

North Carolina Division of Medical Assistance

Medicaid Clinical Policy and Programs

Update on Medicaid In-Home Personal Care Services (PCS)

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Purpose of Presentation

- Describe Medicaid PCS and the scope of authorized services
- Illustrate PCS cost and utilization increases over the last eight years
- Provide a demographic profile and detailed analysis of cost and utilization for current PCS participants
- Describe the actions DMA is taking to comply with the legislative mandate contained in S.L. 2009-451

What is In-Home PCS?

C. Scope of Services.--Personal care services (also known in States by other names such as personal attendant services, personal assistance services, or attendant care services, etc.) covered under a State's program MAY include a range of human assistance provided to persons with disabilities and chronic conditions of all ages that enables them to accomplish tasks that they would normally do for themselves if they did not have a (functional) disability.

Source: CMS State Medicaid Manual

Scope of Authorized PCS

States MAY provide the services of a paraprofessional aide to provide:

- **Person-to-person hands-on assistance to help a functionally disabled individual to perform a task**
- **The task itself, if the individual is fully dependent on others**
- **Cueing or prompting the individual to perform the task**

Source: CMS State Medicaid Manual

Scope of Authorized PCS

(Continued)

Services MAY include assistance with:

- **Activities of Daily Living (ADLs), such as eating, dressing, mobility, bathing, and toileting**
- **Instrumental Activities of Daily Living (IADLs), such as light housework, laundry, meal preparation, transportation, using the telephone, shopping, etc.**

Source: CMS State Medicaid Manual

Services Not Authorized Under PCS

Skilled services that may be performed only by a licensed health professional are NOT considered personal care services

How do States Provide PCS Under Medicaid?

In 2006, State Medicaid agencies provided PCS through 238 different programs

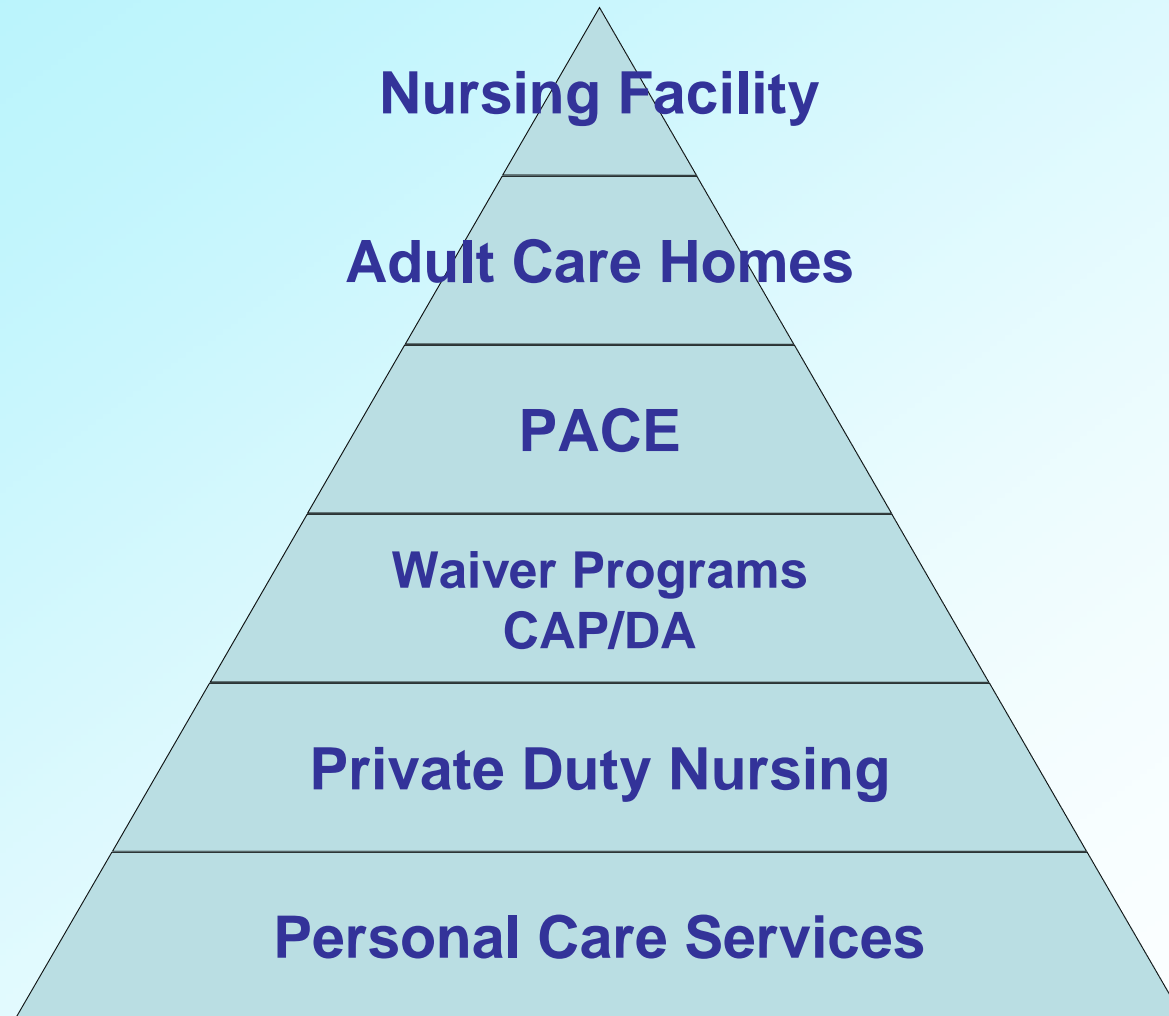
- **Thirty-one through state plan programs (i.e., as an optional service)**
- **Two-hundred and seven through Medicaid waivers**

Source: Office of the Inspector General United States Department of Health and Human Services

PCS Waiver vs. Optional Service

PCS Provided under a §1915(c) HCBS Waiver	NC PCS Benefit under State Medicaid Plan
Need for RN for a minimum of eight hours per day	Paraprofessional service that does not include skilled medical or nursing care
Daily observation and assessment of resident needs by a licensed nurse	Not covered when recipient is not medically stable
Administration and control of medication that must be performed by a licensed nurse	Not covered when recipient needs ongoing supervision
Need for dialysis or mechanical ventilation that is required at least ten hours per day	Not covered when RN or LPN services are required
Source: NC Medicaid Clinical Coverage Policy for Nursing Facility Services	Source: NC Medicaid Policy for In-Home Personal Care Services

Hierarchy of LTC Programs



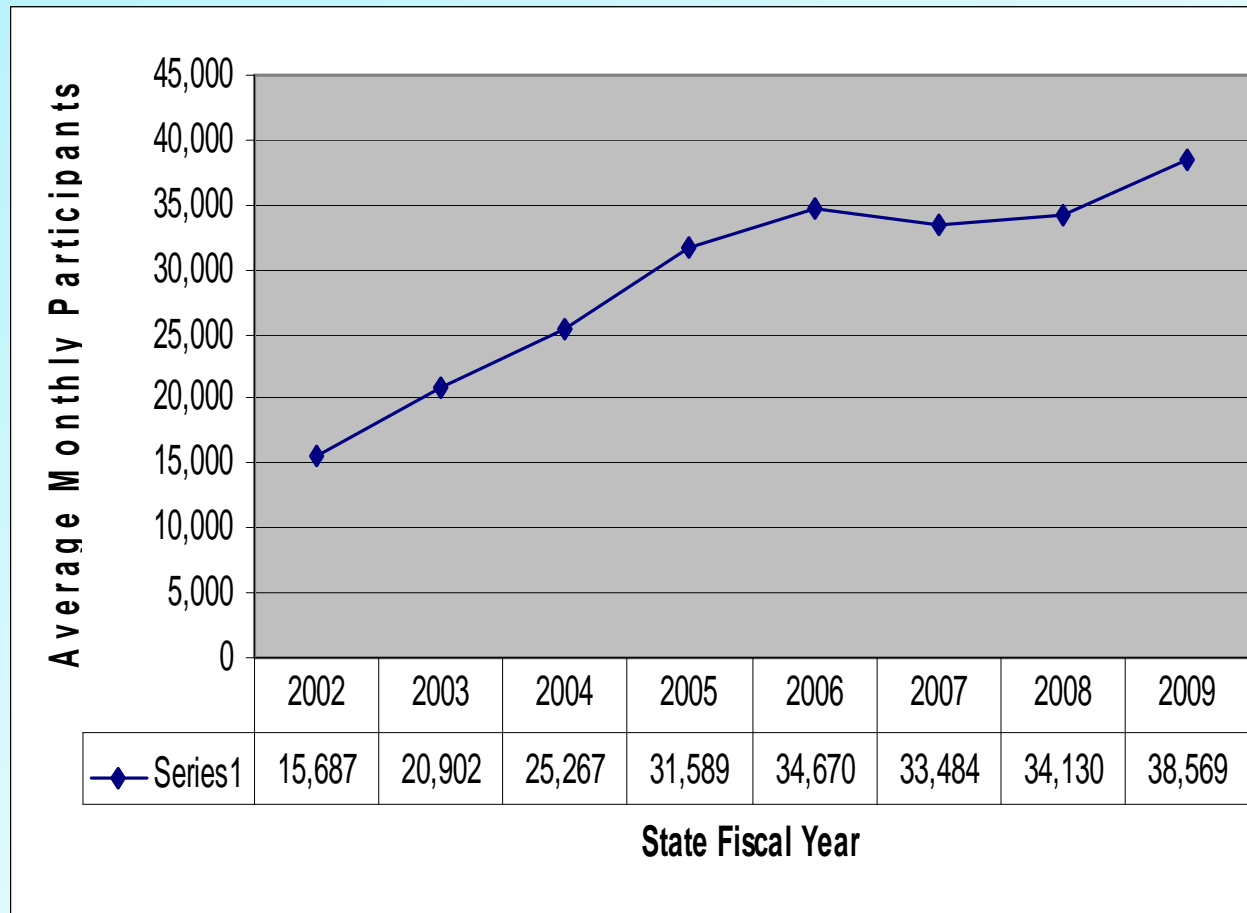
National Expenditures for PCS CY 2005



Source: Kaiser Commission on Medicaid and the Uninsured

Increase in PCS Participation

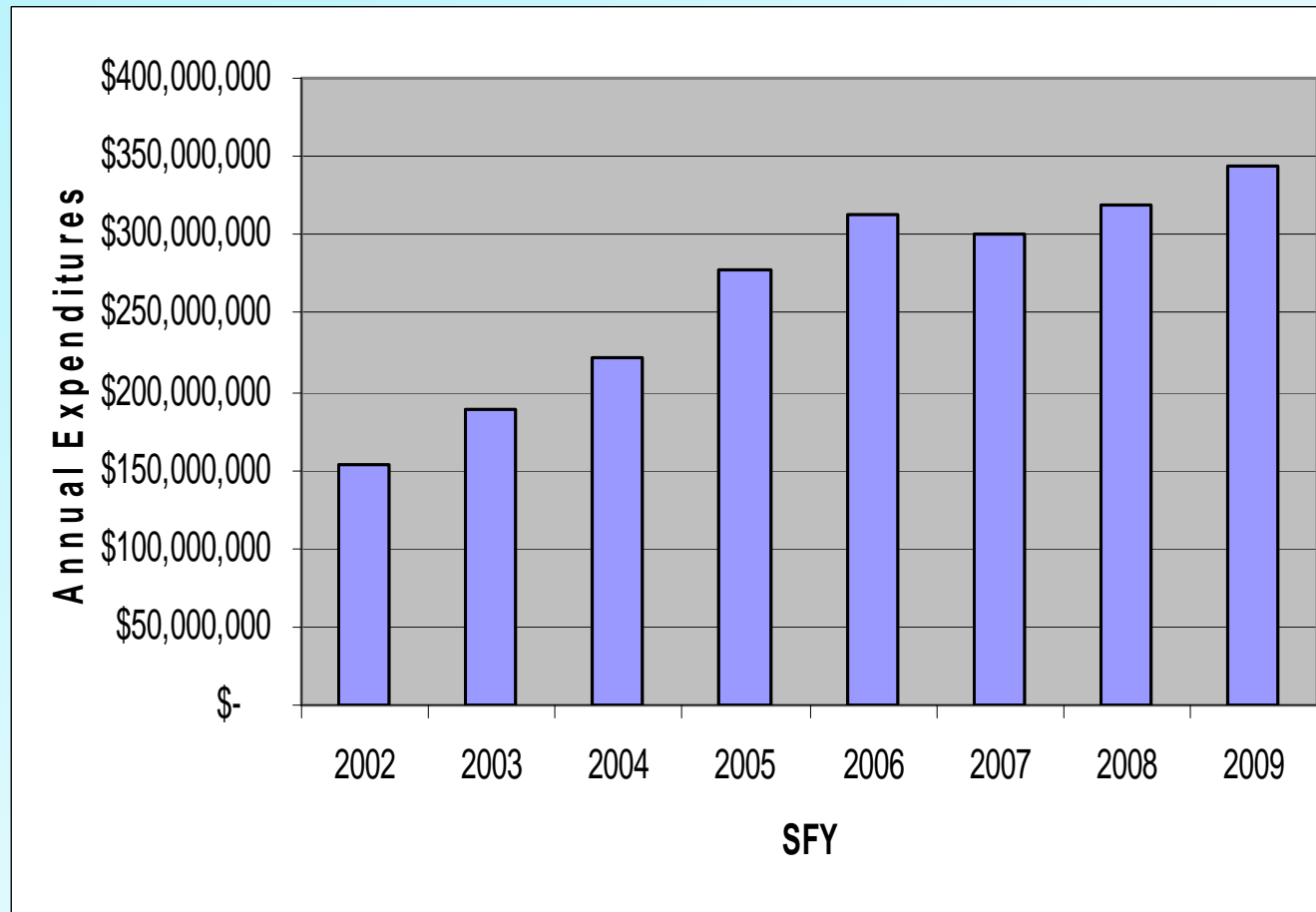
SFY 2002 thru 2009



Source: Medicaid Program Expenditure Reports-June of each SFY

Increase in PCS Costs

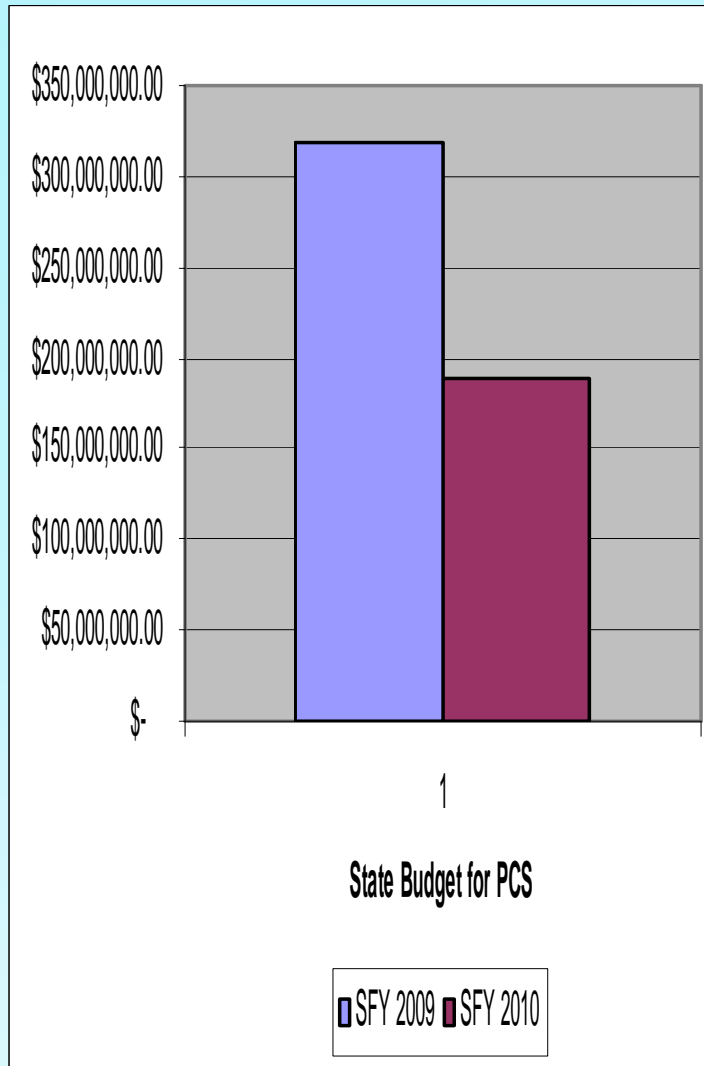
SFY 2002 thru 2009



Source: Medicaid Program Expenditure Reports-June of each SFY

Budget Reduction Goals for PCS

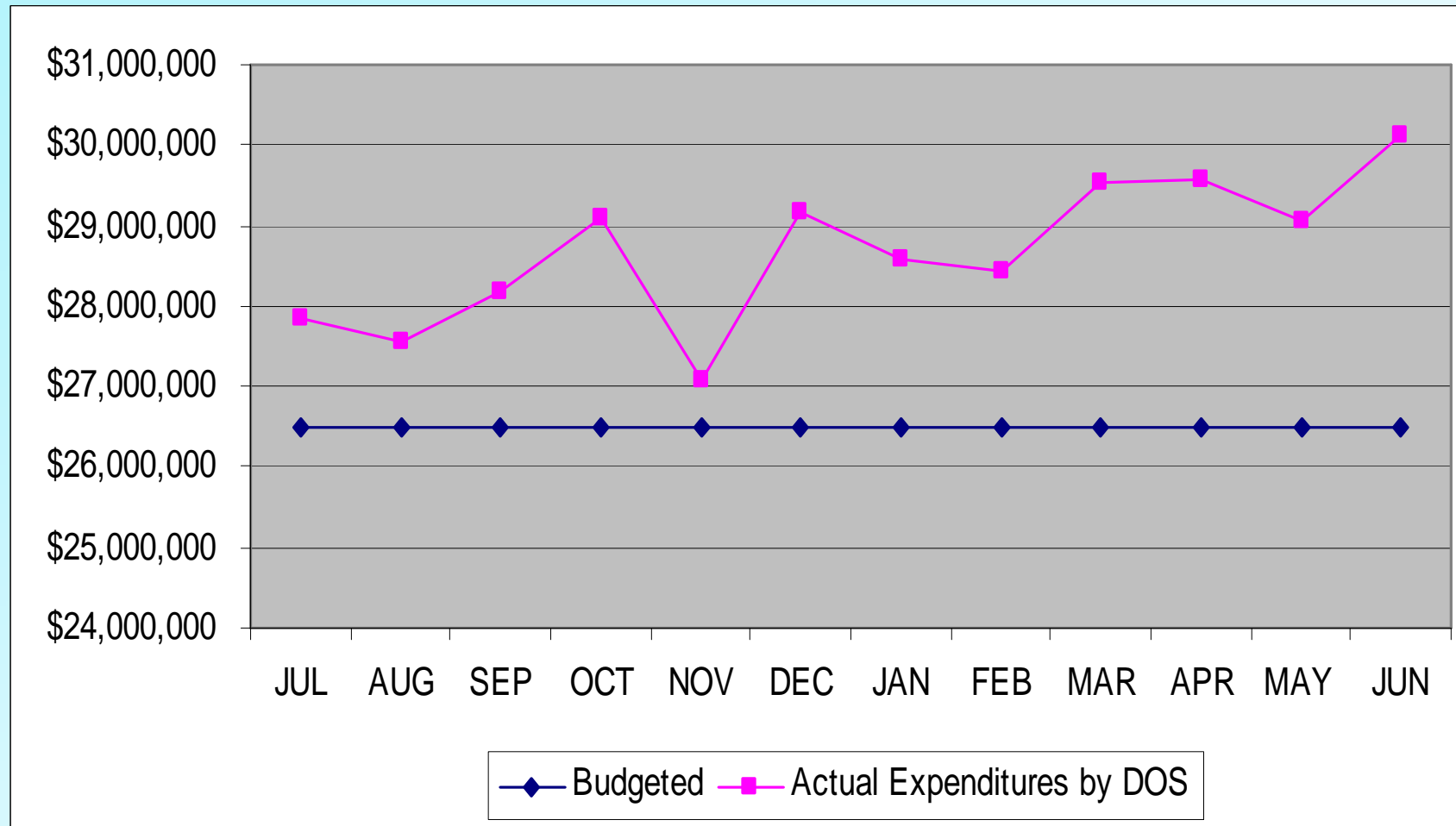
SFY 2010 and 2011



- **Budget for SFY 2009:**
\$318,021,185
- **Budget for SFY 2010:**
\$188,200,229
- **Budget Reduction: 41%**
- **Budget Reduction Goal for SFY 2010: \$40 million state dollars**
- **Budget Reduction Goal for SFY 2011: \$60 million state dollars**

PCS Expenditures

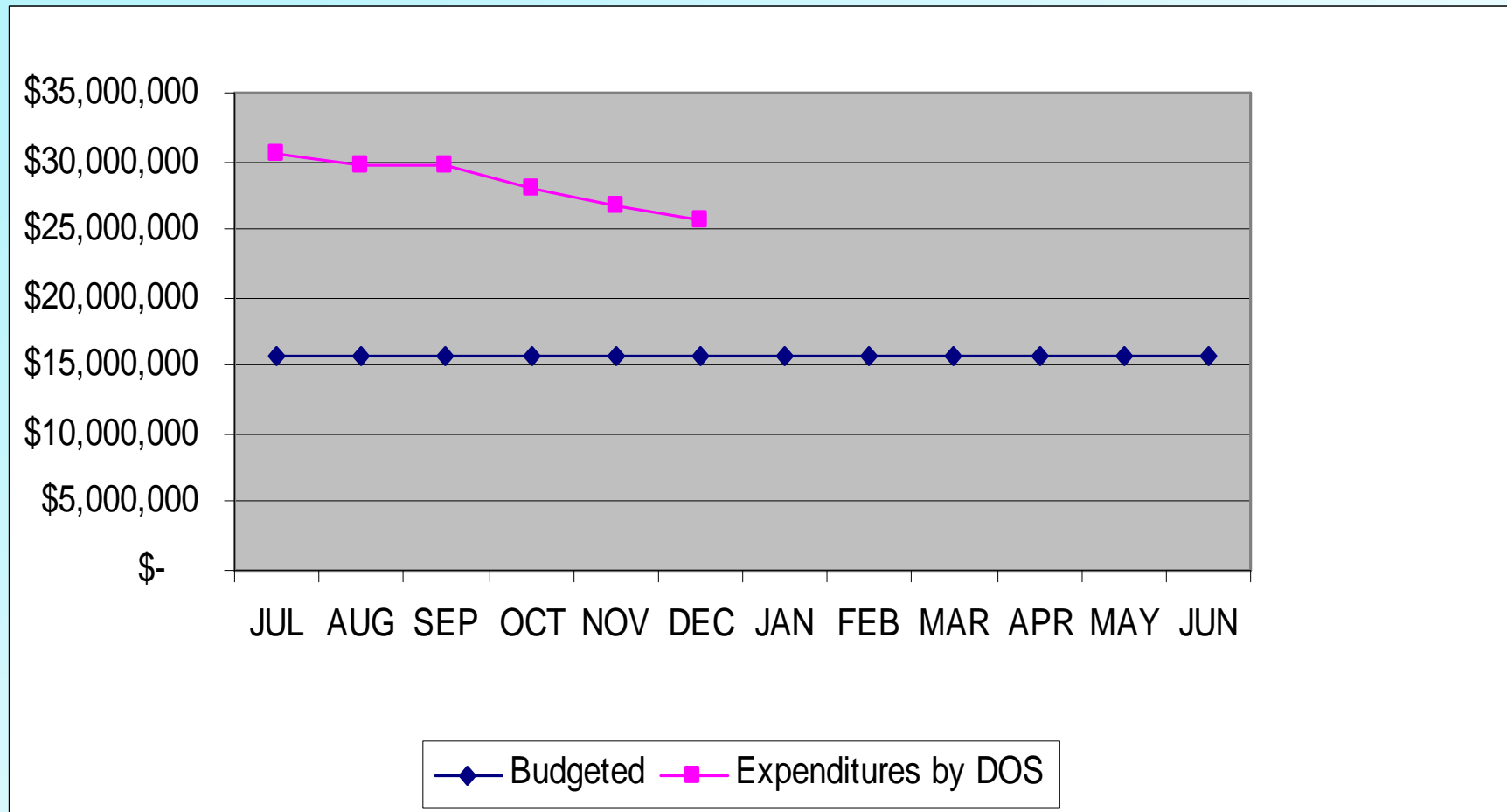
SFY 2009 Actual vs. Budgeted



Source: Medicaid Monthly Claims Report January 2010

PCS Expenditures

SFY 2010 YTD Actual vs. Budgeted



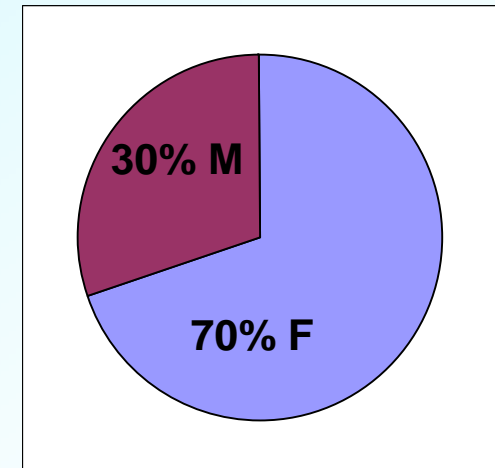
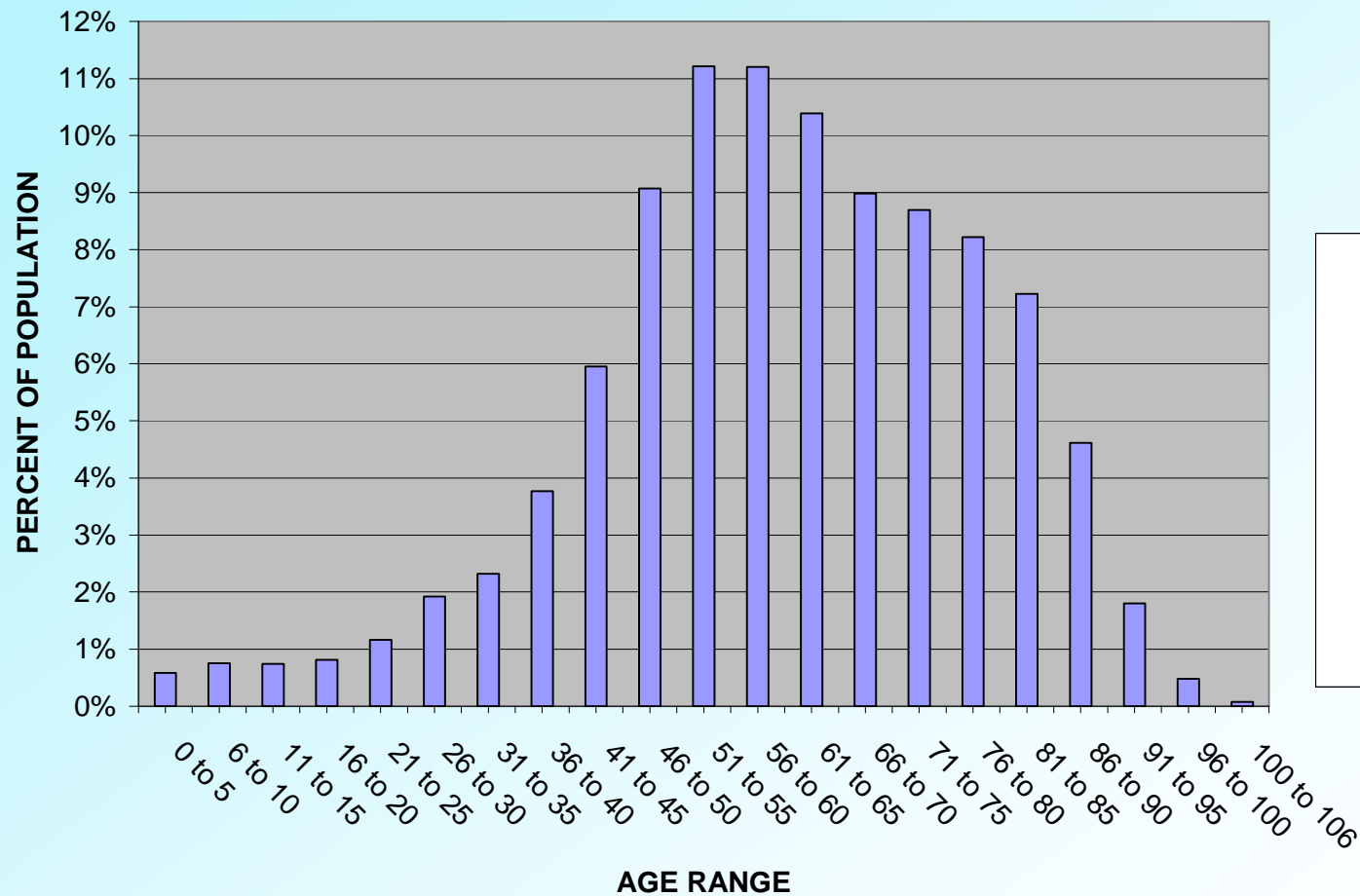
Source: Medicaid Monthly Claims Report January 2010

CCME PCS Compliance Reviews

April 2007-March 2009

- 347 Provider Agencies
 - 3,732 Recipients
 - On-site desk review
 - RN home visit, interview, observation
- 7%- Two qualifying ADLs not documented in assessment
 - 40%- RN review did not support recipient qualification
 - DMA estimates 23% of current recipients do not qualify
 - Associated with more than \$6.5M per month, \$79M per year, \$219,000 per day in PCS claims

Current PCS Participants Demographic Profile



Source: Medicaid Claims Database

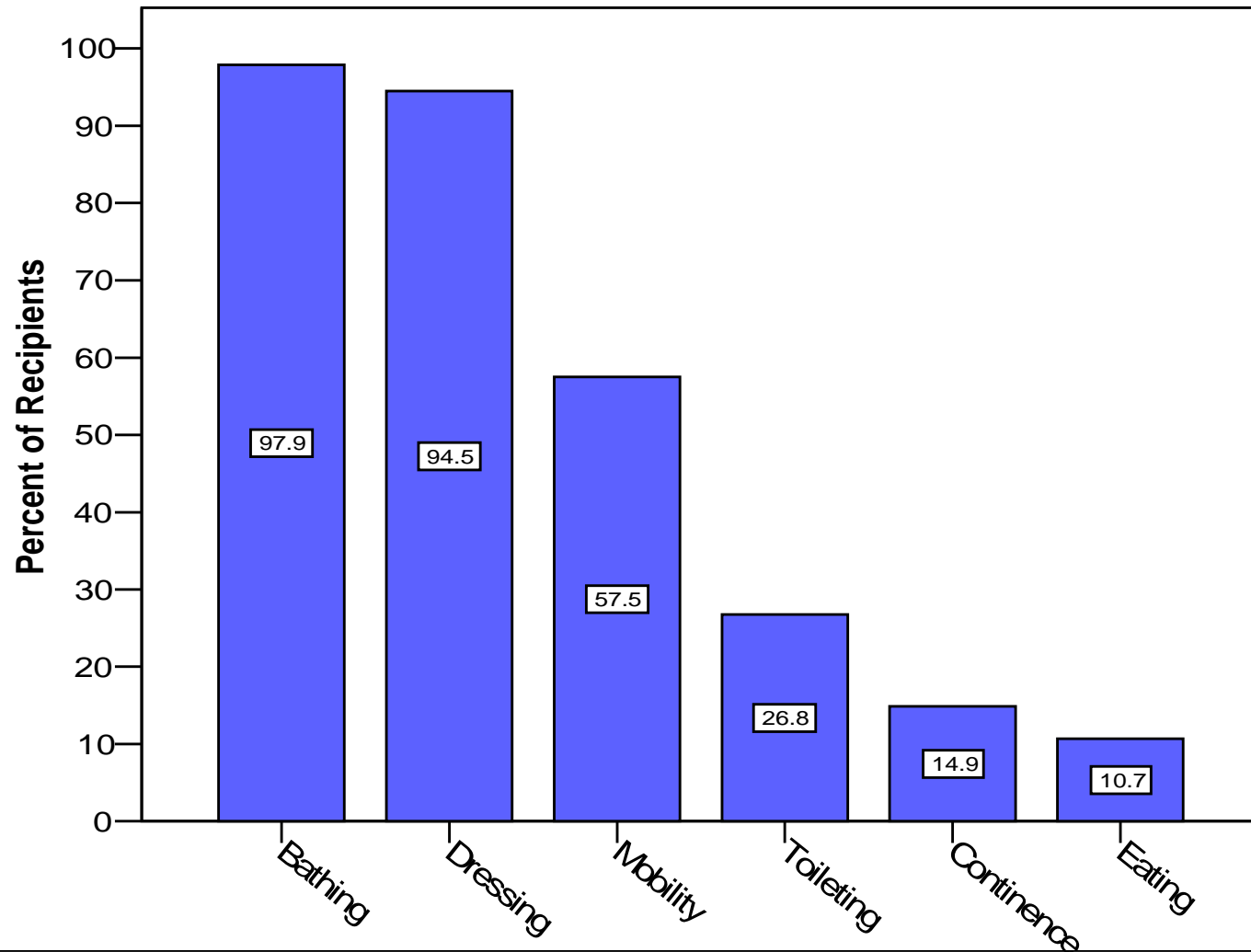
Current PCS Participants

ADL Scoring Methodology

Level	Description	Medicaid PCS Coverage	Assessment Score
Supervision Only	Individual requires supervision, oversight, encouragement, prompting, reminders, or cueing	Not covered	1
Limited Assistance	Individual is highly involved in activity, but requires hands-on assistance from another person for maneuvering of limbs for mobility, eating, bathing, dressing, and toileting	Must require hands-on limited, extensive, or full dependence assistance with at least two of the qualifying ADLs	2
Extensive Assistance	Individual performs part of activity, but requires substantial or consistent hands-on assistance from another person for mobility, eating, bathing, dressing, and toileting		3
Full Dependence	Individual is fully dependent on another person for mobility, eating, bathing, dressing, and toileting		4

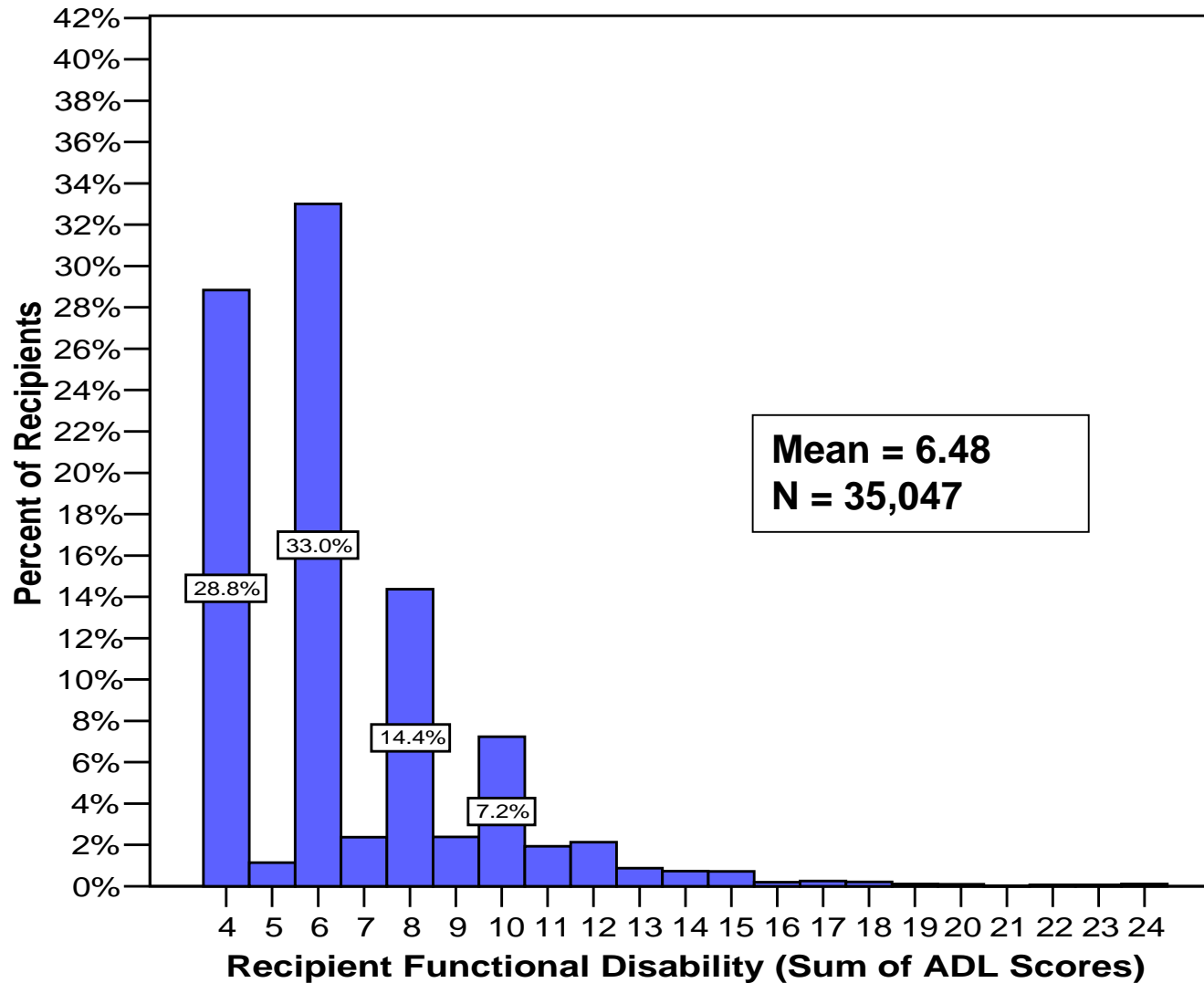
Current PCS Participants

Prevalence of ADL Needs



Source: PCS Recipient Assessments (N=35,047)

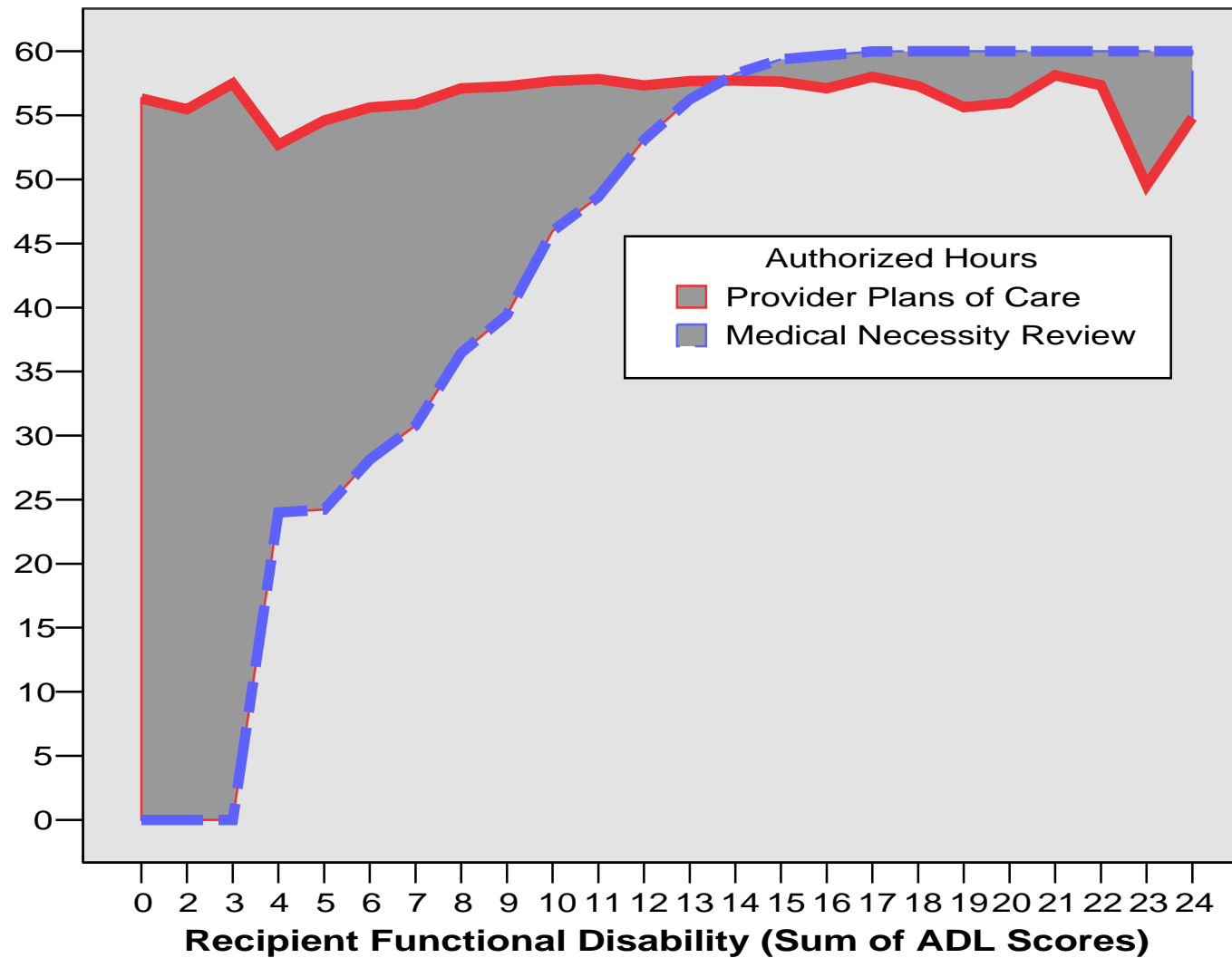
Recipient Functional Disability Sum of ADL Scores



Source: PCS Recipient Assessments (N=35,047)

Current PCS Participants

Average Number of Service Hours Authorized
In Providers' Plans of Care (POC)



Source: PCS Recipient Assessments (N=35,047)

Implementation of S.L. 2009-451

- Evaluate current PCS participants to determine if utilization is related to functional disability and not excessive
- Revise the current PCS Clinical Coverage Policy to address documented cost, compliance, and utilization problems
- Strengthen the role of the recipient's physician in the PCS admission process
- Automate the PCS program administration process
- Update, improve, and automate assessment tools, service authorizations, plans of care, audit reports, and reports

Implementation of S.L. 2009-451

(Continued)

- **Automate and integrate with other HCBS programs quality improvement, utilization review, compliance review, and financial performance metrics to monitor program performance**
- **Integrate service authorizations with claims processing to ensure only authorized hours are paid**
- **Implement independent assessment of new PCS admissions, continuation reviews, and change of status reviews**

CAP/DA Slot Allocation History

Slots allocated in 2004	13,200
Slots originally funded	11,500
Slots not funded	1,700

Additional slots proposed:

SFY 2009	600
SFY 2010	600
SFY 2011	500

NOT FUNDED

CAP/DA Slot Allocation 2010 SFY Budget Adjustment

- **Reduce PCS slot allocations to July 1, 2008 level**
- **Slots must be reduced to 11,214**
- **Reductions by county will be achieved through attrition**