Volume 8, Number 4 The Center for Community Solutions August, 2012

PASSPORT Enrollment Levels Stall in FY 2012 as State Prepares for New Medicaid Dual Eligible Project

By Jon Honeck, Ph.D.
Director of Public Policy and Advocacy
August 17, 2012

Highlights:

- The Ohio Department of Aging's PASSPORT Medicaid waiver program provided home- and community-based services to over 33,000 older Ohioans each month in FY 2012. Services included help with bathing, eating, dressing, and household tasks intended to keep consumers in their homes and avoid more costly nursing home stays.

- The PASSPORT program was the subject of extensive cost-containment measures that were planned in H.B. 153, the biennial budget bill. These measures affected PASSPORT agency staffing levels, consumer care plan costs, and service provider reimbursement rates, and played a role in keeping enrollment stagnant in FY 2012 following a 6.1 percent growth rate in FY 2011.

- Most PASSPORT consumers who live in urban areas will become part of a planned Integrated Care Delivery System (ICDS) project for Medicare-Medicaid dual eligibles scheduled to begin in calendar year 2013. Under the ICDS, Medicaid Managed Care Organizations will become responsible for coordinating medical and non-medical care for this vulnerable population. It is vital that policymakers, practitioners, and advocates understand the implications of recent changes in the program.

- Some of the recent changes to PASSPORT include:
    - Weekly reports from PASSPORT agencies to the Department of Aging on the costs of consumer care plans.
    - Required submission of corrective action plans from PASSPORT agencies with an average per member/per month care plan cost above the target level of $1,085.
    - A 3 percent across-the-board cut to provider rates and an even larger rate reduction for services delivered in group settings.
    - Prioritization of state Medicaid plan services and Medicare services in consumer care plans as a substitute for PASSPORT personal care services.
    - Initiation of a new performance management system that creates small financial incentives for PASSPORT agencies meeting key targets.
    - Tighter controls on the use of state-funded, presumptive eligibility for new consumers.

- Combined spending on PASSPORT and Assisted Living was $29.1 million, or 4.7 percent, below projected levels in FY 2012. Despite this, the Ohio Department of Aging proceeded with an additional planned 5 percent cut to PASSPORT agency site operations in FY 2013.

- Enrollment in Assisted Living, another Ohio Department of Aging waiver program, continued to grow at a strong pace in FY 2012 leading to a waiver amendment that raised enrollment limits.

Home- and Community-Based Services for Ohioans over 60

Caring for Ohio's aging population is one of the most important challenges in human services. As individuals age, they generally require more medical care and greater assistance performing daily household and personal tasks. For individuals who need help with a defined set of activities of daily living (ADLs) such as dressing, bathing, feeding, or mobility assistance, nursing home care is an entitlement under federal law but is quite expensive, averaging $167 per day for Ohio Medicaid patients. In order to lower costs and provide home- and community-based alternatives to a nursing home stay, federal law allows states to apply to the Center for Medicare and Medicaid Services (CMS) for a formal waiver of program rules. The waivers create flexibility that (1) allow states to create a special income group to determine eligibility up to 300 percent of the federal Supplemental Security Income standard of need; and, (2) allow states to offer services not available to all Medicaid beneficiaries such as personal care or adult day services.

Currently, the Ohio Department of Aging (ODA) administers the following long-term care options:

- PASSPORT (Pre-Admission Screening System Providing Options and Resources Today), is a waiver program that provides home visits from service providers, and a related program called Choices in which the consumer contracts directly with providers;
- Assisted Living is a waiver program that provides a community residential setting with around-the-clock personal care services but not a level of skilled nursing comparable to a nursing home (available to Ohioans age 21 and over); and,
- PACE (Program for All-Inclusive Care for the Elderly), a managed care program operating at two sites in Cincinnati and Cleveland. PACE is not a waiver program; rather, it is a part of the state Medicaid plan.

The PASSPORT program is by far the largest waiver for home- and community-based services for the elderly, with over 30,000 consumers. The two most-utilized services are personal care assistance and home-delivered meals. Personal care services include help with activities of daily living such as eating, getting dressed, bathing, and instrumental activities of daily living such as shopping, laundry, cleaning, and paying bills. Transportation (both medical and non-medical) may be provided as well as the costs of attendance at structured activities outside of the home (adult day services).

Allowable costs for an individual consumer in PASSPORT are capped at 60 percent of the nursing home rate. Long-term care spending historically has been weighted more heavily toward institutional care, but over time the state has made progress toward rebalancing its spending and service offerings. In 2009, the state spent 68 percent of its long-term care dollars for institutional settings when looking across all age groups.[i] The Office of Health Transformation projects that institutional spending will decline to 58 percent of the total by FY 2013. The state budget bill for FY 2012-2013 (H.B. 153) established a formal goal for long-term care based on the settings in which consumers are served. By the end of the state budget biennium (June 30, 2013), at least 50 percent of Medicaid long-term care recipients over age 60 are supposed to be served by home- and community-based services. The bill set a higher goal of 60 percent for non-elderly disabled or cognitively impaired individuals needing long-term care.[ii]

The importance of meeting these goals and continuing to rebalance spending and services cannot be overstated. PASSPORT and other home- and community-based services will become more important as

Ohio's population ages. From 2010 to 2020, Ohio's current population of over two million individuals who are above age 60 will grow by 26 percent.[iii] Ohio has made progress in rebalancing over time, and it is vital that robust community services are funded to meet the growing challenge to provide a full range of options to consumers and to control costs.

PASSPORT is administered by Ohio's network of twelve Area Agencies on Aging (AAAs) and Catholic Social Services of Miami Valley. These organizations contract with a network of service providers. AAAs also perform another critical function – they are the "front door" for entry into the long-term care system, including nursing home placement. PASSPORT Administrative Agency (PAA) employees screen and assess individuals in need of long-term care and help them determine what type of care is best. They also provide a long-term consultation to all individuals regardless of Medicaid eligibility. In order to qualify for long-term services, individuals must have a functional impairment that interferes with their activities of daily living to the extent they need a nursing home level of care, and must meet strict financial criteria for both income and resources. Financial eligibility is determined by the county job and family service department (DJFS). As part of eligibility requirements, individuals with higher incomes may have an ongoing responsibility to pay for part of their services. The PAA conducts an annual reassessment of the consumer's required level of care, and the county job and family service department reviews the consumer's financial situation.

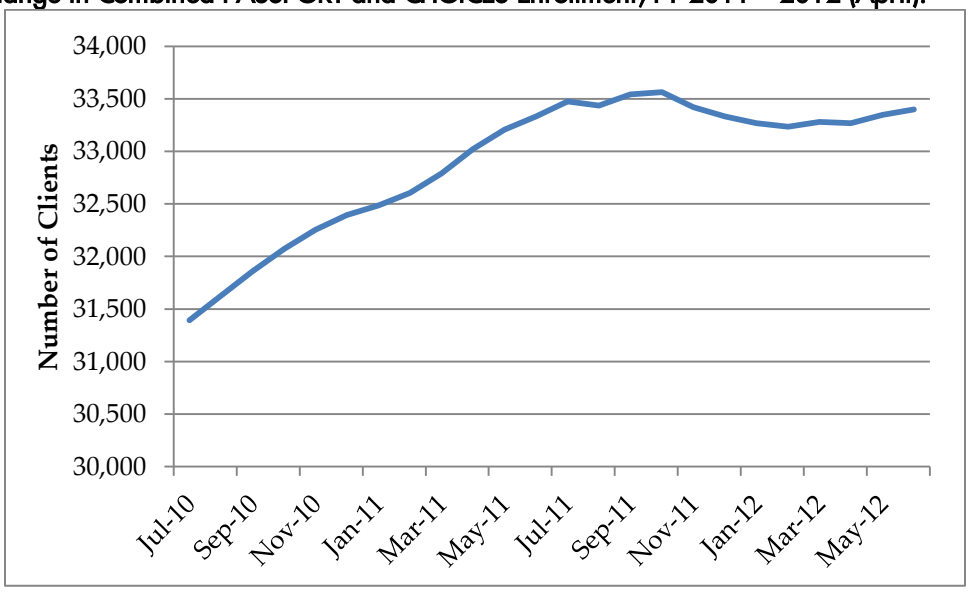
If an individual needs home- and community-based care through PASSPORT, the PAA will assign a case manager to oversee service plan development and service provision, and consult with the participant to make sure proper care is being delivered.

Additionally, about 600 individuals who are living at home manage their own contracts with caregivers, often a friend or relative, through the CHOICES program. By law, the CHOICES program is available in only four of the PAA areas. CHOICES participants receive administrative support through the PASSPORT system and are subject to the same financial controls.

The Ohio Department of Aging's other long-term programs have smaller enrollment levels. Assisted Living serves about 3,500 people in licensed residential care facilities that do not require round-the-clock skilled nursing. ODA also manages the Program for All-Inclusive Care for the Elderly (PACE). PACE is a managed care program that maintains two pilot sites (Cincinnati and Cleveland) and serves over 800 people. The program is available to individuals age 55 and over (through a separate federal Medicaid provision). As its name implies, PACE includes all health care and non-health, long-term care expenses. This paper will not examine PACE in great detail because of its smaller caseload and different payment model. PACE generally serves a population with more acute health care conditions than the programs discussed in this paper.

Throughout FY 2011, enrollment in both PASSPORT and Choices rose dramatically, by over 6 percent (Figure 1). The enrollment pattern unexpectedly changed in FY 2012, however, as PASSPORT/CHOICES participation actually fell after October, 2011, the month in which ODA began to implement strict cost control limits that were intended to reduce Per member/Per month (PM/PM) costs. Enrollment later recovered to achieve a tiny gain in caseloads for the year. The June, 2012, level of 33,400 is 164 clients below that of October, 2011, and 67 above that of June, 2011.

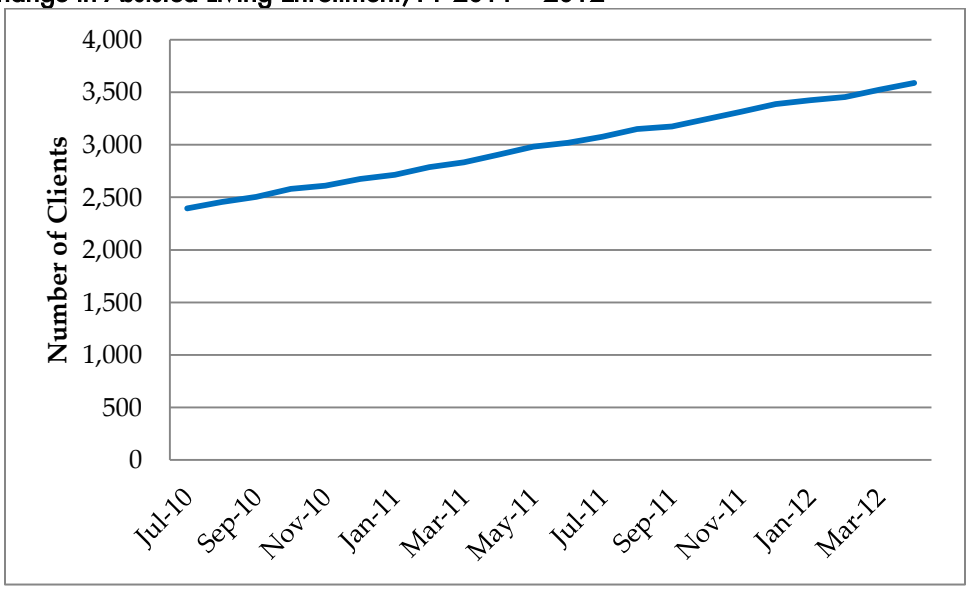
Figure 1: Change in Combined PASSPORT and CHOICES Enrollment, FY 2011 – 2012 (April).



Source: Ohio Department of Aging.

Enrollment in Assisted Living showed a much different story. Enrollment rose by 678 consumers to finish FY 2012 at 3,590, a growth rate of 22 percent (Figure 2). The growth rate exceeded annual estimates in the existing waiver, forcing the Ohio Department of Job and Family Services (ODJFS) to file a waiver amendment raising enrollment projections through FY 2014.[iv]

Figure 2: Change in Assisted Living Enrollment, FY 2011 – 2012



Source: Ohio Department of Aging.

H.B. 153 Budget Framework: New Waiver Requests, Presumptive Eligibility for Assisted Living, and PASSPORT Cost Controls

The state maintains a number of waiver programs for the elderly and for disabled adults under age 60. H.B. 153 gave the Office of Health Transformation (OHT) the authority to request federal approval to consolidate five of these programs into a single waiver for adults with physical disabilities. OHT released a concept paper in January, 2012, but the project remains on hold while the state implements another

waiver for a pilot project for individuals who are dually eligible for Medicaid and Medicare. The "dual-eligible" waiver will cover seven pilot project areas in urban parts of the state. Most of the PASSPORT consumers in the demonstration project areas will be included in this dual eligible waiver, which is intended to create an integrated care delivery system (ICDS) for unified management of Medicaid and Medicare benefits. Interestingly, individuals will be given a choice to opt out of the Medicare portion of the demonstration project, but not Medicaid. The key administrative change is that Medicaid Managed Care Organizations (MCOs) will manage the program and receive payments based on enrollment levels and certain quality targets that have yet to be determined. Dual-eligible PASSPORT enrollees who are in pilot regions will cease to be in the PASSPORT program once they become participants in the ICDS program.

The budget bill also made substantive changes to individual programs. Consumers now have easier access to Assisted Living by creating an option for presumptive eligibility status that allows an eligible applicant to receive temporary state-funded services while waiting for an eligibility determination by the county DJFS. PASSPORT already had this option and it was widely used, in part, because of the length of time it took for consumers to receive a final Medicaid determination from the county.

H.B. 153 fulfilled a long-time goal of many advocates by creating a "unified budget" for long-term care services for the elderly. ODJFS became responsible for budget monitoring, while ODA retained responsibility for programmatic oversight and policy implementation. In theory, unified control of both the nursing facility and home- and community-based care budgets allows ODJFS to better assess the financial tradeoffs among long-term care options. A unified budget means that waiver programs are subsumed within Medicaid 525 line item spending, however. After months of intense discussion among agency officials, legislators, and advocates, H.B. 153 provided specific targets for a combined total spending amount for ODA waiver programs and a prescriptive cost control plan for PASSPORT. The targets provided that combined waiver spending would rise from approximately $618.8 million in FY 2012 to $662.3 million in FY 2013, a growth rate of 3.7 percent in FY 2012 and 7 percent in FY 2013.[v]

The H.B. 153 cost control plan established the following goals for PASSPORT and Choices:

- PM/PM spending for *services* would be provided "at approximately the same levels" as FY 2011;
- PM/PM spending for PAA *case management functions* would be maintained at FY 2011 levels; and,
- Spending for PAA *site operation functions* would fall to 95 percent of its prior level in FY 2012, and by an additional 5 percent in FY 2013 . The bill did not define the term "site operation functions."

Thus, planned spending on the program would grow, but not commensurately with projected caseload growth. H.B. 153 Conference Committee caseload estimates for PASSPORT/Choices projected a robust 7.5 percent growth rate in FY 2012 and a 6.9 percent growth rate in FY 2013. (The actual rate of increase in FY 2011 was 6.2 percent).

Table 1 shows the resulting ODA/ODJFS budget plan for PASSPORT/Choices, which appears to be more aggressive than that laid out in legislative language. On a PM/PM basis, total spending was projected to decline by almost 5 percent in FY 2012, and an additional 0.7 percent in FY 2013 to keep spending growth within targets. The 11 percent cut to the "Other Operating" item reflects the 5 percent "site operation function" cut with an expected caseload increase.

Table 1: Planned Changes to PASSPORT/Choices Average Per Member/ Per Month Funding

	FY 2011	FY 2012	Percentage Change	FY 2013	Percentage Change
Services	$1,140.86	$1,085.34	-4.9%	$1,085.63	0.0%
Case Management	$111.58	$111.58	0.0%	$111.58	0.0%
Other Operating	$91.67	$81.01	-11.6%	$71.99	-11.1%
Total Services and Operating (pm/pm)	$1,344.11	$1,277.93	-4.9%	$1,269.19	-0.7%
Total Services and Operating (annual)	$518.7 million	$530.1 million	2.2%	$562.9 million	6.2%

Source: Ohio Department of Aging.

As part of overall cost containment policies, H.B. 153 cut maximum provider rates across the board by 3 percent. This cut follows 3 percent rate increases that occurred in FYs 2008 and 2009. Prior to FY 2008, providers had not received a rate increase since FY 2000. Not all services are reimbursed at the maximum rate. The cost of services varies among PASSPORT regions, a situation that has become a major factor in cost control efforts in FY 2012. The budget also cut rates for certain services delivered in group settings to 75 percent of the individual per unit or per job rate. PASSPORT had not used group rates previously. The new group rates affect personal care services as well as medical non-emergency transportation, non-medical transportation, and adult day service transportation.[vi] ODA expected the new group rate to save about $18 million per year (total state and federal funds).[vii] The maximum rate for personal care services equates to $17.12 per hour. Individual care providers and agencies do not receive additional amounts for overhead or transportation costs.

Budget Implementation and Monitoring

ODA closely monitored monthly changes in PAA service costs in FY 2012 and took steps to bring the statewide average cost down to the budget target of $1,085 per month. Information on payments to providers is available with a time lag. In October, 2011, ODA informed PAA directors that the statewide service plan average was 11 percent above the target.[viii] PAAs were asked to submit plans to manage utilization and control service costs. In November, data from the first three months of the fiscal year indicated that the statewide PM/PM had dropped but was still 8.7 percent above the target. ODA asked all PAAs to describe their efforts to lower PM/PM. Five PAAs with care plan averages above the target were told to submit formal action plans. These action plans generally involved closer adherence to new ODA protocols for the development and evaluation of care plans, including greater use of non-waiver Medicaid services.

The common elements of the plans included:

- Reduction in average costs of new and existing care plans with closer supervisory review of care plans over the statewide target;
- Stricter use of the standard care plan utilization guide ("Colorado tool") and developing a care plan based strictly on the needs presented by the consumer at the time of application (i.e., no extra service beyond what is strictly necessary);
- Consistent application of sequence of service protocols so that Medicaid state plan and Medicare services are used first. Individuals receiving state Medicaid home health services can receive up to 14 hours per week of combined home health nursing and home health aide services;[ix]
- Reduction in the use of transportation services, home modification, and durable medical equipment and focusing on use of lowest cost bidder;
- Substitution of homemaker services for more expensive personal care services whenever possible;[x] homemaker services include tasks such as meal preparation, grocery shopping,

laundry, and light cleaning, but not "hands on" help for the consumer with bathing, toileting, and dressing.

By the end of 2011, ODA started a detailed monitoring program to track progress toward service utilization controls. PAAs are required to submit a "Weekly Service Plan Report" on individual service plan decisions and costs that includes 10 data elements:

- number of new enrollments completed during the reporting period;
- number of service plans for new enrollments exceeding $1,085;
- average service plan PMPM for new enrollments;
- number of new enrollments from nursing facilities;
- number of redeterminations;
- number of redetermination service plans exceeding $1,085;
- average service plan PMPM for redeterminations during the reporting period ;
- number of service plans increased during the reporting period;
- number of service plans decreased during the report period.[xi]

This information is identifiable by consumer, case manager, supervisor, and site.

Over the ensuing months, the ODA's new protocols succeeded in lowering costs substantially. Table 2 shows the progression of the PASSPORT and Choices PMPM costs after financial controls were first implemented in October, 2011. From October, 2011, to March, 2012, the PASSPORT PM/PM fell by $223, a decline of 20 percent in just five months. It is important to recognize that the PASSPORT PM/PM represents only payments for waiver services, and does not reflect payments for all of the services a consumer may receive from Medicaid state plan services or Medicare.

A changing service mix reflects the impact of service utilization controls. Personal care services continued to be the most utilized PASSPORT service, but at a lower cost to the program, probably reflecting revisions to care plans that lowered service amounts and increased the use of Medicaid state plan and Medicare services. The PM/PM for personal care costs declined by 6 percent from the first quarter of the fiscal year to April, 2012. The use of homemaker services more than doubled over the same time period, so that 1,516 consumers statewide were using the service in April, compared to less than 600 early in the fiscal year.

Table 2: PASSPORT and Choices PM/PM Service Payments in FY 2012

	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012	Mar 2012	Apr 2012
PASSPORT	**$1,120**	**$1,088**	**$1,051**	**$1,008**	**$ 946**	**$ 980**	**$ 897**
CHOICES	**$1,534**	**$1,550**	**$1,554**	**$1,481**	**$1,399**	**$1,428**	**$1,383**

Source: Ohio Department of Aging. Utilization Management and Fiscal Paid Services Report.

The effects of this decline, combined with provider cuts and cuts to PAA infrastructure such as screening and assessment, dramatically lowered the annualized PM/PM cost for the first 10 months of FY 2012 (Table 3). In the case of PASSPORT, the reduction was almost to the FY 2009 level.

Table 3: Ohio Department of Aging Waiver Programs, Annual Program Services PM/PM Costs, FY 2008 – FY 2012 (April)

PROGRAM	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012 (through April)
Assisted Living	$1,700.50	$1,620.49	$1,595.79	$1,578.23	$1,513.25
Change Y/Y	15.8%	-4.7%	-1.5%	-1.1%	-4.1%
CHOICES	$1,420.79	$1,415.08	$1527.34	$1,612.28	$1,497.33
Change Y/Y	-3.2%	-0.4%	7.9%	2.4%	-7.1%
PASSPORT	$966.93	$1,058.10	$1,128.99	$1,176.50	$1,046.19
Change Y/Y	1.1%	3.4%	9.4%	4.2%	-11.1%

Source: Ohio Department of Aging. Utilization Management and Fiscal Paid Services Report.

PASSPORT Performance Outcome Measures

ODA also initiated a performance incentive program starting in September, 2011. Agencies' performance is judged on the basis of six indicators:

- Consumer length of stay on program
- Net caseload gained per month
- Disenrollments to nursing homes
- Transitions out of nursing homes
- Reassessments completed within 365 days
- Customer satisfaction survey (2011)

For the first four indicators, performance is measured monthly and a small bonus is available if the target is reached. Except for the redetermination indicator, which requires 100 percent of redeterminations to be performed within 365 days, each PAA is measured against its own FY 2011 performance. A bonus is given when performance exceeds the FY 2011 by a certain percentage. Given the small amounts involved, it is unlikely that the financial incentive alone causes changes in organizational behavior, although the tracking process may focus managerial attention. The dollar amounts are too small, however, for the PAAs to earn back resources lost due to reductions in funding for site operations.

Still, the performance indicators are revealing in what they say about the evolution of the program in FY 2012. Most PAAs have been able to earn a bonus for each indicator, although the critical area of caseload growth shows that five areas did not earn a bonus in any month. Three of these five areas were higher cost PAAs that had been asked to submit formal corrective action plans. Problems were not confined to high cost areas, however. The system generally had problems exceeding FY 2011 caseload growth. In fact, in an average month, only 2.5 of the 13 areas were able to earn a bonus for caseload growth. In the best month (May, 2012), only six were able to do so. Even the best performing area earned a bonus in just five of the 10 months. For the 10 months combined, none of the areas were able to meet or exceed their FY 2011 average caseload gain.

Table 4: PASSPORT Performance System Incentive Outcomes, Sept. 2011 – June 2012

Indicators (Monitored each month, except #6)	Total Amount Disbursed YTD	Number of Areas with a bonus in any month (Total = 13 agencies)	Number of Areas meeting or improving on FY 2011 Average for the Year
1. Consumer Length of Stay on Program	$75,972	13	13
2. Net Caseload Gained per Month	$20,471	8	0
3. Disenrollments to Nursing Homes	$154,320	12	9
4. Transitions out of Nursing Home	$96,354	10	7
5. Reassessments Completed in 365 Days	$22,865	12	NA
6. Satisfaction Survey (2011 annual)	$40,255	13	NA

Source: ODA/PAA Outcomes Management Report

Looking at the "raw numbers" behind the performance outcomes shows that the decline in caseloads is not due to existing consumers leaving the program more rapidly. Consumer length of stay has increased by an average of two months, and the average number of individuals who disenroll to nursing homes each month has declined; both trends are going in the right direction. The number of consumers transitioning out of nursing homes to the community each month is virtually unchanged. The hypothesis raised by these indicators is that there are simply fewer people accessing the program through the "front door."[xii]

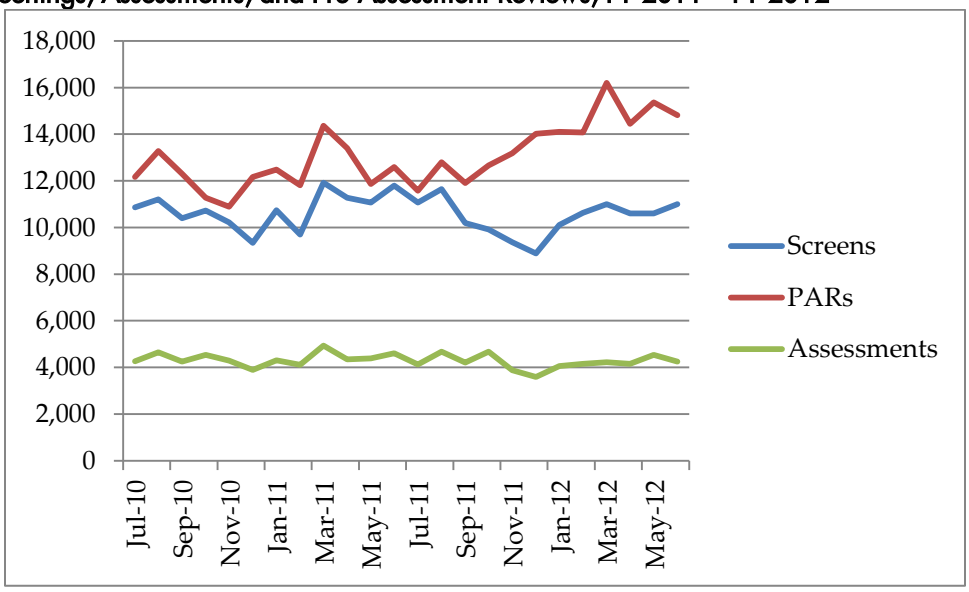
Table 5: Change in Key Caseload Performance Indicators, Average per PAA, FY 2011 vs. FY 2012 (Sept. – June)

Indicator	FY 2011	FY 2012	Difference	Significance
Consumer Length of Stay (months)	35.6	37.8	2.2	Improved
Net Caseload Gain (consumers/mo)	18.2	4.4	-13.8	Worsened
Disenrollments to Nursing Homes (consumers/mo)	34.8	32.7	-4.1	Improved
Transitions from Nursing Homes to Community (consumers/mo)	11.8	11.0	-0.8	Unchanged

Source: ODA/PAA Outcomes Management Report. Analysis by the author.

Under federal law, individuals seeking a nursing home level of care are required to receive both a pre-admission screening for mental illness and developmental disability as well a level of care assessment. The number of screenings dipped significantly in the first half of FY 2012 before recovering somewhat in March, while the number of pre-assessment reviews for mental illness rose significantly. The rise in screenings may have been due to redeployments of staff after initial budget cuts, but available information does not allow for a definitive conclusion.

Table 6: Screenings, Assessments, and Pre-Assessment Reviews, FY 2011 – FY 2012



Anecdotal evidence suggests that the number of consumer calls for assistance was down in FY 2012. Rumors about changes to the PASSPORT program may have contributed to consumer uncertainty about the program's future.

Presumptive Eligibility and State-funded PASSPORT

Both PASSPORT and Assisted Living allow consumers to receive "presumptive eligibility" while they are waiting for a permanent determination of Medicaid eligibility by the county DJFS. This is a long-standing policy in PASSPORT but a new policy for Assisted Living. At the beginning of SFY 2012, ODA increased its focus and scrutiny of whom can be enrolled in this manner and how long they can be enrolled before Medicaid financial eligibility must be established. Individuals can be given "presumptive eligibility" if they meet level of care criteria for the program and appear to meet financial eligibility based on initial information provided to the PAA. Presumptive eligibility status cannot exceed three months, recently clarified in legislation as 90 calendar days.[xiii]

ODA's interpretation of enrollment eligibility has become stricter in that individuals who exhaust their 90 days before a Medicaid determination has been issued cannot re-enroll on a presumptive basis. Consumers also waive their right to a state administrative hearing when they sign up for state-funded PASSPORT. The uncertainty surrounding the continuation of services under these circumstances may act as a deterrent to presumptive enrollment. Consumers may instead decide to wait for a definitive answer about their Medicaid status, although cuts to CDJFS staffing levels have lengthened the time it takes to make disability determinations. ODJFS recently made a commitment in a legal settlement to hire a contractor to speed up the process.[xiv]

Market Trends: Is PASSPORT Reaching a Saturation Point?

Ohio's PASSPORT and CHOICES program is already the third largest long-term care waiver program in the United States. Some observers have predicted that the program may reach a temporary equilibrium, or saturation point, in which it may catch up with demand and only grow slowly afterwards. This hypothesis cannot be discounted. Some of the swift rise in enrollment in FY 2011 may have been due to the release of pent-up demand from individuals coming off the waiting list and "word-of-mouth" reaching other consumers that the program is now open. Therefore, some slowdown could have been expected in FY 2012, although ODA did not seem to expect this in its official budget forecasts for HB 153.

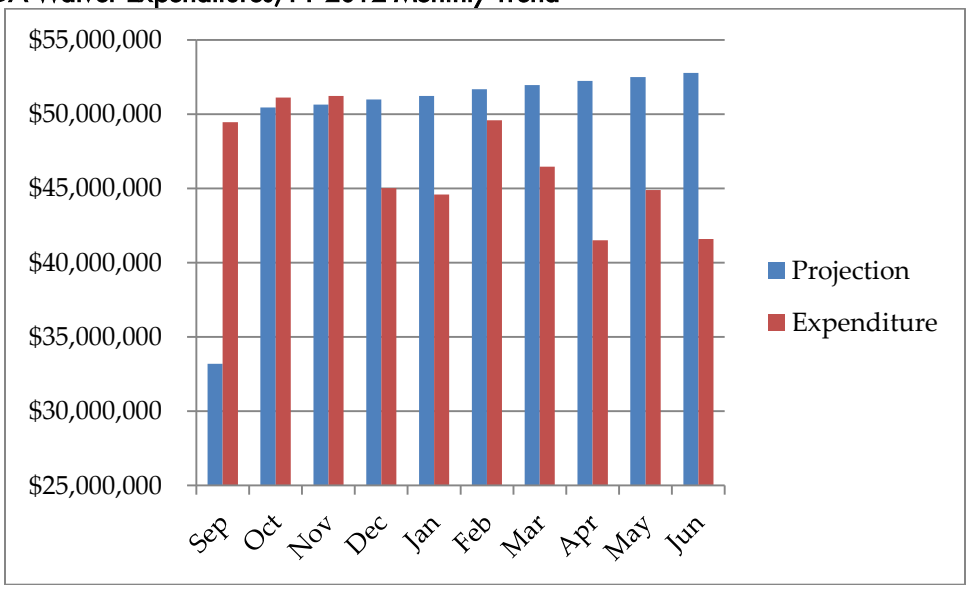
The evidence against this hypothesis is that caseloads continued to rise during the first three months of FY 2012, and then turned abruptly after ODA's service utilization controls hit full stride. Also, with the exception of PAA 7 (Rio Grande), available information from the Scripps Gerontology Center at Miami University indicates that ODA waiver programs do not reach more than about a third of the severely disabled population over age 60.[xv] Although this estimate is from 2010, it seems that PASSPORT programs in most areas have substantial room to grow.

Continued rapid growth in Assisted Living indicates that there is substantial demand for waiver services in FY 2012. It is more likely, however, that Assisted Living is a substitute for nursing home services rather than PASSPORT.

ODA Waiver Services Budget

With cost control measures in place and a stagnant caseload in its largest program, FY 2012 ODA waiver services expenditures finished the year at $589.7 million. This amount was $29.1 million, or 4.7 percent, under the budget target of $618.8 million. In the last quarter of the fiscal year, monthly ODA waiver spending averaged nearly $10 million under projections (Figure 3). Nonetheless, ODA went ahead with the planned 5 percent reduction in PASSPORT administration for FY 2013.

Figure 3: ODA Waiver Expenditures, FY 2012 Monthly Trend*



Source: ODJFS, Budget projection of OHP Medical Services

* Table omits July-August data to due implementation of MITS.

Conclusion

Historically, the PASSPORT program has experienced high demand for its services. The program had a waiting list as recently as the spring of 2010, which was cleared through a special infusion of federal resources. Enrollment grew 6.2 percent in FY 2011. In FY 2012-2013, the administration committed to keeping the program open, but with tighter controls on PASSPORT spending. Enrollment did not grow in FY 2012, falling well short of the expected level of 7.5 percent growth. It is too soon to say that the program is experiencing a crisis, but if this trend were to continue, it would raise serious questions about whether the state can meet its objectives of continuing to rebalance the long-term care system. These questions will need to be addressed as the state moves forward with a new waiver to integrate care for the "dual-eligible" population, which will include most individuals who are on the PASSPORT program. PASSPORT consumers are receiving a mix of state plan Medicaid, waiver, and Medicare services that will have to be managed successfully in the new integrated care delivery system.

Cost control efforts may affect the program in a number of ways, including decreasing the number of PAA staff available to perform screenings and assessments, and reducing provider availability for those already on the program (through provider rate cuts or through less adequate care plans). The extent to which the decline in service PM/PM cost represents a decline in the amount of services or simply the substitution of non-waiver Medicaid services is not clear. Average length of stay on the program increased in FY 2012, indicating that the program is retaining existing consumers thus far. Still, the precise causes of the decline in PASSPORT enrollment are unclear from publicly available information. Most likely, a combination of factors is at work, and policymakers and advocates should make every effort to understand their interactions.

---

[i] Shahla Mehdizadeh et al., *Coming of Age: Tracking the Progress and Challenges of Delivering Long-Term Services and Supports in Ohio.* Scripps Gerontology Center (June 2011), Miami University, p. ii.

[ii] H.B. 153, 129th G.A., Sec. 309.35.10, REBALACING LONG-TERM CARE.

[iii] *Ohio Long-Term Services and Supports Factbook, Third Edition* (January 2012), Scripps Gerontology Center, Miami University, p. 56.

[iv] ODJFS projects that the unduplicated count of Assisted Living waiver participants will rise to 6,482 in FY 2012. Application for 1915(c) HCBS Waiver, Ohio, Approved effective date 4-16-2012. Available at http://www.medicaid.gov

[v] H.B. 153, 129th G.A., Sec. 309.30.21, ESTIMATED EXPENDITURES FOR PASSPORT, CHOICES, ASSISTED LIVING, AND PACE PROGRAMS; Ohio Department of Aging, Medicaid Funding within ODJFS 600-525.

[vi] Amendments to O.A.C. sections 173-39-02.1, 173-39-02.11, 173-39-02.13, and 173-39-02.18.

[vii] Ohio Legislative Service Commission, *Greenbook: Analysis of Enacted Budget, Department of Aging*. (August 2011), p. 5.

[viii] Information from Ohio Department of Aging Utilization Management and Fiscal Paid Services Reports in FY 2012.

[ix] ODJFS, "Home health services: provision requirements, coverage and service specification," Ohio Administrative Code 5101:3-12-01.

[x] The maximum rate for personal care assistance is $4.28 per quarter hour, for homemaker services it is $3.79 per quarter hour, yielding a $1.96/hour difference. O.A.C. 5101:3-1-06.1

[xi] Ohio Department of Aging. Notice 1211335, Memo to AAA Directors and PASSPORT Site Directors Re: Service Utilization Weekly PMPM Report, 12-6-2011.

[xii] The averages are calculated per PAA, not across the entire system. Data from the Performance Outcomes Activity Report does not exactly match monthly data in the PASSPORT Activity Report. The Activity Report shows a spike in disenrollments in August, 2011, due to an ODA effort to clean up data reported by the PAAs. Some individuals that had left the program months before and entered nursing homes were still being recorded as enrolled in PASSPORT. The proper data allocation of these individuals would have raised the number of disenrollments to nursing homes in FY 2011.

[xiii] The mid-budget review bill, H.B. 487, clarifies that this status cannot exceed "90 days."

[xiv] Settlement filed 12/2/11 in the case of *The Ability Center of Greater Toledo, et al. v.Michael Colbert,* Case No. 3:10-cv-00446, United States District Court for the Northern District of Ohio, Western Division.

[xv] PAA 7 was serving an estimated 73.2 percent of its potential consumers in 2010. Shahla Mehdizadeh et al., *op. cit*., p. 7, Table 2.

State Budgeting Matters is published by The Center for Community Solutions. Comments and questions about this edition may be sent to jhoneck@CommunitySolutions.com.

1501 Euclid Ave., Ste. 310, Cleveland, OH 44115
37 W. Broad St., Ste. 350, Columbus, OH 43215
P: 216-781-2944, F: 216-781-2988
www.CommunitySolutions.com