

Frequently Asked Questions About the Case Management Program for Frail Elders Budget Request

Revised: February 22, 2006

The Department of Elder Affairs has requested an increase of \$3 million in state funding for the Case Management Program for the Frail Elderly (CMPFE). These additional dollars would draw down another \$6 million in federal Medicaid dollars, bringing the total dollars for the program up to \$14.2 million from \$5.2 million.

Does it really cost \$9 million just to add 650 more people to CMPFE?

No, the cost of adding more clients is only a small part of the total request.

The largest portion of the additional dollars will be used to improve service to existing clients, fund services that are currently being donated, streamline paperwork processes, and cover more stringent operational procedures and costs.

It is important to remember that the current \$5.2 million is the amount of money that has been expended directly by AAAs to the program. It does NOT reflect the actual costs that the AAAs and the providers incur to operate the program. For years area agencies on aging have had to take dollars away from other services to help cover the costs to operate the case management program.

The case management program has been operating for years. Why can't we just leave things the way they are?

We can't leave the program the way it is and still meet Medicaid requirements. Under Medicaid, the program must operate the same statewide. Reporting requirements and paperwork will be standardized and increased – all of which costs more money. Additionally, the state would need to be in compliance with Medicaid conflict of interest provisions which do not allow someone to provide a direct service to a client (i.e., home health nursing) and also be that client's case manager.

Local communities have done an exceptional job of making the program work in their communities by relying on donated time from providers, flexibility in how the program operates, and limited paperwork requirements. However that system does not meet expected Medicaid requirements and scrutiny.

How will this money actually help the frail seniors in the program?

+ There will be more frequent client contact. Because of inadequate funding the current system frequently relies on the client to initiate contact with the case manager. Clients may be reluctant to call or don't want to "bother" someone else even when they need help. Under the proposed program structure, case managers, who are knowledgeable about available community services, would initiate more frequent contact with the client.

- + The client contact will be more extensive. Over 69% of current CMPFE clients receive case management assistance from someone whose primary function is to provide another service, such as home health nursing. Utilizing staff whose sole responsibility is case management will improve service delivery and allow for longer visits and greater focus on the client's total situation and individual service plan.
- + The length of time between client enrollment in CMPFE until the client receives services will be reduced by development of the service plan in the client home and streamlining the service plan approval process.
- + There will be an enhanced focus on prevention or escalation of existing problems. Increased time with the client will result in efforts to implement interventions that reduce the need for more costly medical treatments, as well as delay the need for more costly institutional care.
- + These dollars will ensure that the program keeps going and the clients continue to get services.

I heard there are 541 case managers. With 9,700 people in the case management program, that doesn't sound like very many people for each case manager to handle. What's the problem?

There are indeed 541 people providing case management services, but these are NOT full time people. This number includes many provider employees who may only see 1 client while a full-time area agency on aging case manager or contract staff may have 170 clients. The requested dollars will even out the disparities to an average caseload of 60 clients for each case manager, a more manageable number.

From existing resources, how much money is available to use as match?

The Department of Elder Affairs analysis of funding sources expended by AAAs to support the current system indicates approximately \$900,000 is available to leverage or match Medicaid reimbursement. This amount was determined to be available after reserving necessary current resources to provide case management services to non-waiver case management clients, as specified in IowaCares (HF 841).

Why should the state pay for case management for people who are not on Medicaid? Why don't they pay for the service themselves?

People who are in CMPFE but not on Medicaid are people who may be only a few dollars over the resource limit or income limit to be eligible for Medicaid. They are not generally people who have a lot of money. They may still have very limited ways to pay for services, so these clients have an even more urgent need for a case manager to help them make the most of the resources they have and to find low-cost alternatives. Without case management, they will more quickly deplete their resources and slide into the Medicaid system.

Additionally, if the CMPFE program is only available to low income clients, federal Older Americans Act funds and related match could not be used for case management.

The law was passed last year that paved the way for Iowa to get Medicaid dollars for case management. What's happening with that?

The Centers for Medicare and Medicaid Services (CMS) must approve any waiver application before federal dollars can be received. The Department of Elder Affairs and the Department of Human Services have worked extensively since HF 841 was passed to create a waiver application that would meet all of CMS' requirements. The case management programs in over 40 other states and in Iowa were analyzed to learn from the experiences of others about case management as a waiver service. In November, 2005, an application was submitted to CMS and Iowa is currently waiting for CMS to respond to that application. The Department of Elder Affairs is revising its administrative rules so the network will be ready when the application is finally approved by CMS.

For 18 years, the Case Management Program for Frail Elders has been helping seniors stay in their communities. If case management had not been provided last year, over 13,164 older Iowans would have faced expensive institutionalization.

Medicaid Cost Report data released in August 2005 covers the time period of March 31, 2004 through March 31, 2005 and shows that the average allowable cost for Iowa nursing facilities was \$112.06 per day. With a monthly average of 6,746 Medicaid recipients on the elderly waiver, the cost for just one month of institutionalization of these recipients would have been \$22,678,702 (combined state and federal dollars.) An average \$114 monthly investment for case management and \$536 monthly for other elderly waiver services (combined state and federal dollars) represents a dramatic savings to the state. Delaying institutionalization by only 12 days would pay the cost of case management services for an entire year.

CMPFE needs to be fully funded. The program cannot be sustained with in-kind services, especially in light of increased caseloads, increased travel costs, and additional program requirements that accompany Medicaid reimbursement. With sufficient state and federal funding, CMPFE will be able to continue providing this vital service to those most in need.

Is it true DEA filed the rule changes through Emergency procedures? Why?

Yes, we filed them both through the emergency and normal procedures. This action was taken in direct response to discussions at our October 2005 Commission meeting, which clearly emphasized the importance of having the revised case management system in place to draw down Medicaid funding during the current fiscal year and action at the December 2005 Commission meeting.

Due to the delays in the waiver approval process, emergency rules are no longer needed for the purposes of documenting the network's readiness to draw down Medicaid dollars. Additionally, the Legislative Rules committee expressed concerns about the emergency filing. Accordingly the Department will be asking the Commission to rescind the Emergency filing and proceed through the normal rule making process.

There is concern over current elderly waiver clients who are at or near the monthly expenditure cap; how can an additional payments be made for case management reimbursement without exceeding these limits and what happens to these clients?

DHS has provided clarification on the issue of the current monthly cap of \$1052 for individuals on the elderly waiver and payment for case management services. The \$1052 is a statewide aggregate cap, which may be exceeded on an individual basis as long as the statewide average is maintained. This would allow consumers who are currently at the cap (for example those using services such as assisted living or adult day services) to receive the same level of services and also allow for payment for case management.

Information provided by the Iowa Department of Elder Affairs, February 22, 2006