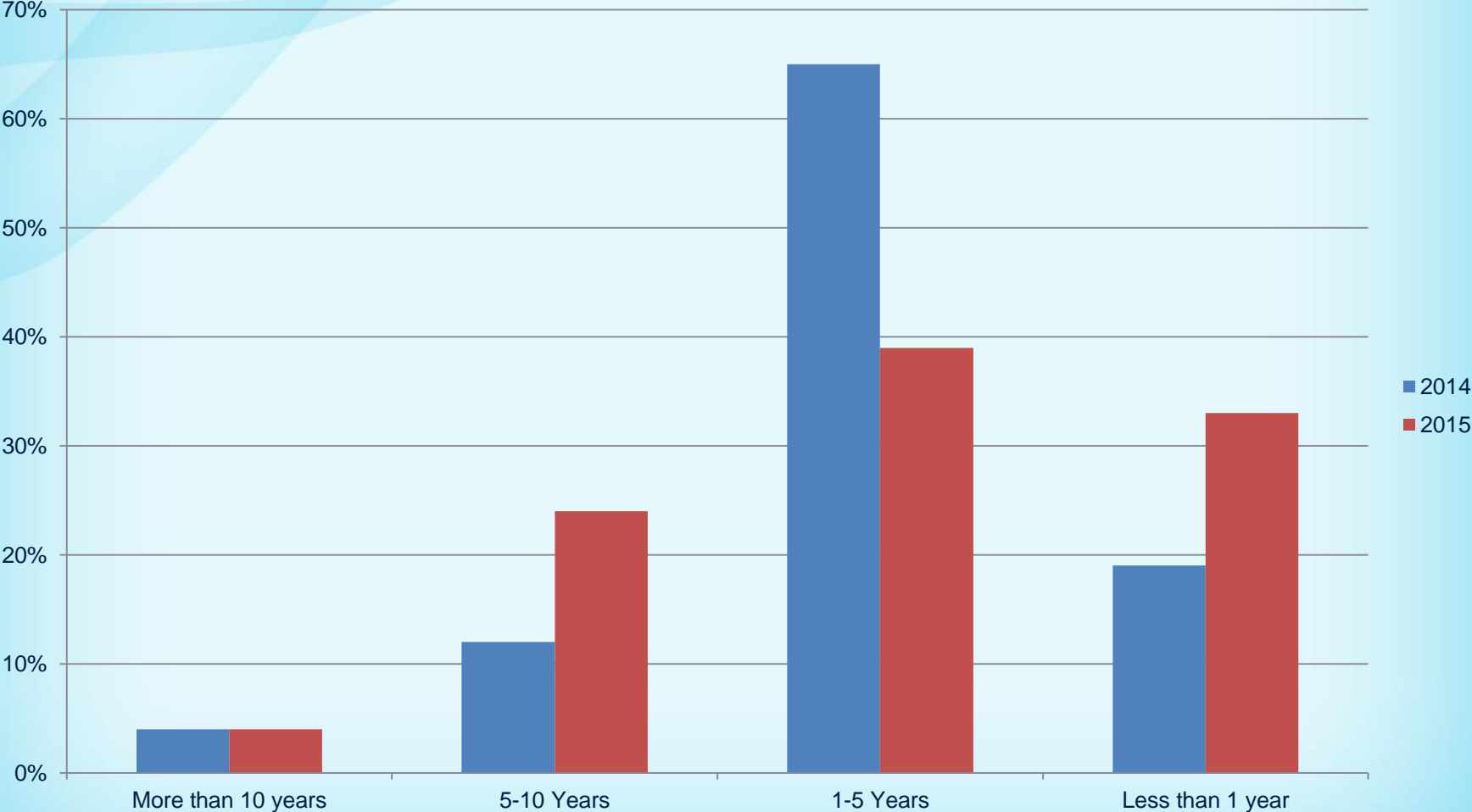
Six Themes from the Survey

- Aging and Disability Director Tenure Remains Short
- Agency Restructuring Slowed Compared to Past Years
- States Continue to Implement and Expand Managed Long-term Services and Supports
- Major Regulations are Significantly Impacting HCBS and LTSS Systems
- Service Demands Continue to Increase, Resulting in Strained Funding
- Elder Justice Services Remain a High Level of Need

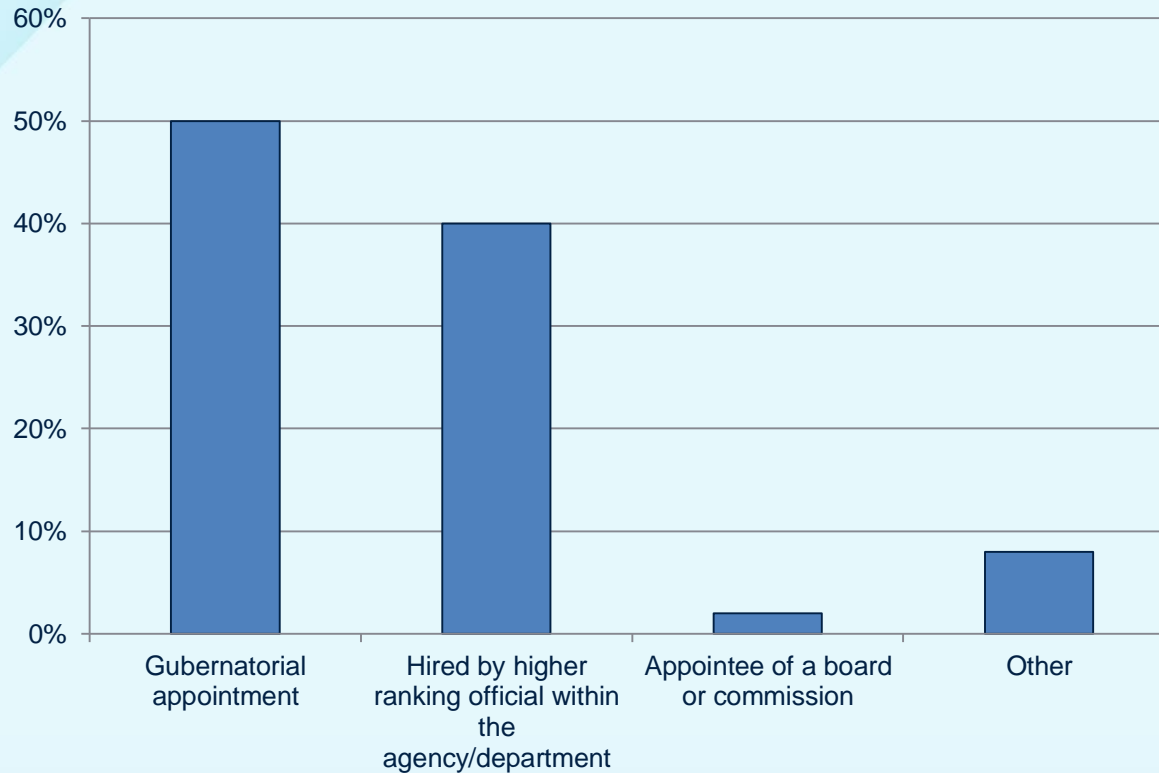
Theme 1:

Aging and Disability Director Tenure Remains Short

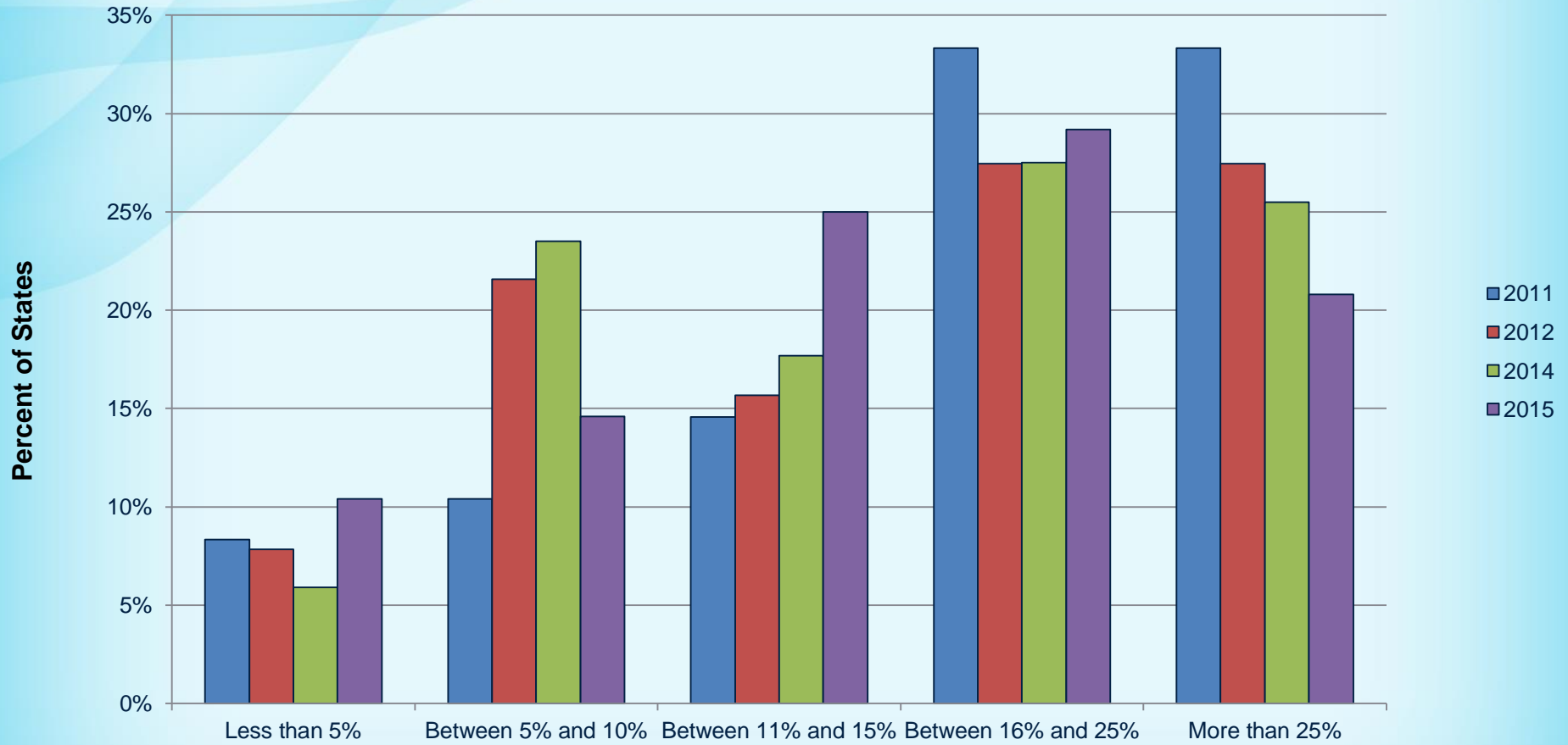
Director Years of Service



Aging and Disability Directors are largely political positions



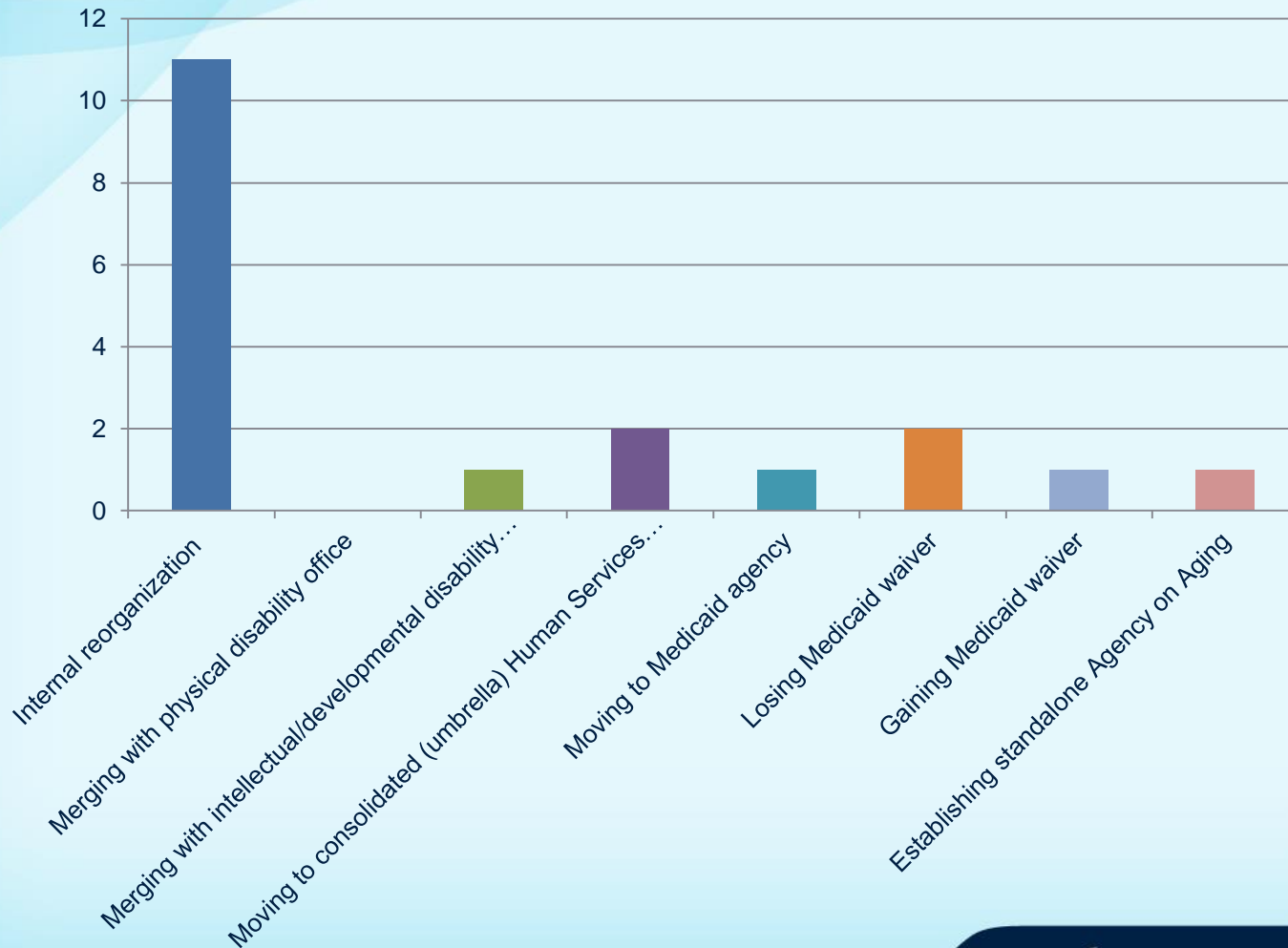
Percentage of State Agency Staff Eligible for Retirement During the Next Five Years



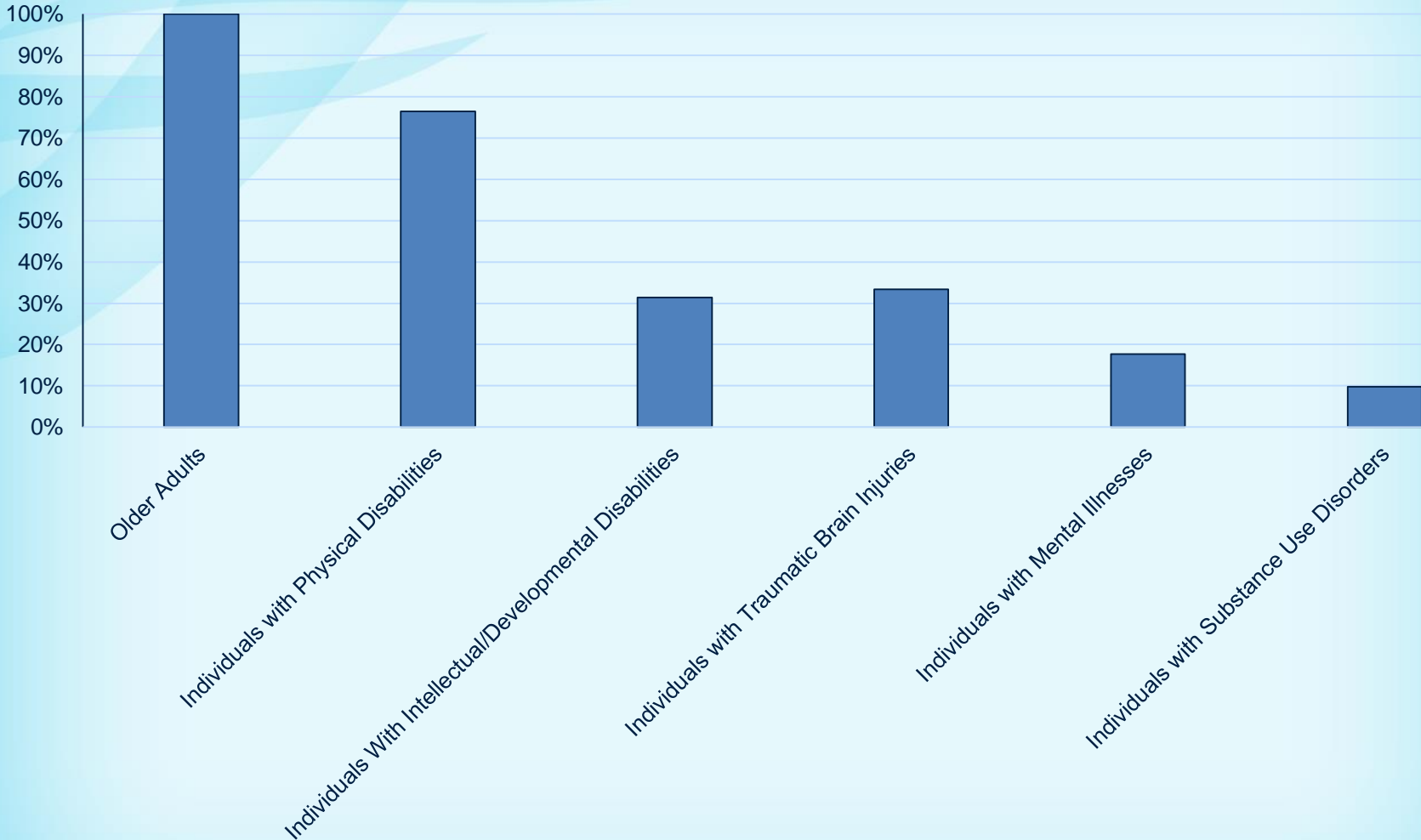
Theme 2:

Agency Restructuring Slowed Compared to Past Years

Reorganizations focused on internal restructuring rather than large-changes

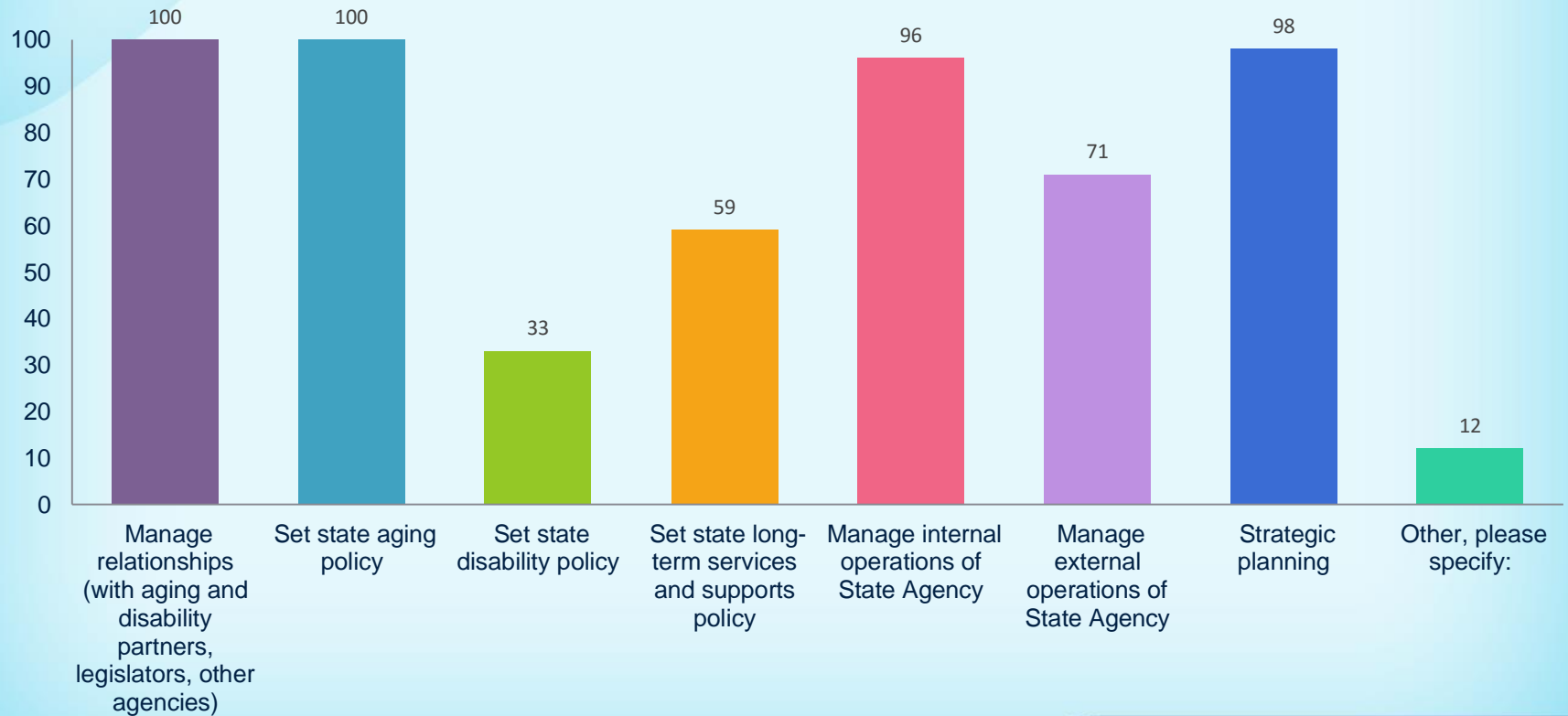


Populations Served by State Agencies



Roles of State Directors

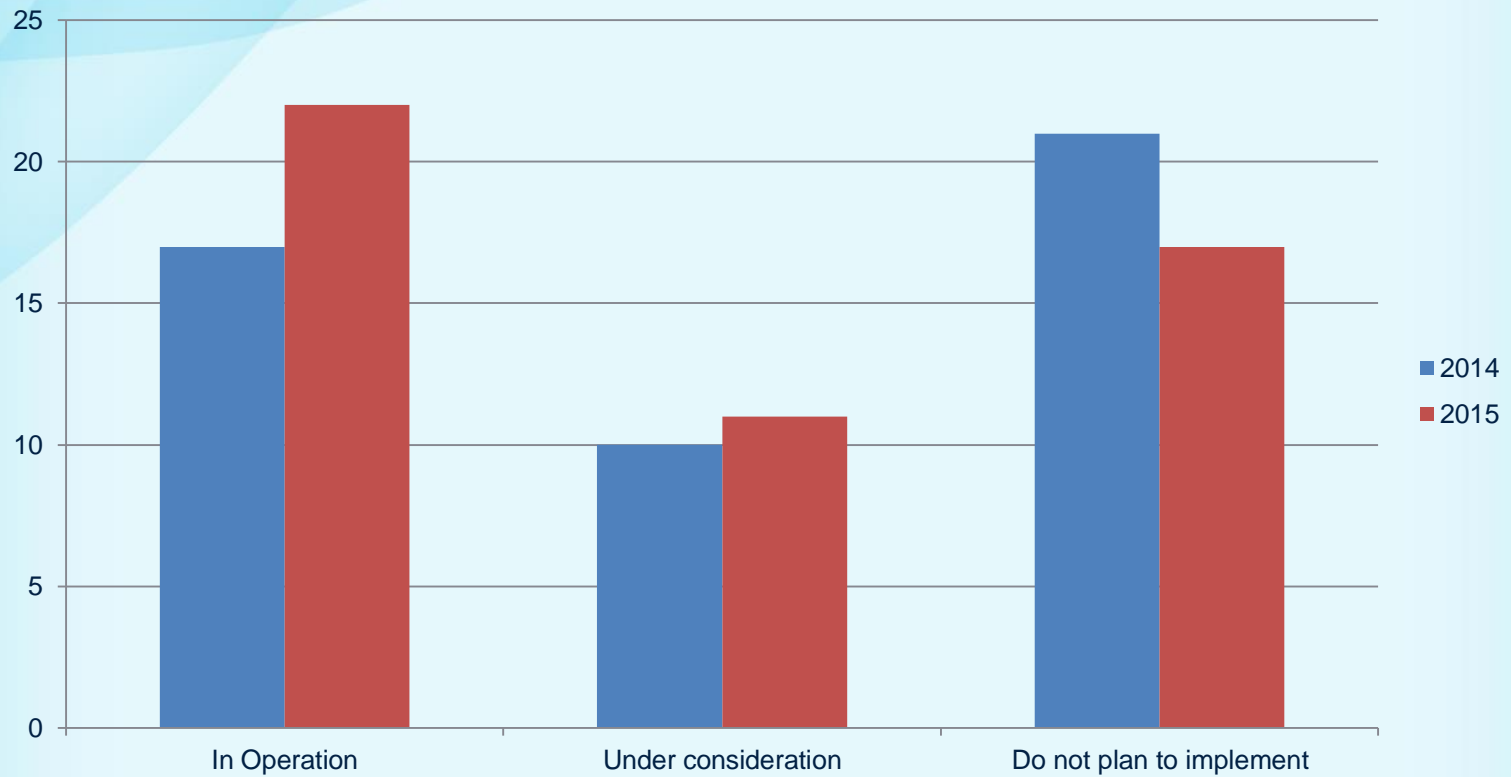
(Percent of State Responses)



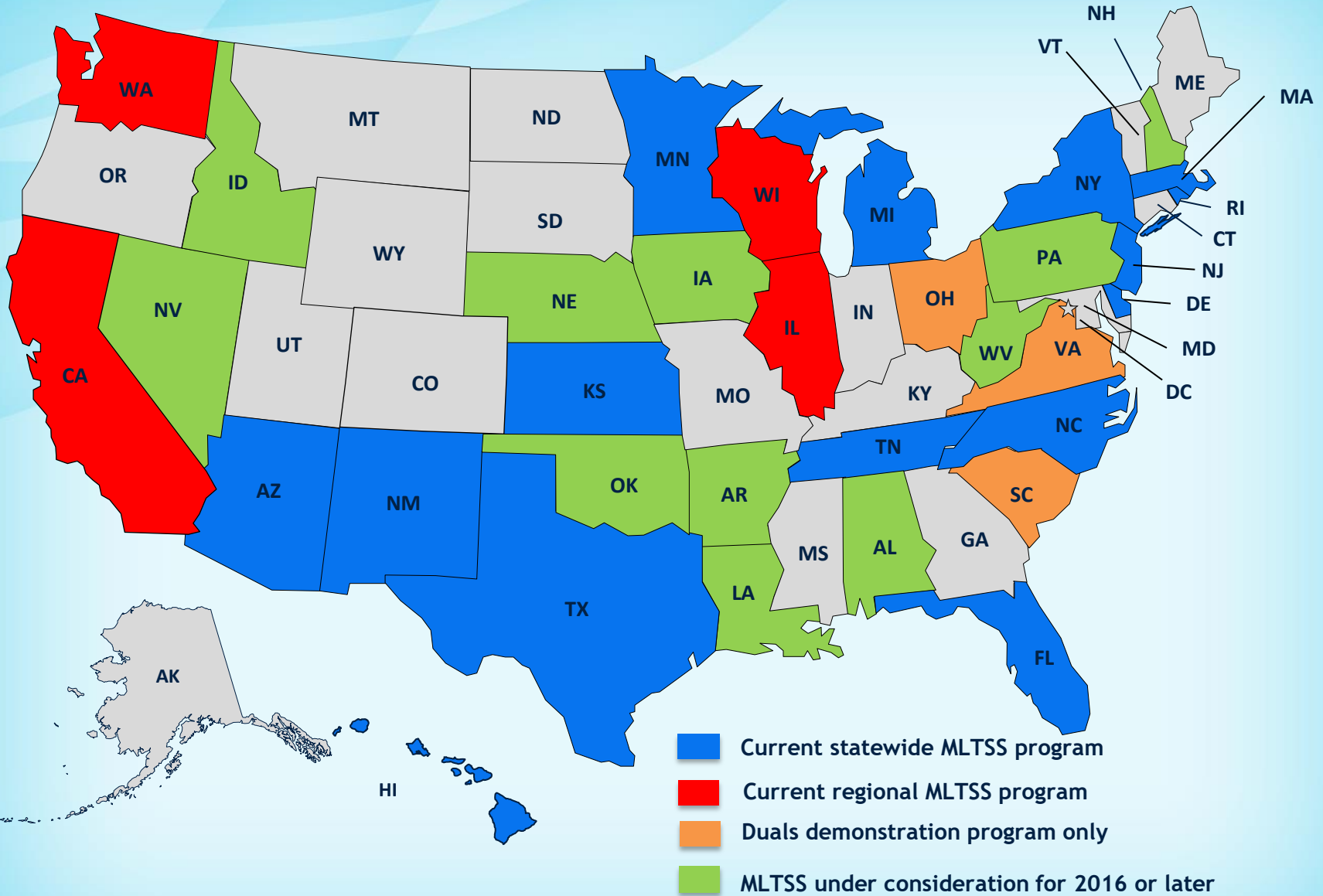
Theme 3:

States Continue to Implement and Expand
Managed Long-term Services and Supports

Medicaid Managed LTSS continues to expand

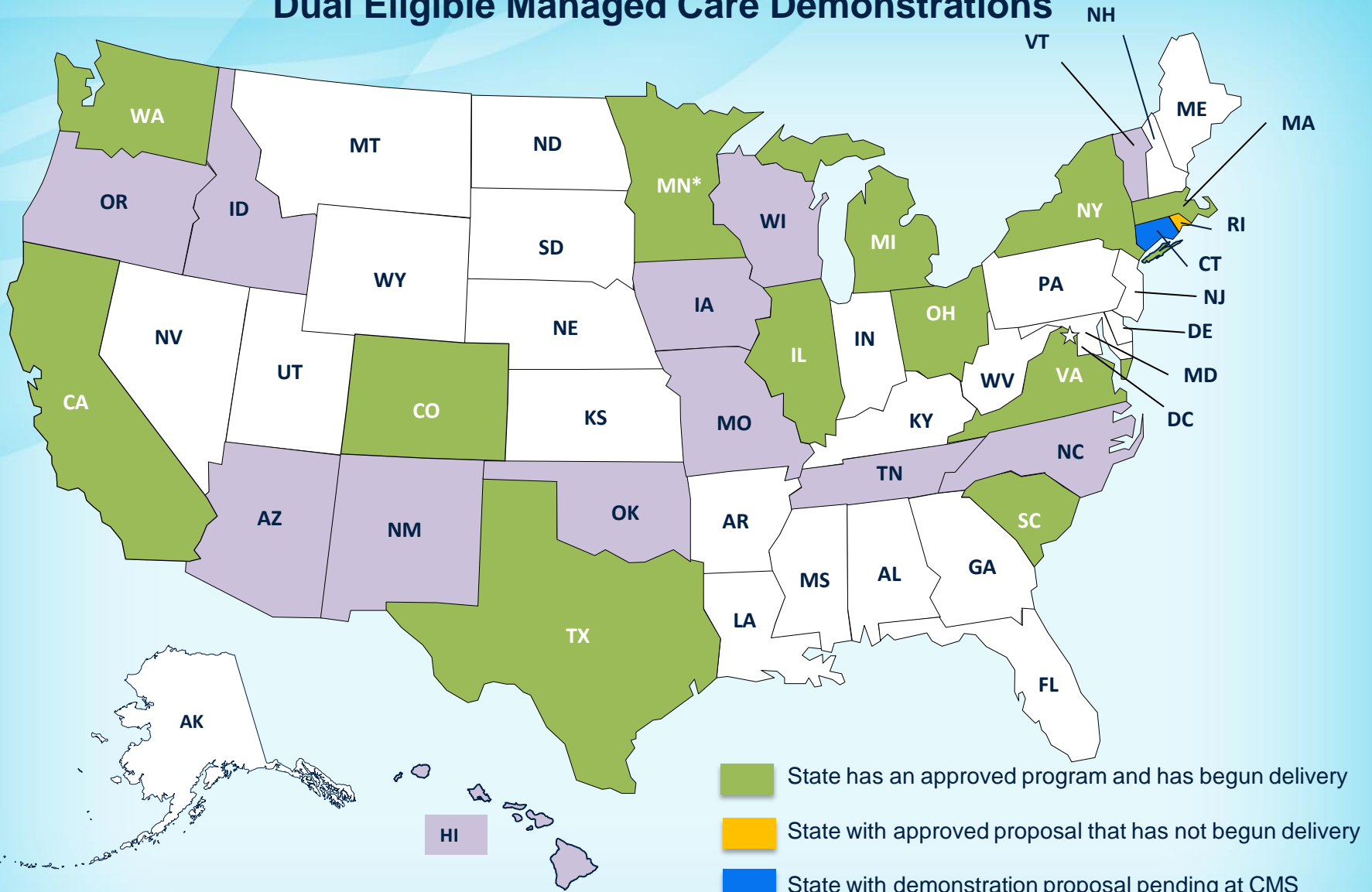


MLTSS Programs - 2015



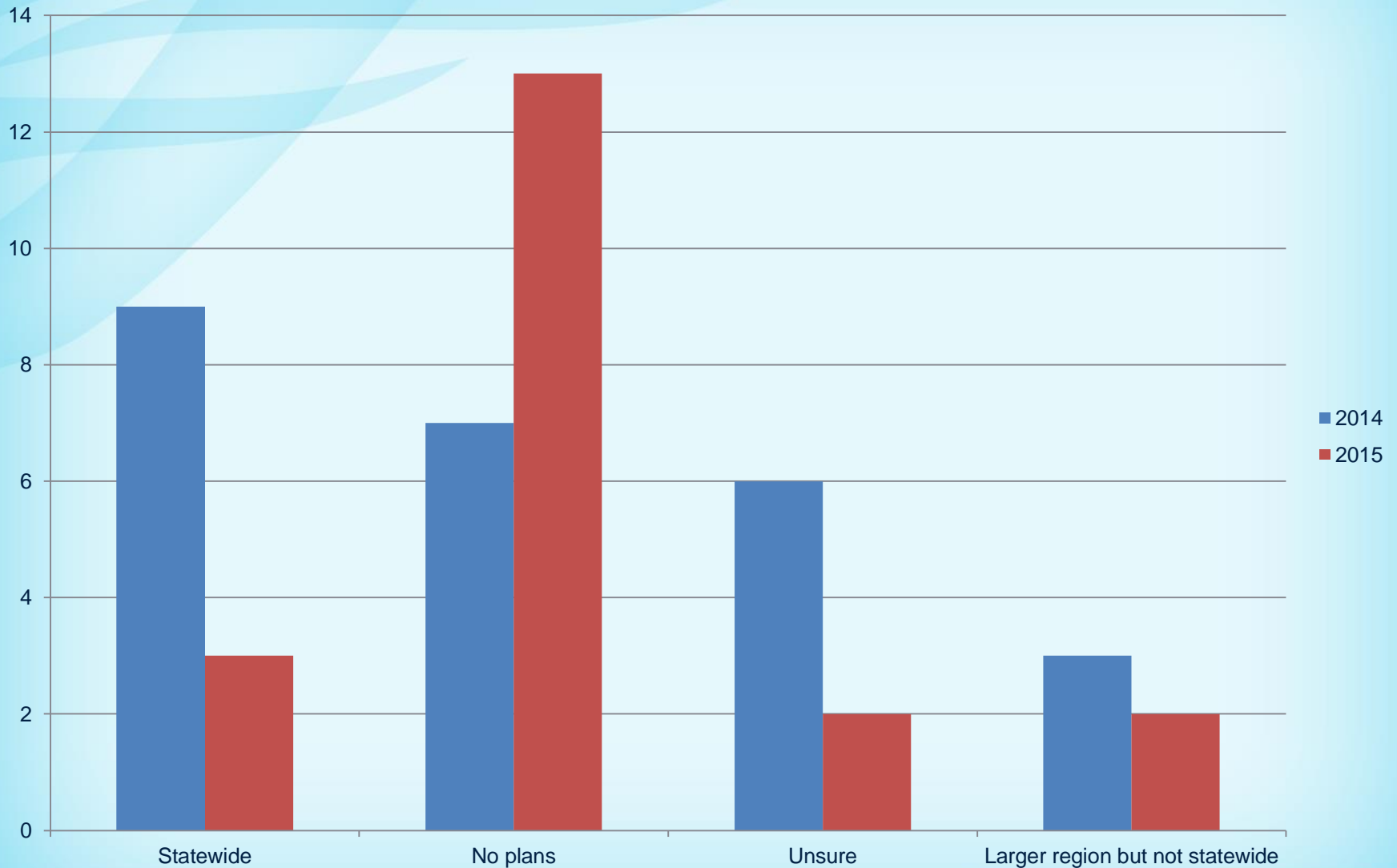
Sources: NASUAD Survey; Discussions with States; CMS data

Dual Eligible Managed Care Demonstrations



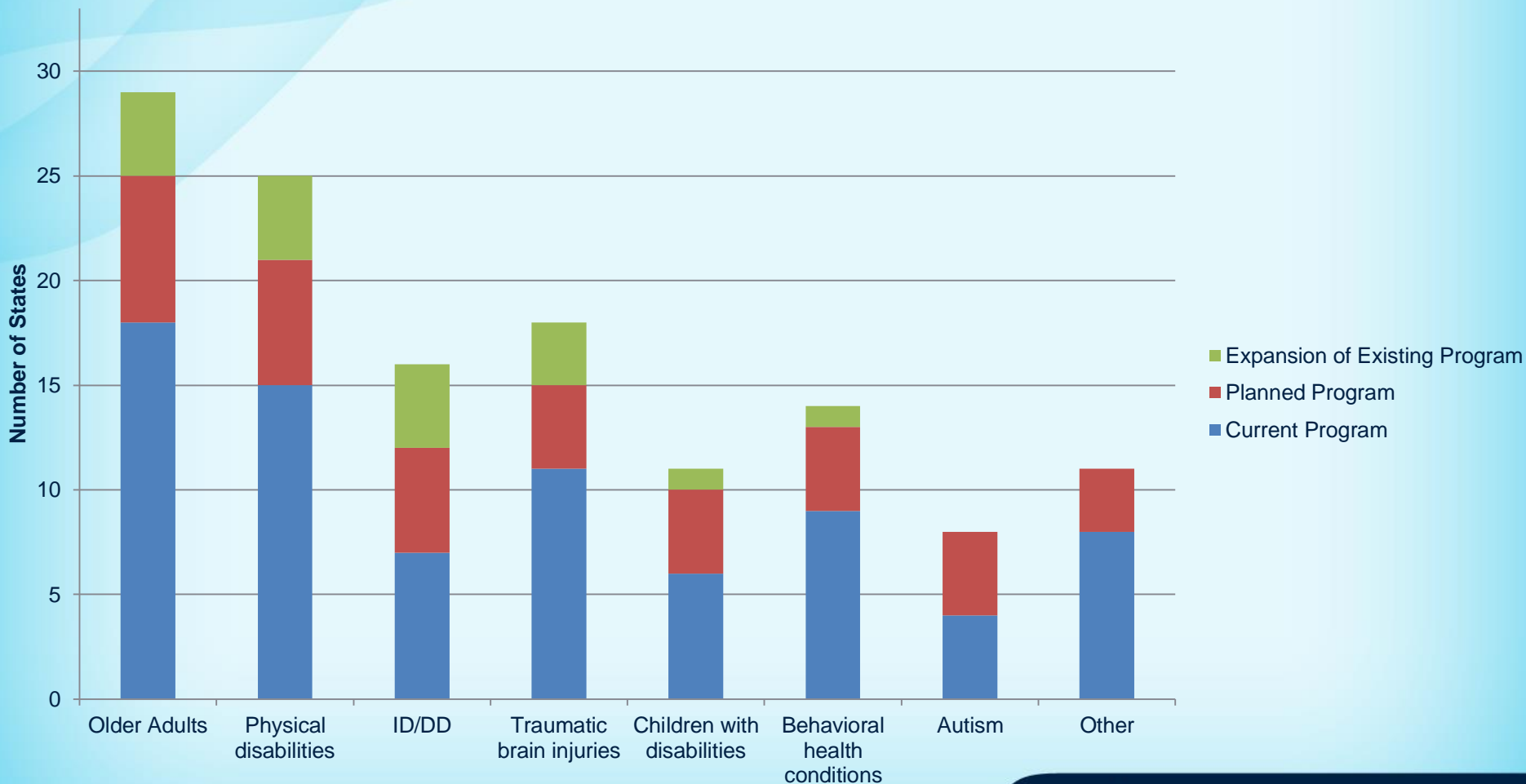
*The Minnesota demonstration involves administrative alignment but does not include payment or service delivery innovations

Fewer States reported plans to expand MLTSS geographically



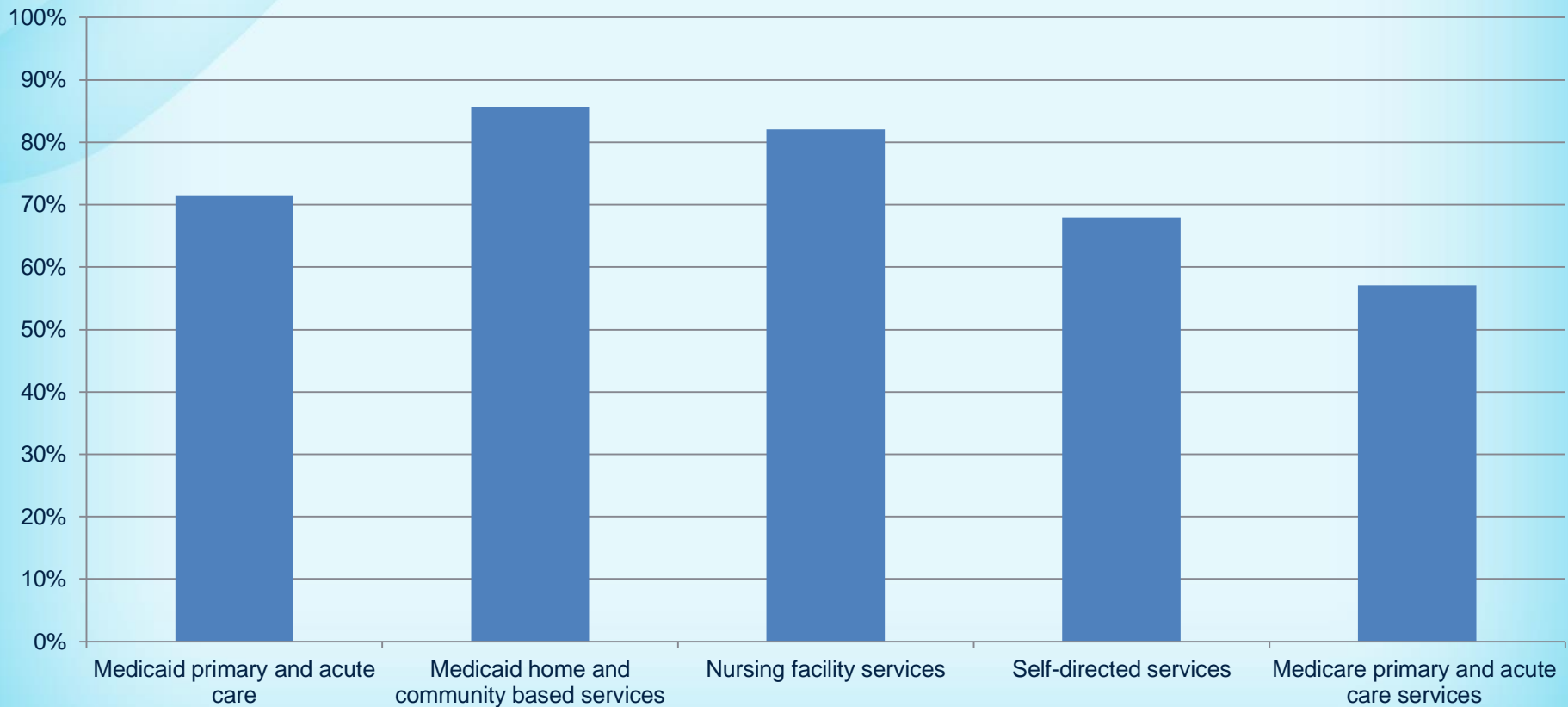
MLTSS still largely targets seniors and persons with physical disabilities

Populations included/proposed to be included in MLTSS

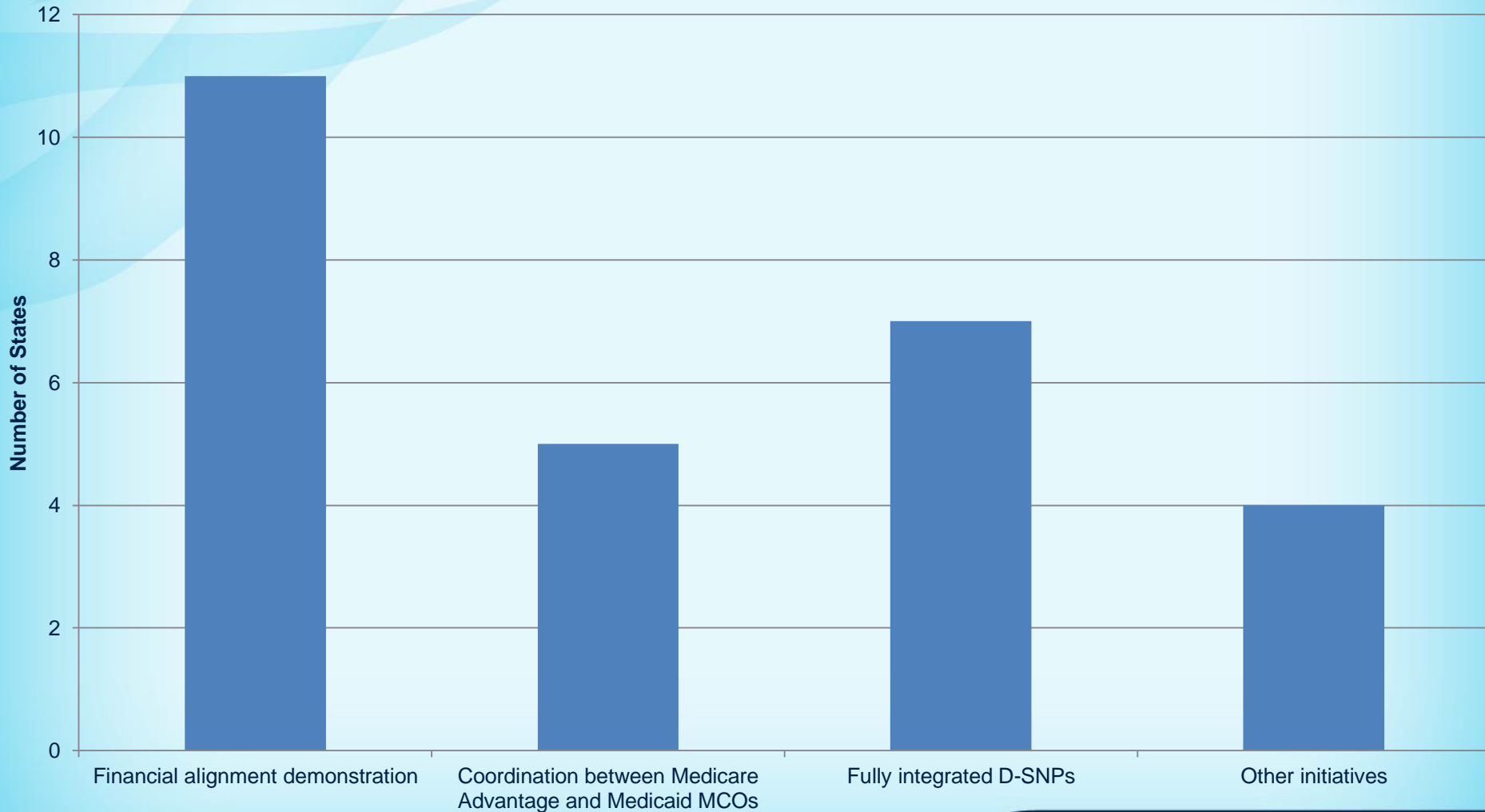


MLTSS generally (but not always) focuses on fully integrated benefits

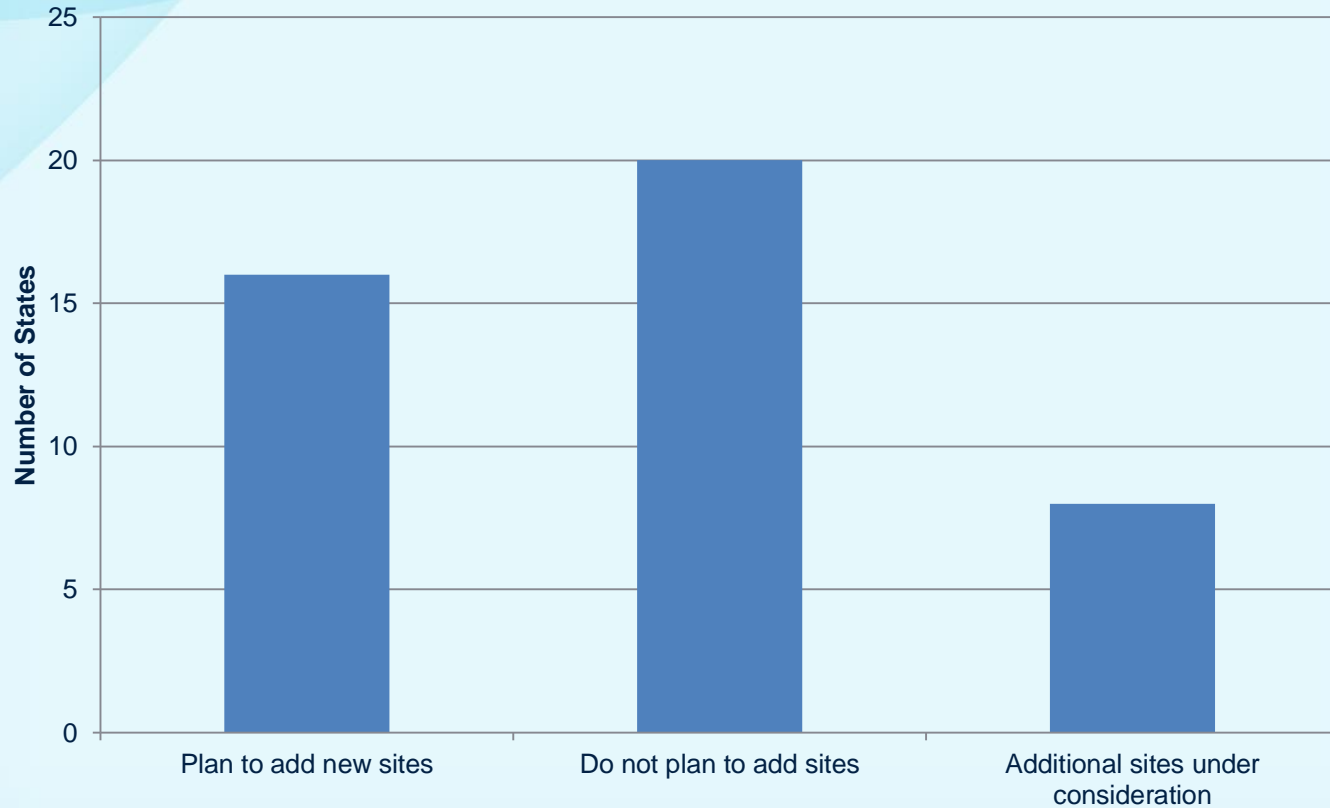
Percent of States including Selected Services in MLTSS



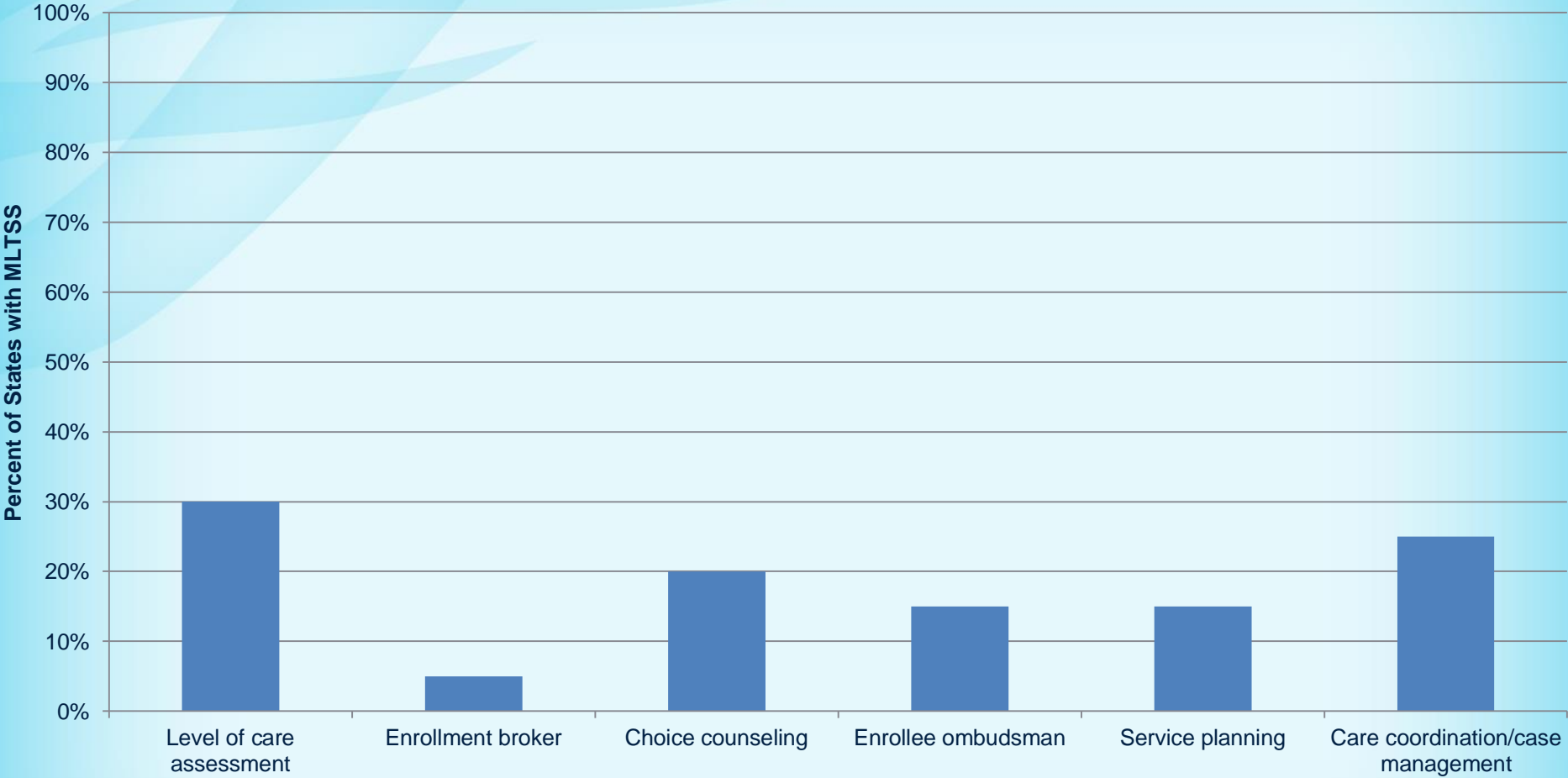
States using varied strategies to coordinate care for dual eligibles



Interest in PACE is growing



Role of Community-Based Organizations in Existing MLTSS Programs



Theme 4:

Major Regulations are Significantly Impacting
HCBS and LTSS Systems

CMS Proposed Managed Care Regulations

- Background: NPRM released on June 1, 2015; comment period ended July 27, 2015
- Sweeping modernization of regulations last promulgated in 2002
- CMS guided by 5 principles:
 - Alignment with Other Insurers
 - Delivery System Reform
 - Payment and Accountability Improvements
 - Beneficiary Protections
 - Modernizing Regulatory Requirements and Improving the Quality of Care

CMS Proposed Managed Care Regulations

- NASUAD members discussed concerns in **information requirements**; MLTSS provisions; network adequacy; quality; oversight and monitoring requirements; and beneficiary support
- In most of these areas, CMS is imposing new and burdensome requirements on states, clearly tipping the balance away from state flexibility and towards national standardization
- NASUAD's primary focus for review and comment were the MLTSS sections which formalize the May 2013 CMS 'guidance' on MLTSS program design

CMS Proposed Managed Care Regulations

- NASUAD submitted 18-page letter of comments, including the following:
 - Include NCI-AD as a quality of life measure in MLTSS quality measurements and broaden language to include non-medical measures appropriate for MLTSS
 - Remove a new ‘for cause’ reason for disenrollment when NF, residential or employment provider leaves MCO network
 - Request state flexibility in network adequacy standards and readiness reviews
 - Clarify permissible MLTSS quality activities for purposes of new MLR requirement
 - Less ambiguity around new requirement for stakeholder engagement

Current Status

- CMS is reviewing the more than 7,000 comments received
- Rule is expected to be finalized next spring
- Significant subregulatory guidance will have to be issued by CMS
- Compliance timeframes will be monitored closely

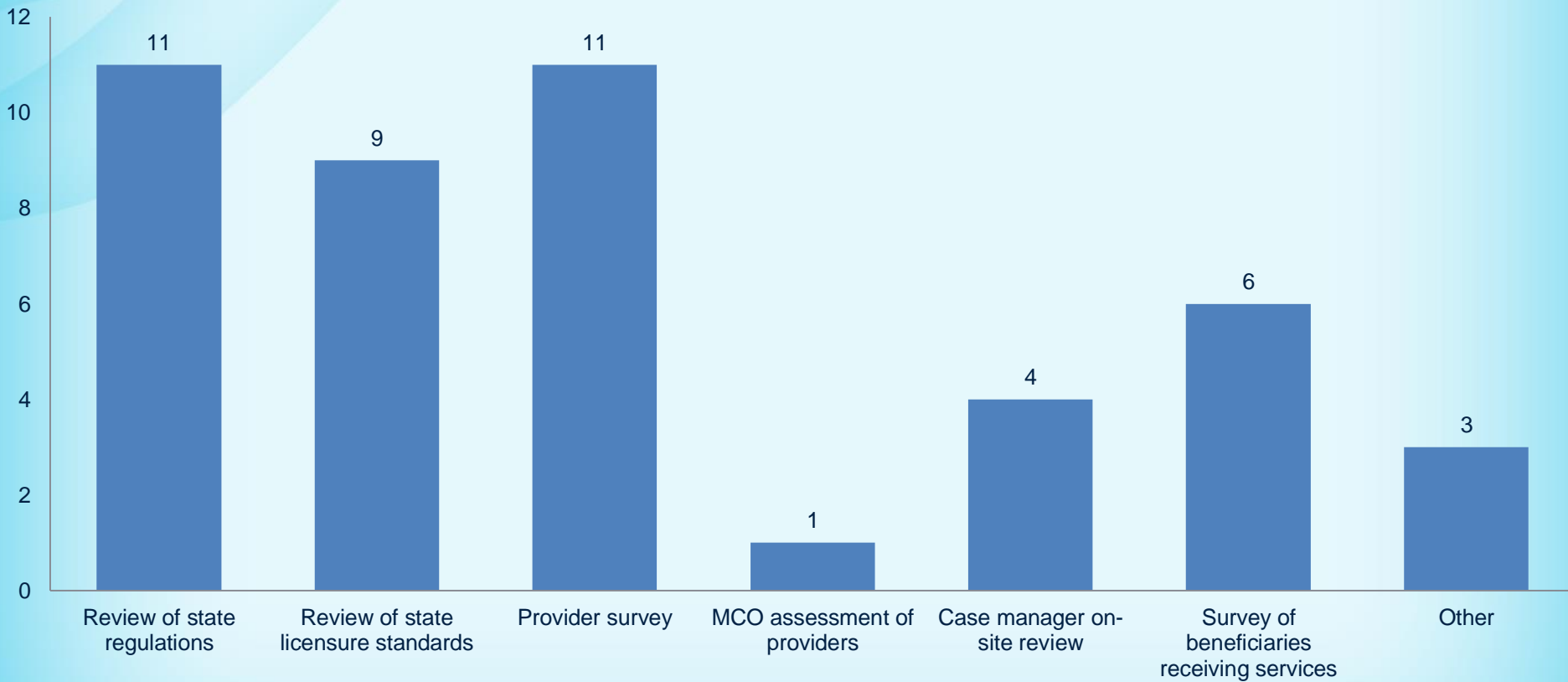
CMS HCBS Regulations

- Background: In January 2014, CMS released regulations that create new requirements for the provision of Medicaid HCBS services
 - The most significant provision is the requirement that all settings of HCBS services be “integrated into the community”
- The regulations required states to submit “transition plans” that discuss how they will come into compliance with the rule
 - March 17th was the CMS deadline for submission of statewide transition plans
 - 48 states and DC have submitted plans
 - CMS has begun review of the plans and has sent some follow-up letters requesting further clarification and information
 - No plans have been approved at this time

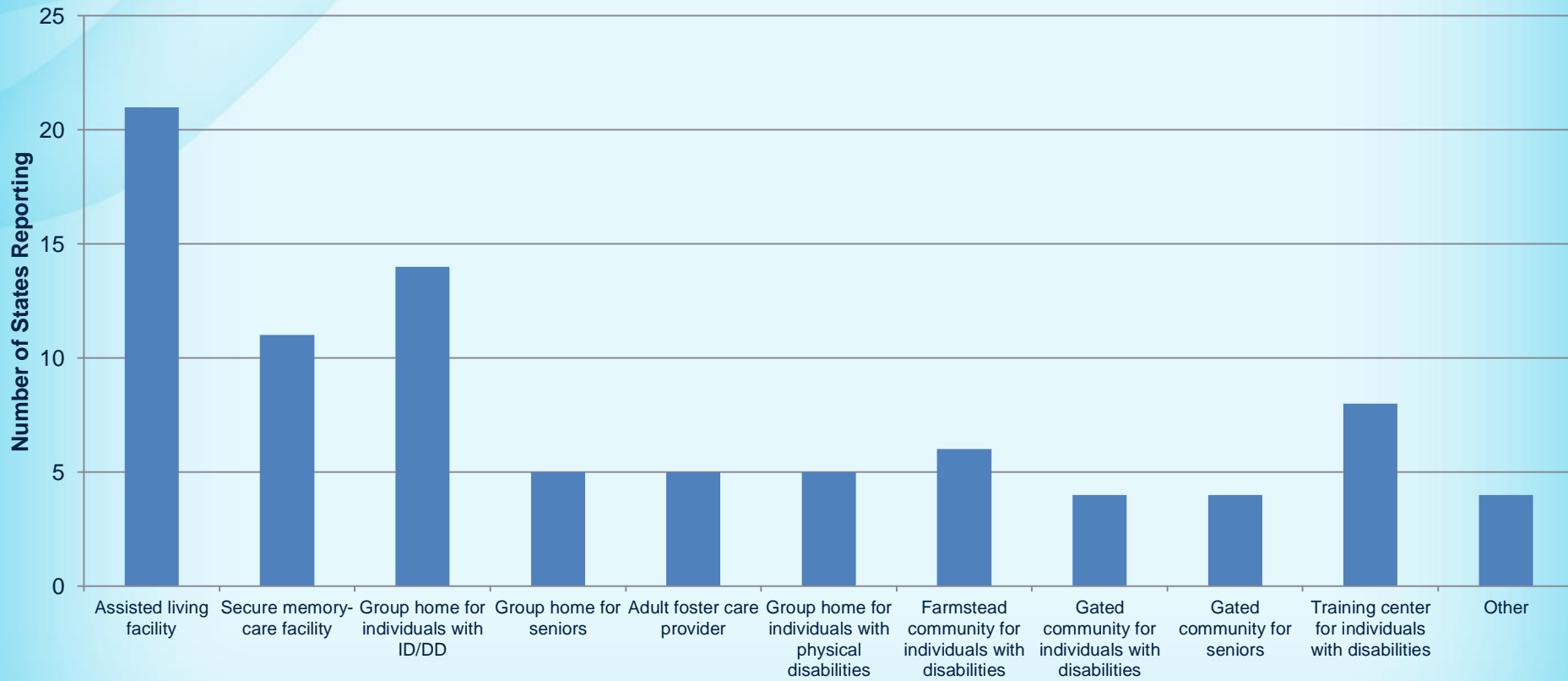
Current Status

- Many of the transition plans were process-oriented and did not include substantive information on setting compliance
- Notably: CMS has performed on-site reviews of some settings (in North Dakota) and has determined:
 - Some residential settings on the grounds of an institution ARE allowable as HCBS, per the heightened scrutiny outcome
 - Some day programs on the grounds of an institution are NOT allowable as HCBS, per the review
- CMS has expressed concern about whether states were identifying all of the settings presumed to be institutional in nature
- NASUAD continues to work with CMS regarding concerns about existing services, including Adult Health, Assisted Living, and Dementia Care

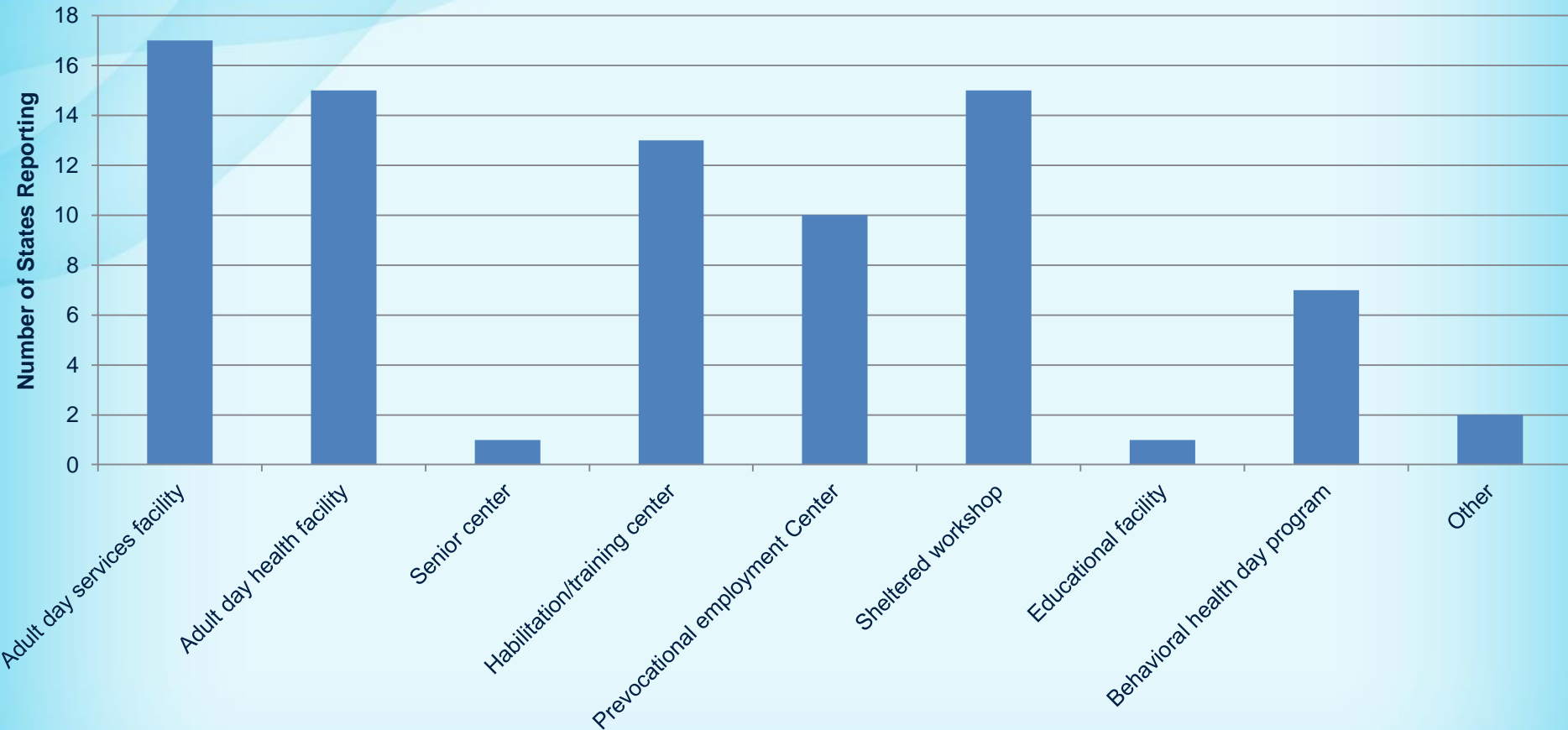
States using varied strategies to assess compliance



Residential settings that may not meet requirements



Day program settings that may not meet requirements



DOL FLSA Regulations

- DOL released regulations changed the definition of “companionship” and limited the ability of third-party employers to claim exemption from FLSA
- Regulations were scheduled to become effective January 1, 2015; however, a Federal Judge placed the major portions of the rule under injunction
- DOL appealed and the injunction was lifted on Friday, August 21st
 - The rule will become effective shortly unless there is another appeal and a stay is granted during that appeal
- DOL previously asserted that states should have prepared for implementing the rule, and that they would not delay the effective/enforcement dates if the ruling is overturned

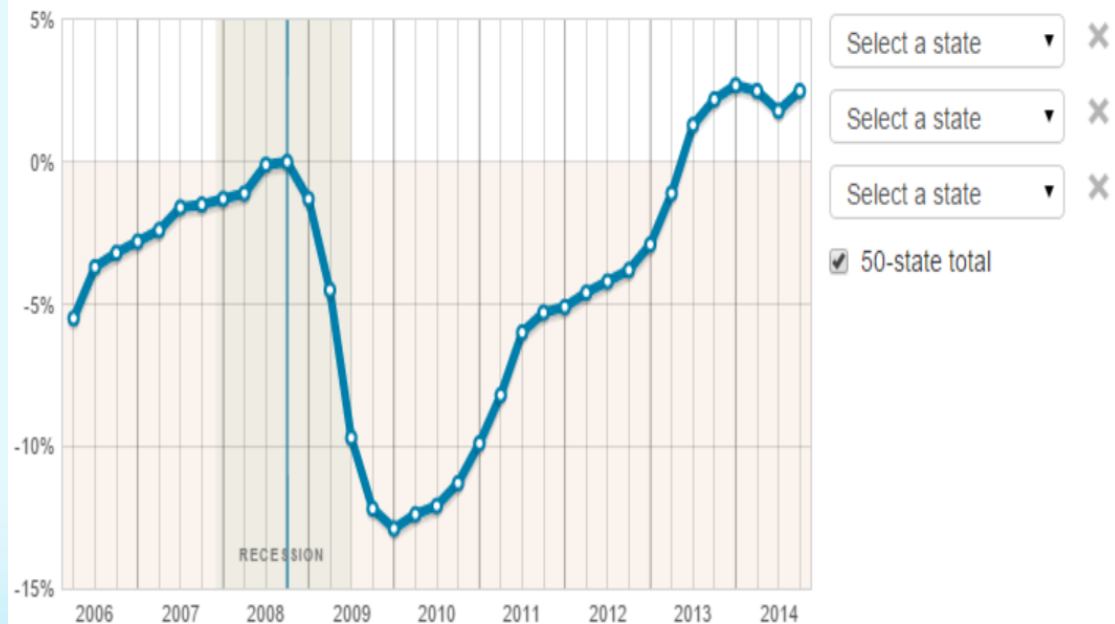
Theme 5:

Service Demands Continue to Increase, Resulting
in Strained Funding

State Fiscal Conditions: Challenging

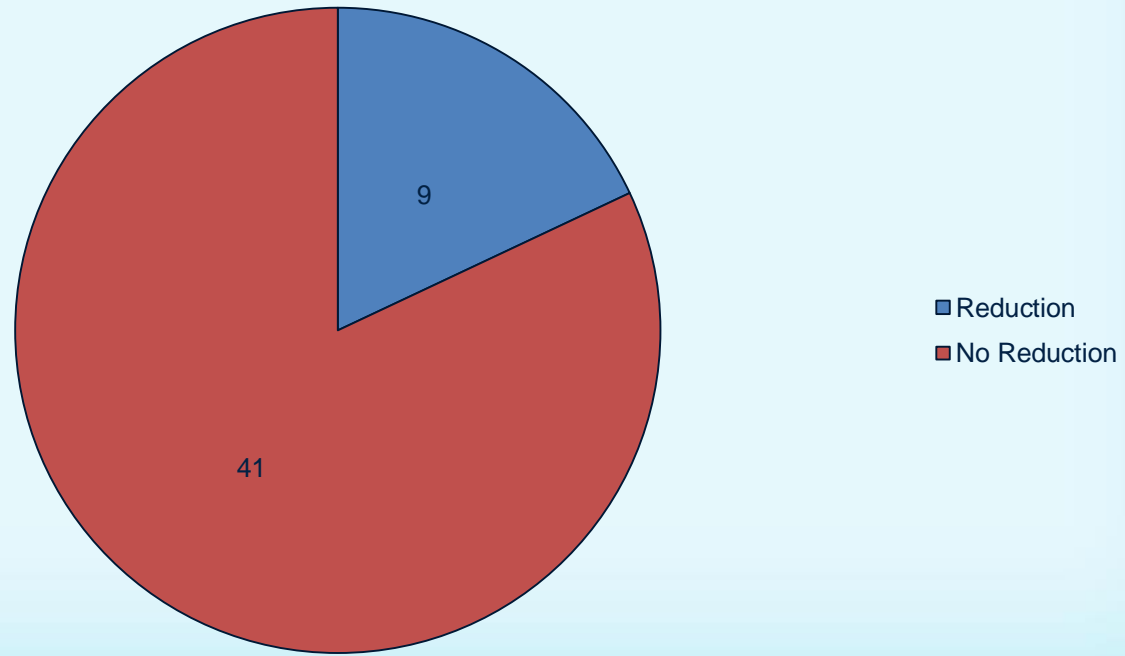
Change in Tax Revenue From Each State's Peak Quarter, Adjusted for Inflation

■ 50 States



But Improving

State Agencies Receiving Reduction in General Funds from their Legislature

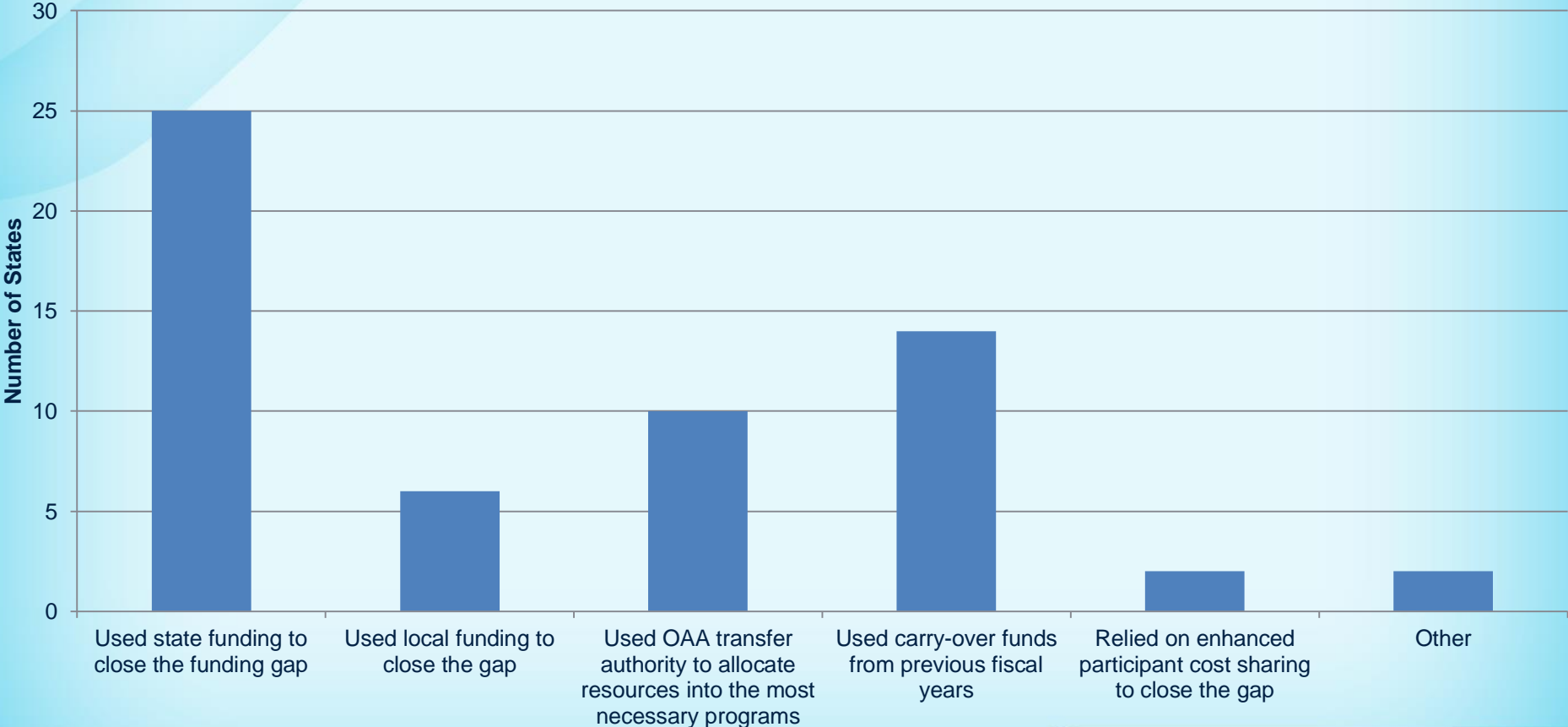


Improving Budgets Helped offset Sequestration

- In the 2014 survey, over 80 percent of states reported that they had offset some of sequestration's impact
- In 2015, only 62 percent of states reported offsetting the impact of sequestration during FY2014
- 38 percent of states were not able to offset the loss
 - In 2014 64 percent of states reported did not believe they could offset the effects in 2014
 - Therefore, nearly half of the states that originally expected to make cuts were able to avoid enacting those reductions.
- However, the total number of states that were able to offset sequestration decreased from 2014->2015

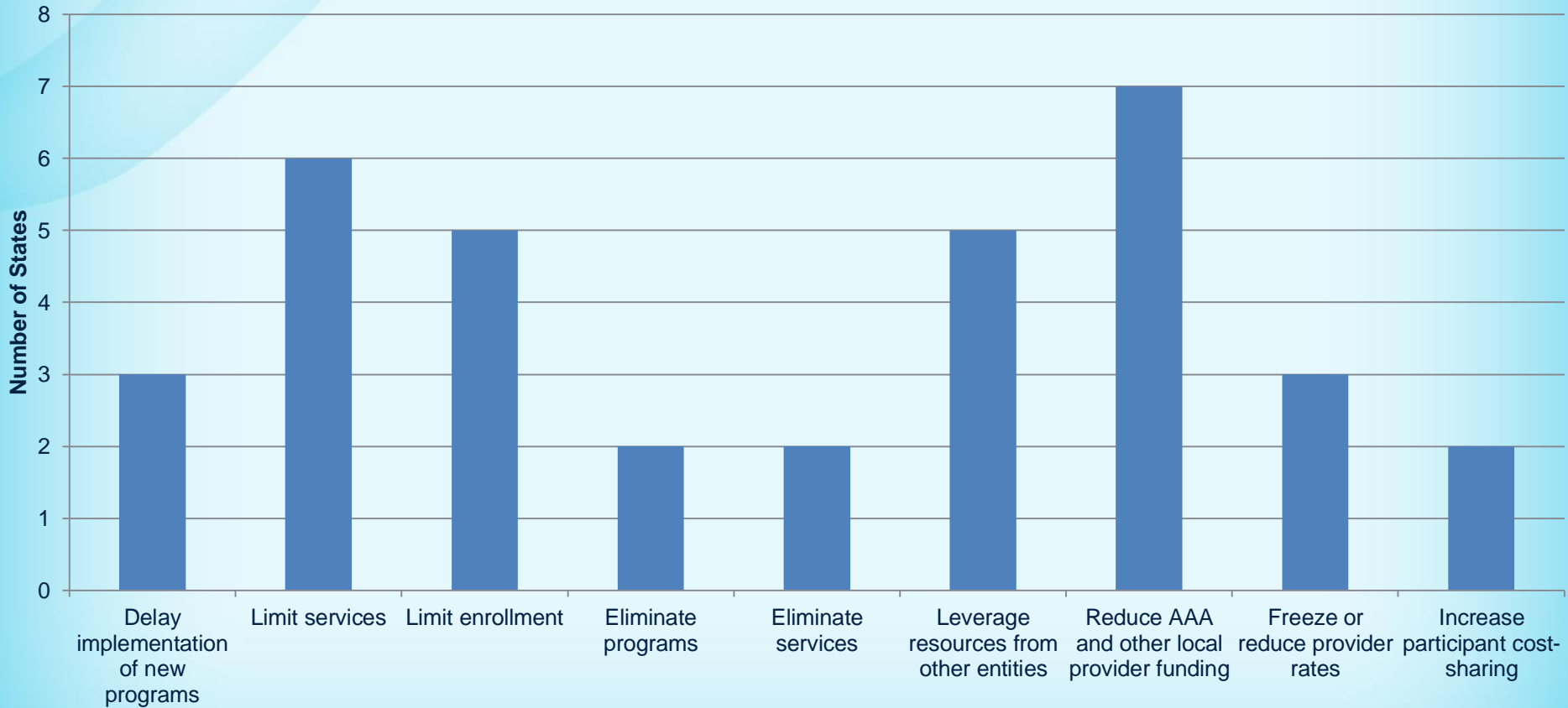
States used various funding sources to offset sequestration

Funding Sources the State Agencies Relied on to Close the Funding Gap caused by the Budget Control Act (FY2014)



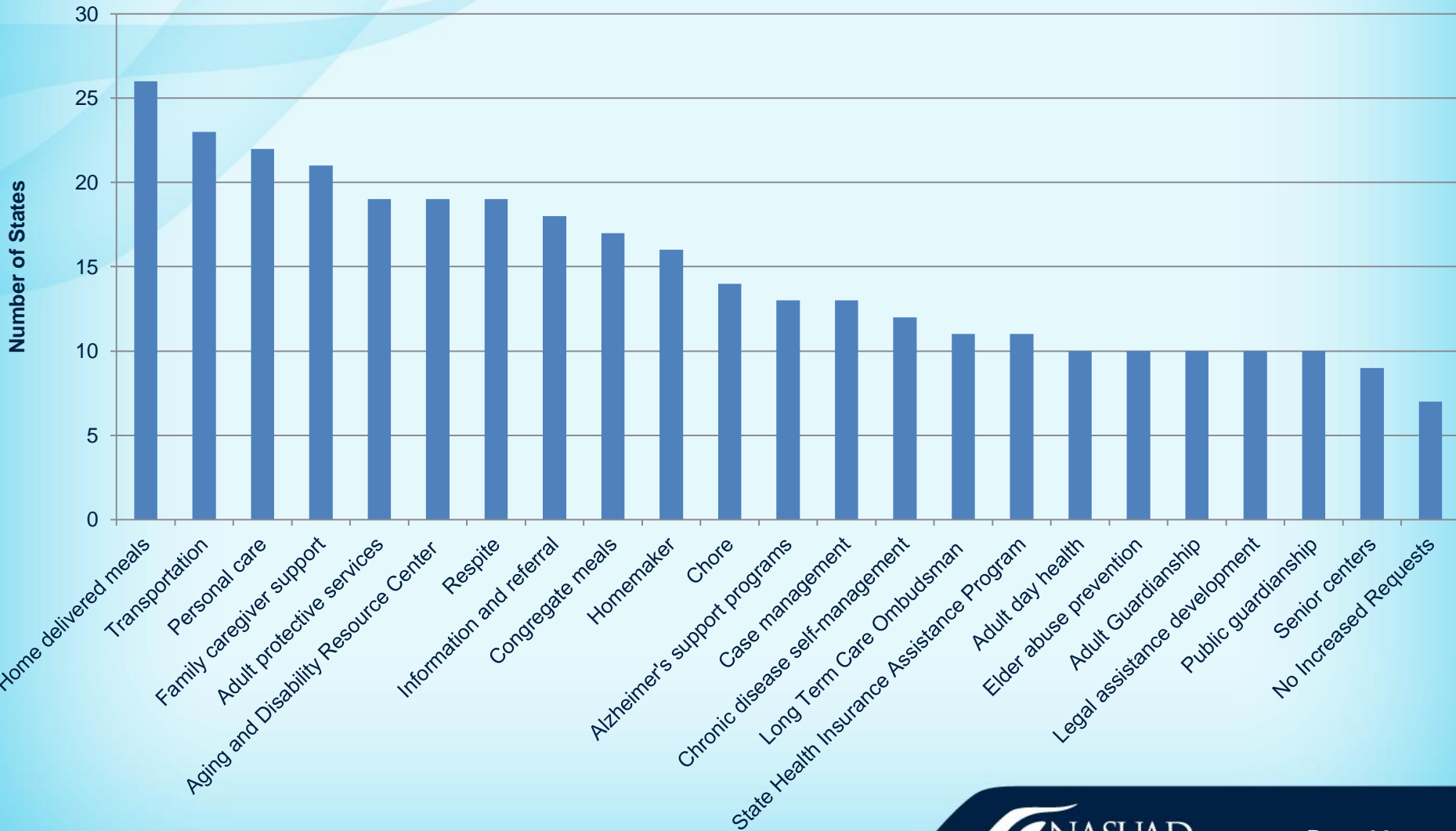
But...budgets are still tight

Programmatic Reductions under Consideration



And...service demands continue to increase

Increased Demand for Services Since Sequestration Began



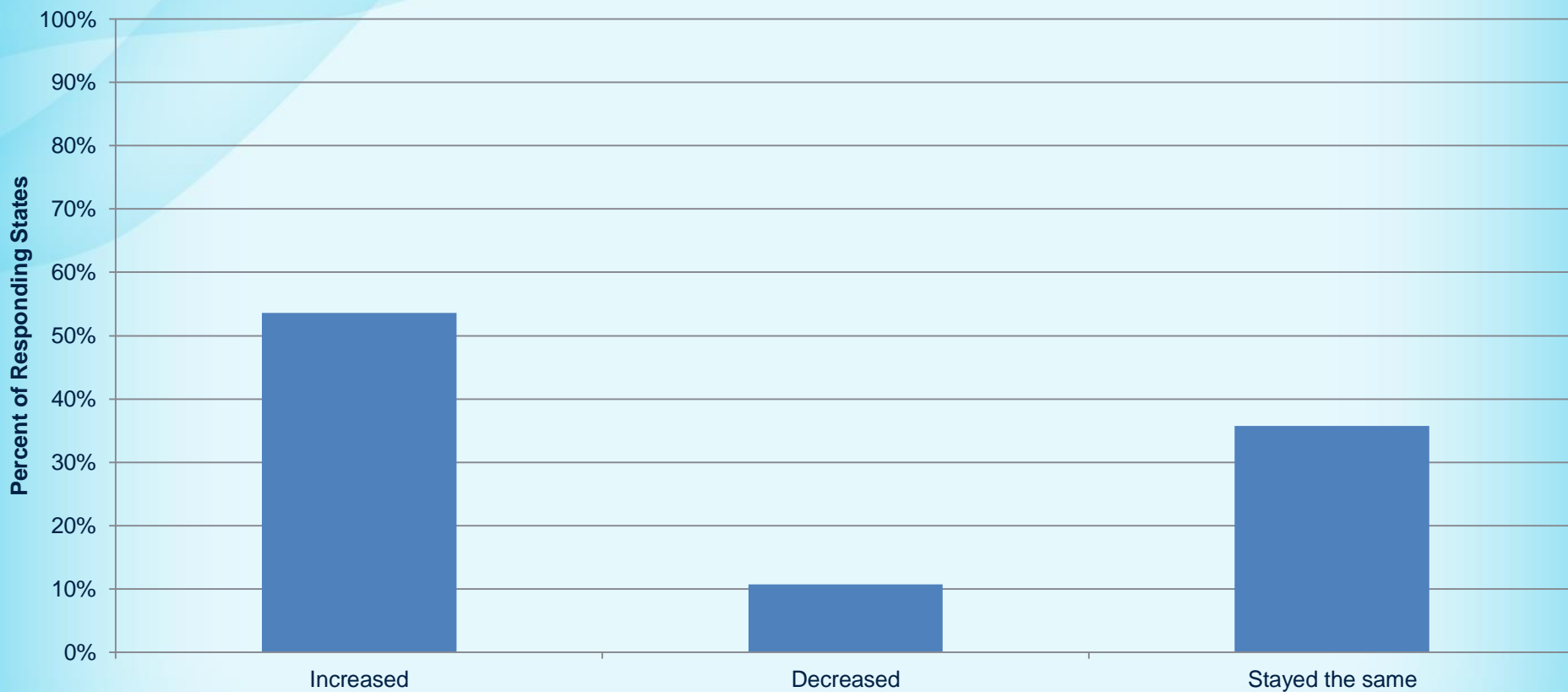
Service Reductions Occurred, but were not Widespread

OAA Programmatic Changes Implemented by States					
	IIIB	IIIC1	IIIC2	IIIE	VII
	# of States	# of States	# of States	# of States	# of States
Served fewer people	3	4	5	3	2
Closed the program to new clients	0	1	2	0	0
Created new waitlists	1	3	4	1	0
Eliminated waiting lists	0	0	0	0	0
Cut services	3	3	2	2	1
Reduced the number of locations where the program is provided	1	2	1	0	0
Closed the program	0	0	0	0	0

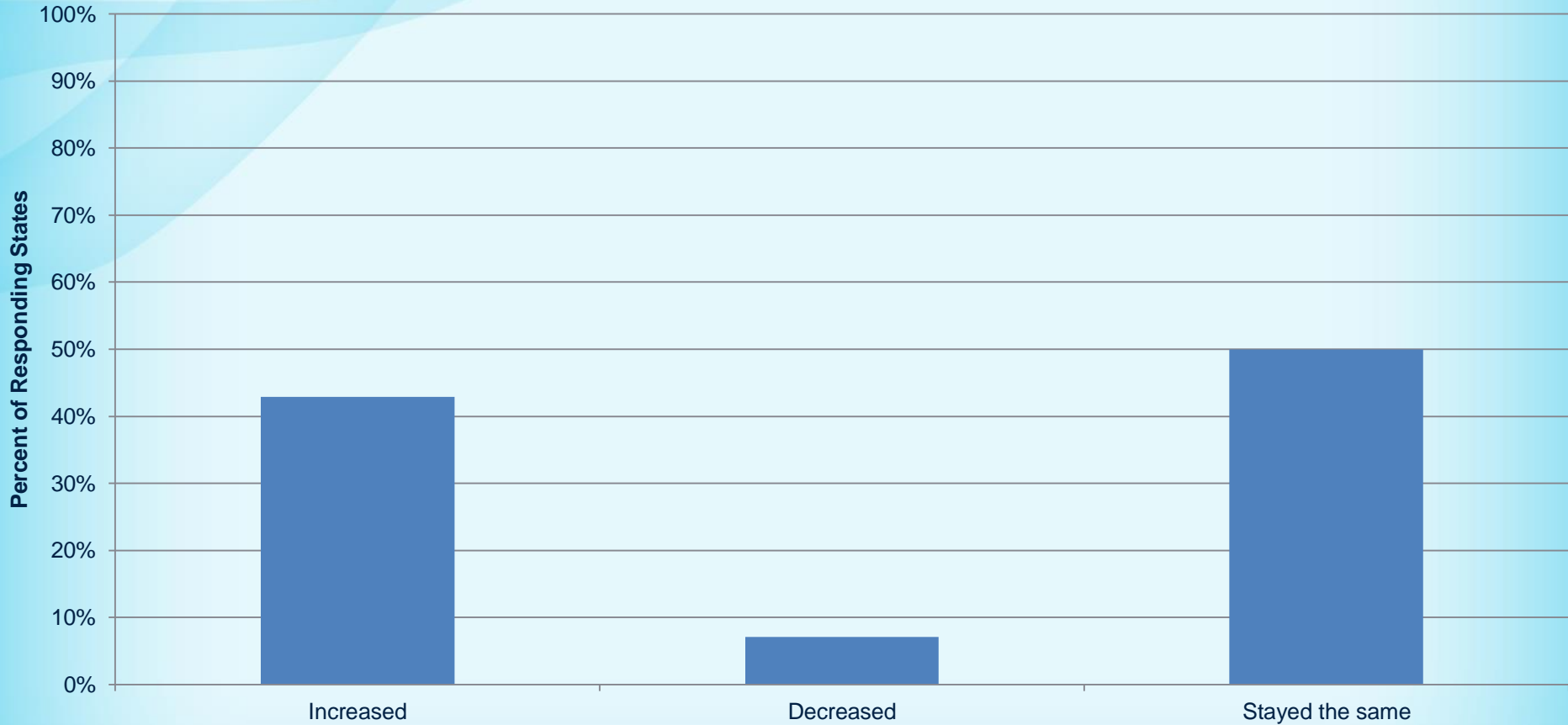
Theme 6:

Elder Justice Services Remain a High Level of
Need

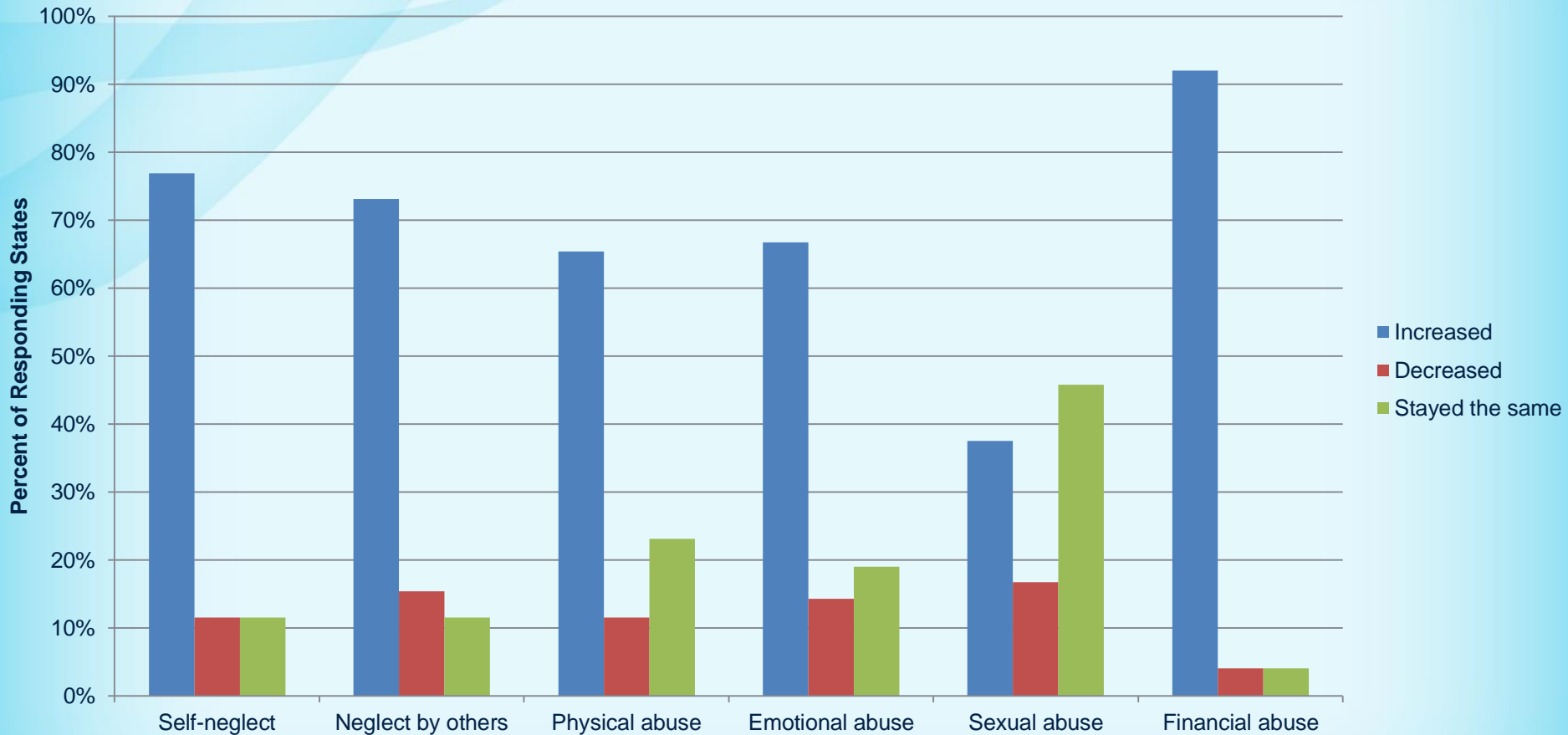
Change in Adult Protective Services Funding Levels (since 2013)



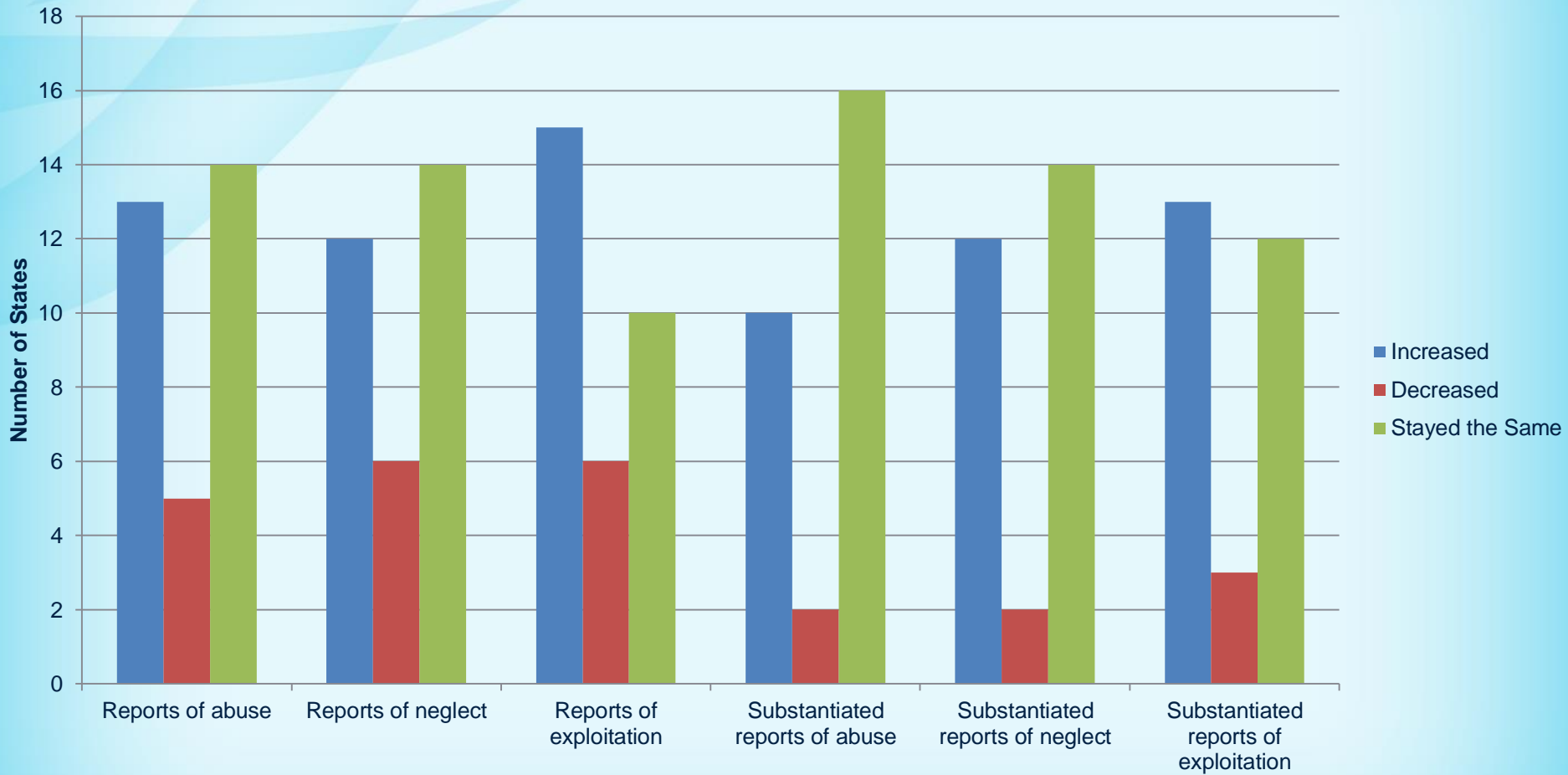
Change in APS Staffing Levels (Since 2013)



Change in APS Reports Since 2013

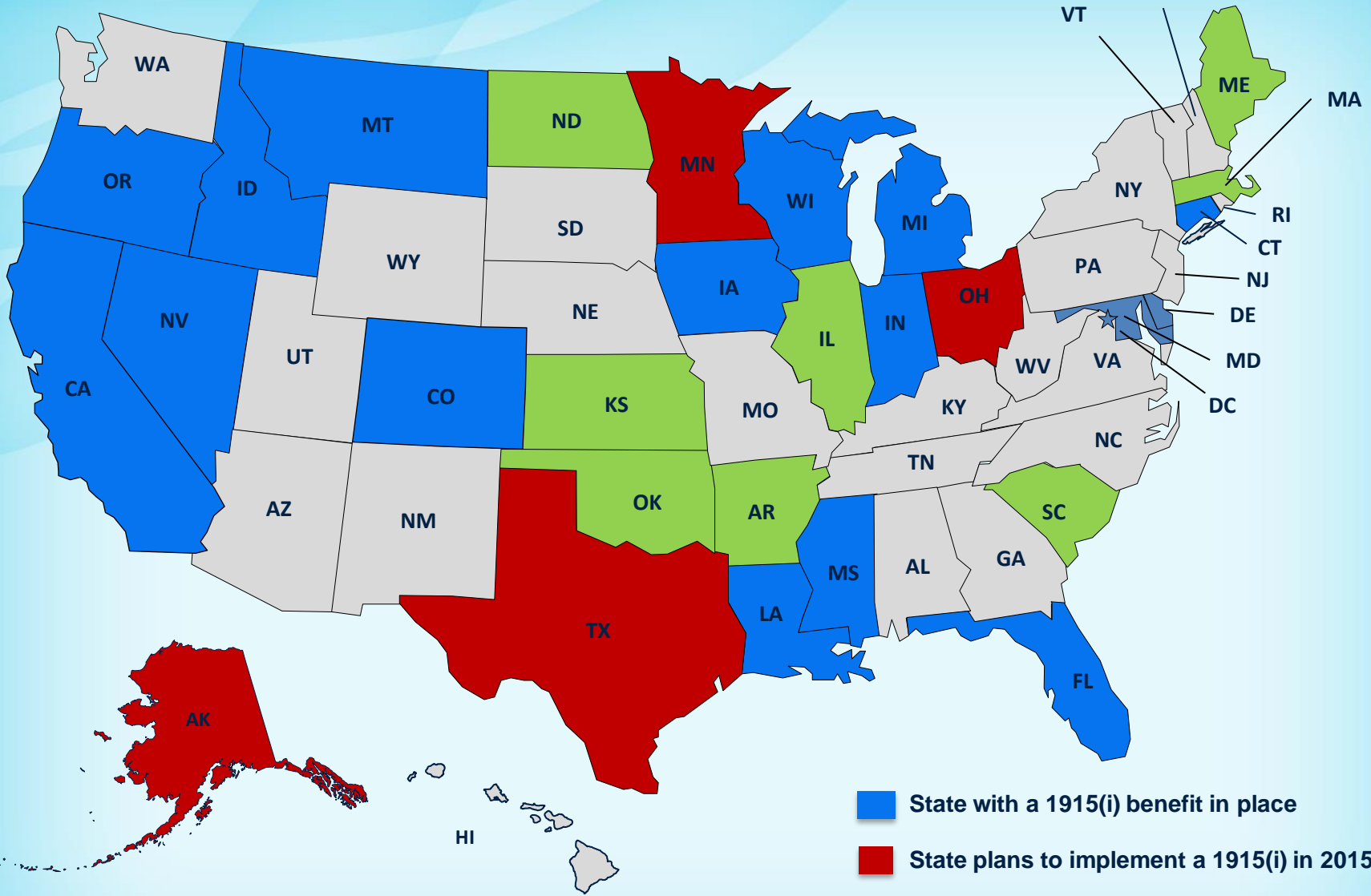


Change in Reports made to State Long-term Care Ombudsmen



Update on State LTSS Programs

Status of State 1915(i) HCBS Benefit Packages^{NH}

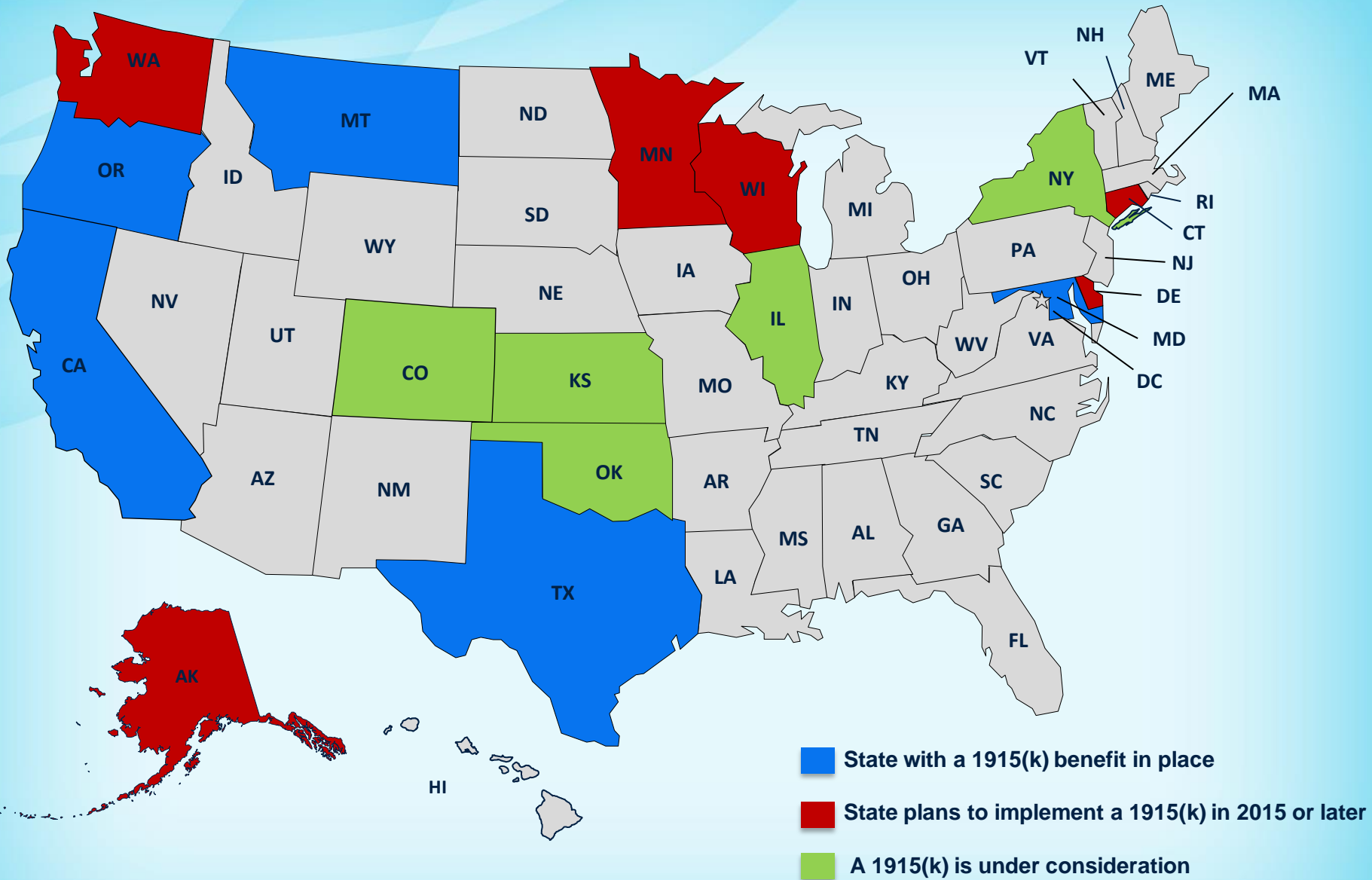


- State with a 1915(i) benefit in place
- State plans to implement a 1915(i) in 2015 or later
- A 1915(i) is under consideration

Source: NASUAD Survey; CMS Data; Kaiser Family Foundation



Status of State 1915(k) Community First Choice Options



Source: NASUAD Survey; CMS Data; Kaiser Family Foundation

Older Americans Act Takeaways

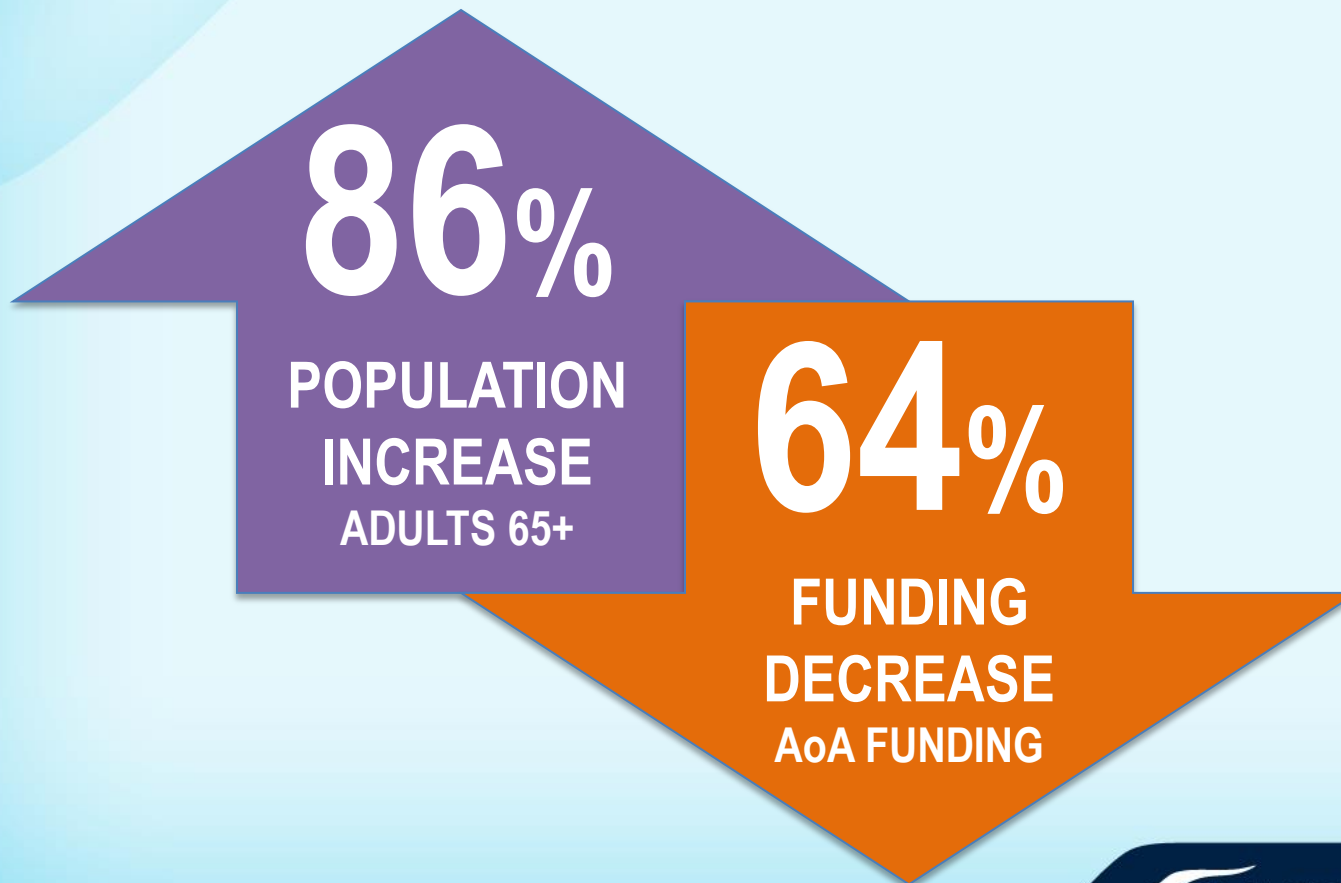
OAA Reauthorization

- Last reauthorization was in 2006; has been up for reauthorization since 2011
- S. 192 (OAA reauthorization) was introduced early in session, and cleared out of the HELP committee unanimously in February;
- S. 192 is nearly identical to the OAA reauthorization from last session, except for the funding formula (discussed later);
- The Senate successfully passed the bill under unanimous consent (hotline)

Why the Time for Reauthorizing and Revitalizing the Older American Act is Now

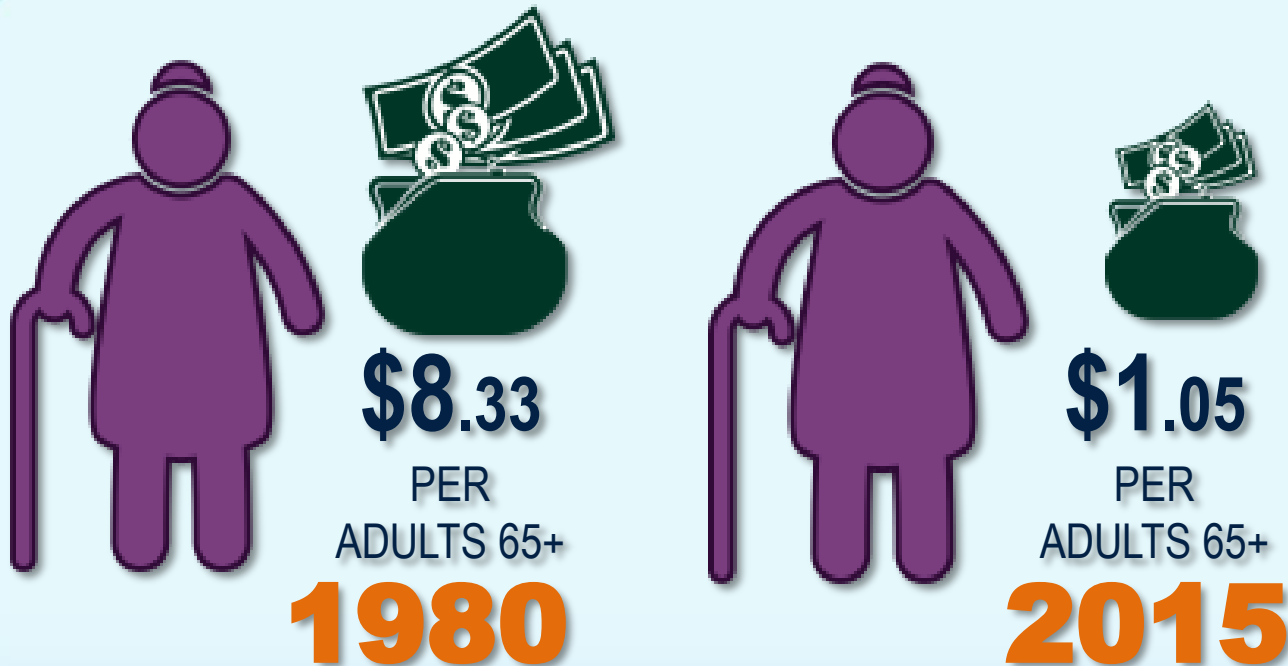
FUNDING FOR SENIORS NOT KEEPING PACE

From 1980 to 2015



FUNDING FOR SENIORS NOT KEEPING PACE

Current Funding Levels Unable
to Meet Increased Need



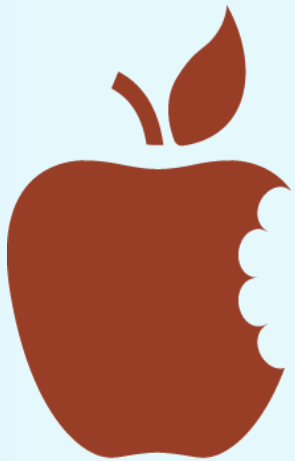
Funding Formula

- In 2006, the reauthorization included a “hold harmless” provision that protected states from losing OAA allocations due to demographic changes:
 - Concerns about changes to this formula have hampered prior reauthorization attempts
- Under the reauthorization, the OAA hold-harmless provisions would be eliminated & replaced with a compromise;
- Under the compromise, states could see a reduction in OAA funding
 - Any reductions would be limited to no more than 1% of the state allocation per year for 3 years
- We believe that some of the OAA “holds” are due to the funding formula changes
- On a February all-state call, NASUAD membership instructed staff to support passage while emphasizing the need for some changes

NASUAD OAA Priorities

- Appropriations for programs within OAA should be increased to adequately fund the growing need for services;
- Modernize funding for Title III nutrition services to remove the arbitrary allocations for congregate and home-delivered meals;
- Provide authorization for ongoing mandatory Aging and Disability Resource Centers funding that expired in FFY14;
- Allow states to establish their own mandates for adult protective services referrals in the Long-Term Care Ombudsmen program;
- Move the Senior Community Services Employment Program (SCSEP) from the Department of Labor to the Administration for Community Living; and
- Remove the Area Agency on Aging (AAA) first right of refusal policy.

MORE NEEDS TO BE DONE TO HELP SENIORS STAY HEALTHY



DENTAL CARE

16% of seniors have no natural teeth

800,000 ER visits for dental conditions per year

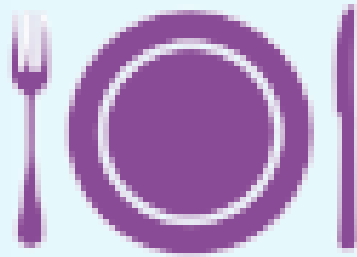
NO Medicare coverage for dental care

MORE NEEDS TO BE DONE TO HELP SENIORS STAY HEALTHY

COST OF FALL-RELATED INJURIES



MORE NEEDS TO BE DONE TO HELP SENIORS STAY HEALTHY



**1 in 6 Seniors are
threatened by hunger**



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Or call us at: **202-898-2578**