



COLORADO
Department of Health Care
Policy & Financing

January 12, 2015

The Honorable Kent Lambert, Chair
Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Senator Lambert:

Enclosed please find a legislative report to the Joint Budget Committee from the Department of Health Care Policy and Financing on In-Home Support Services (IHSS), 2015.

Section 25.5-6-1206 C.R.S requires the Department to submit a report annually to the Joint Budget Committee of the General Assembly, the Health and Human Services Committee of the Senate, and the Public Health and Human Services Committee of the House of Representatives on the implementation of IHSS.

The report provides information on IHSS and describes the three service delivery options available under Home and Community Based Services (HCBS) waivers. The report includes data on the cost and utilization of IHSS and the Department's efforts to conduct further data analysis. Finally, the report includes the strategies the Department is implementing to improve this service delivery option both programmatically and financially.

If you require further information or have additional questions, please contact the Department's Legislative Liaison, Zach Lynkiewicz, at Zach.Lynkiewicz@state.co.us or 720-854-9882.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Susan E. Birch', is written over a horizontal line.

Susan E. Birch, MBA, BSN, RN
Executive Director
SEB/gmh

Enclosure(s): 2015 In-Home Support Services Legislative Report



Cc: Representative Millie Hamner, Vice-chair, Joint Budget Committee
Representative Bob Rankin, Joint Budget Committee
Representative Dave Young, Joint Budget Committee
Senator Kevin Grantham, Joint Budget Committee
Senator Pat Steadman, Joint Budget Committee
John Ziegler, Staff Director, JBC
Eric Kurtz, JBC Analyst
Henry Sobanet, Director, Office of State Planning and Budgeting
Bettina Schneider, Budget Analyst, Office of State Planning and Budgeting
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John Bartholomew, Finance Office Director, HCPF
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Chris Underwood, Health Information Office Director, HCPF
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Tom Massey, Policy, Communications, and Administration Office Director, HCPF
Rachel Reiter, External Relations Division Director, HCPF
Zach Lynkiewicz, Legislative Liaison, HCPF





**COLORADO DEPARTMENT OF
HEALTH CARE POLICY AND FINANCING**

**REPORT TO THE HOUSE PUBLIC HEALTH CARE AND
HUMAN SERVICES COMMITTEE, THE SENATE HEALTH
AND HUMAN SERVICES COMMITTEE AND THE
JOINT BUDGET COMMITTEE ON
IN-HOME SUPPORTS AND SERVICES (IHSS)**

January 31, 2015

The Colorado Department of Health Care Policy and Financing (Department) is pleased to submit this report pursuant to section 25.5-6-1206 C.R.S. regarding In-Home Support Services (IHSS) provided in the state of Colorado. Per the statutory requirement, the report shall include:

- The cost-effectiveness of providing In-Home Support Services to the elderly, blind, and disabled, to persons with spinal cord injury, and to eligible disabled children;
- The number of persons receiving such services; and,
- Any strategies and resources that are available or that are necessary to assist more persons in staying in their homes through the use of In-Home Support Services.

Introduction

IHSS was authorized in 2002 by SB 02-027 as a way to deliver Home and Community Based Services (HCBS). IHSS is a service delivery option that allows a client to direct select services available through the Home and Community Based Services (HCBS) – Elderly, Blind, and Disabled (HCBS-EBD), Children’s HCBS (CHCBS), and HCBS-Spinal Cord Injury (HCBS-SCI) waivers.

IHSS provides a delivery option between services provided and managed by an agency and Consumer Directed Attendant Support Services (CDASS), where services are managed by the client or his or her authorized representative. IHSS provides the flexibility and control of consumer direction by allowing the client to select and train his or her attendants. However, in contrast to CDASS, the client does not manage the financial allocation for his or her services. The primary differences between the three service delivery options are detailed below:

Table 1: Service delivery Options		
Agency-based Care	IHSS	CDASS
<ul style="list-style-type: none"> • Agency selects and trains attendants • Agency manages financial aspects of service delivery 	<ul style="list-style-type: none"> • Client select and trains attendants • IHSS agency manages financial aspect of service delivery 	<ul style="list-style-type: none"> • Client selects and trains attendants • Client manages annual allocation

In FY 2013-14, two bills were passed that impact IHSS. HB 14-1358 gave the Department authorization to continue IHSS until September 1, 2019, based on the results of the Sunset review conducted by the Department of Regulatory Agencies. HB 14-1357 tasked the Department with developing an implementation plan to expand IHSS to include persons enrolled in Community Mental Health Supports, Persons with Brain Injury, Supported Living Services, and Children’s Extensive Support HCBS Waivers. The Department is required to submit this plan by March 1, 2015.

Additionally, HB 14-1357 gave the Department authority to make the following programmatic changes to IHSS by March 1, 2015:

- Allow spouses to receive reimbursement for providing IHSS
- Exempt family members from the 444 hour per year limit for personal care

- Allow IHSS to be provided in the community
- Provide greater flexibility in determining the amount of nurse oversight required
- Clarify the intent of consumer direction by allowing the client to directly schedule, manage, and supervise attendants, and to determine the amount of agency support

Client Eligibility

As set forth at 10 CCR 2505-10 § 8.552.2, a client is eligible for IHSS when the following three criteria are met:

1. The client is enrolled in the HCBS-EBD, CHCBS, or HCBS-SCI waiver
2. The client’s primary care physician documents the client has sound judgment and the ability to direct his or her own care or the client has an authorized representative to assist in directing the care
3. The client’s medical condition does not result in an unsafe situation as documented by the primary care physician

Available Services

A client enrolled in the HCBS-EBD or HCBS-SCI waiver and participating in IHSS can direct his or her health maintenance activities, homemaker services, and personal care. A client enrolled in the CHCBS waiver and participating in IHSS can direct his or her health maintenance activities only. Health maintenance activities are defined as routine and repetitive health related tasks, which are necessary for health and normal bodily functioning. Health maintenance activities can include, but are not limited to catheter irrigation, medication administration, and wound care (10 CCR 2505-10 § 8.552.1).

Clients who receive IHSS services also have access to other services available through the Medicaid State Plan and the HCBS waivers. State plan services include all other Medicaid benefits that are not provided by the HCBS waivers, which may include physician visits, medications, hospitalizations, and durable medical equipment. The other services available to IHSS clients through HCBS waivers are described below for each waiver:

Table 2 – Other HCBS Services By Waiver			
Waiver	EBD	CHCBS	SCI
Other HCBS Costs	<ul style="list-style-type: none"> • Adult Day Health • Homemaker (non-IHSS) • Personal Care (non-IHSS) • Respite • Home Modification • Non-Medical Transportation • Electronic Monitoring • Alternative Care Facility • Community Transition Service • Supplies, Equipment, & Medication Management 	<ul style="list-style-type: none"> • Case Management 	<ul style="list-style-type: none"> • Adult Day Health • Homemaker (non-IHSS) • Personal Care (non-IHSS) • Respite • Home Modification • Non-Medical Transportation • Electronic Monitoring • Alternative Therapies • Medication Reminder

In accordance with section 25.5-6-1203(3), C.R.S the following sections of the Nurse Practice Act and Nurse Aide Legislation do not apply to IHSS:

- 12-38-103(8) Definition of Practical Nurse
- 12-38-103(11) Definition of Registered Nurse
- 12-38-123 Penalties for practicing without a license
- 12-38.1-102(5) Definition of Nurse Aide
- 12-38.1-117(b) Limitation of duties of Nurse Aide

By not requiring licensed or certified health professionals, a client in IHSS has more flexibility in selecting attendants to provide services and supports. This flexibility creates an opportunity for increased access to services by allowing the client to hire a neighbor, friend, or family member to provide both skilled and unskilled care. This flexibility is especially valuable to clients with complex medical needs who reside in rural areas of Colorado.

IHSS Agencies

There are currently 33 agencies providing IHSS in Colorado. Participating agencies are located in Boulder, Broomfield, Greeley, Colorado Springs, Cortez, Delta, Grand Junction, Montrose, Pueblo, Canon City and the Denver metro area.

IHSS agencies are required to offer the following in accordance with 10 CCR 2505-10 § 8.552.5:

1. Cross-disability peer counseling
2. Information and referral services
3. Individual and system advocacy
4. Twenty-four hour back-up services
5. Intake and orientation to IHSS
6. Assistance in selecting attendants, if requested by the client or authorized representative
7. Access to a licensed health care professional to provide monitoring and oversight of medical needs

Cost Effectiveness of IHSS

Below are two tables that illustrate the per client cost for IHSS combined with other HCBS waiver and state plan service costs. This is compared to the average cost to provide services in a nursing facility or hospital.

Table 3 – IHSS Per Client Cost versus Nursing Facility Per Client Cost FY 2013-14							
Waiver	IHSS	Other HCBS Costs	State Plan Costs	Total Per Client Cost - HCBS	Nursing Facility	State plan Costs	Total Per Client Cost – Nursing Facility
EBD	\$24,631	\$1,167	\$5,924	\$31,722	\$33,853	\$2,784	\$36,637
CHCBS	\$39,321	\$515	\$10,122	\$49,958	\$39,972	\$3,287	\$42,259
SCI	\$7,422	\$1,578	\$31,717	\$40,717	\$50,320	\$4,138	\$54,458

Waiver	IHSS	Other HCBS Costs	State Plan Costs	Total Per Client Cost - HCBS	Hospitalization Costs	State plan Costs	Total Per Client Cost – Hospitalization
CHCBS	\$52,580	\$490	\$56,503	\$109,573	\$257,496	\$53,542	\$311,037

State plan costs and other HCBS costs are included in this chart to provide a comparison of the total costs of providing services to clients through IHSS versus the total costs of providing services to clients in an institutional setting. State plan costs include all other Medicaid benefits that are not provided by the HCBS waivers, which may include physician visits, medications, hospitalizations, and durable medical equipment. Other HCBS costs are the costs for the services described in Table 2.

Based on the available cost data, the provision of IHSS to clients enrolled in the HCBS-EBD and HCBS-SCI waivers is, on average, more cost effective than providing services in a nursing facility. However, this does not imply that in the absence of IHSS, services would be provided in a nursing facility. Additionally, providing IHSS to clients enrolled in the CHCBS waiver is cost effective for children who require hospital level of care. However, the current data does not show this same cost effectiveness for children enrolled in the CHCBS waiver who meet nursing facility level of care. The data indicates that providing IHSS to children in the CHCBS waiver costs more on average than providing care in a nursing facility.

It is important to note how the Department differentiates between nursing facility and hospital level of care for CHCBS clients. Clients on the CHCBS waiver are determined to meet hospital level of care if they receive registered nurse (RN) services. This method is used to report annually to the Centers for Medicare and Medicaid Services (CMS) on the cost neutrality of waiver services. However, it is possible that some clients are misclassified as meeting nursing facility level of care when in fact they likely meet hospital level of care. This might occur as a result of sections of the Nurse Practice Act and Nurse Aide Legislation being exempted in IHSS. In other words, a client who might require RN care due to his or her complex medical needs are not accessing RN services because they are not required to do so under IHSS. If the client's health maintenance services were to be removed or reduced it is possible that they would be placed into a hospital to receive the RN services currently being delivered via IHSS. The Department continues to evaluate methods for defining level of care.

To better assess the cost effectiveness of IHSS, a more detailed and comprehensive analysis is needed. This analysis would better measure demographic and level of care differences and would not only compare the costs of IHSS to institutionalized care, but would also compare the costs of IHSS to traditional agency-based home-health. Presently, this type of analysis is beyond the Department's ability and resources.

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
EBD	13%	12.7%	0.7%	-14.2%	-5.99%
CHCBS	11%	9.2%	12.1%	11.2%	19.98%

In FY 2014-2015, IHSS reimbursement rates were increased by 8.26 percent. Although there was a rate increase, the data show that the cost per IHSS client in the HCBS-EBD waiver has decreased. However, the cost per IHSS client in the CHCBS waiver has increased in excess of the 8.26%. The Department conducted some preliminary reviews based on programmatic and policy changes outside of IHSS to determine whether or not there was a ripple effect on IHSS costs. For example, the Department implemented revisions to the Pediatric Assessment Tool (PAT) that resulted in a reduction of services for some children. The Department analyzed the data for those children who were also receiving IHSS to determine if IHSS increased as a result of the PAT reductions. The data did not show a correlation between the decrease of services authorized by the PAT and the increase in IHSS.

The Department reviews cost and utilization data monthly to identify patterns and trends in IHSS and identify opportunities to mitigate costs. The Department is working with the Department of Public Health and Environment and the Medicaid Fraud Control Unit as they review a sample of IHSS clients in the CHCBS and EBD waivers. The results of that review have not yet been finalized, but preliminary reviews indicate additional case management training is necessary. Additionally, the Department reviewed client records and conducted further data analysis to explain the increase in expenditures. The review revealed that cost effectiveness could be improved by providing stronger guidance on how to categorize IHSS services. Based on findings from both reviews, the Department has planned additional trainings for IHSS agencies and case managers and is in process of rewriting IHSS rules to provide additional guidance on service definitions.

Client Participation in IHSS

There has been significant growth in the number and percentage of clients accessing IHSS which has resulted in an increase in overall expenditures. The Department worked with stakeholders through the Participant Directed Programs Policy Collaborative (PDPPC) to increase awareness about IHSS and to solicit more IHSS stakeholders. This effort appears to be successful.

This report does not include data to indicate the change in enrollment for the SCI waiver because no clients were enrolled in IHSS through the SCI waiver prior to FY 2013-14.

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
EBD	215	241	274	337	447	696
CHCBS	26	34	34	70	129	184
SCI	NA	NA	NA	NA	NA	2
Total	241	275	308	407	576	882

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
EBD	6.5%	10.7%	12%	18.7%	24.6%	55.7%
CHCBS	15.3%	23.5%	0%	51.4%	45.7%	42.64%
SCI	NA	NA	NA	NA	NA	NA%
Total	7.4%	12.3%	10.7%	24.3%	29.3%	53.13%

Table 7 IHSS HCBS-EBD Total Expenditures						
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Health						
Maintenance	\$3,690,122	\$4,938,881	\$6,577,467	\$8,339,007	\$9,780,824	\$14,736,112
Homemaker	\$158,635	\$153,161	\$123,480	\$88,253	\$196,960	\$587,150
Personal Care	\$871,501	\$992,126	\$1,132,520	\$1,378,557	\$537,701	\$1,819,863
Total Cost	\$4,720,258	\$6,084,167	\$7,920,286	\$9,805,818	\$11,383,797	\$17,143,125

Table 8 IHSS CHCBS Total Expenditures						
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Health						
Maintenance	\$572,209	\$840,953	\$925,739	\$2,168,200	\$4,500,375	\$7,341,077
Total Cost	\$572,209	\$840,953	\$925,739	\$2,168,200	\$4,500,375	\$7,341,077

Table 9 IHSS HCBS-SCI Total Expenditures	
	FY 2013-14
Health Maintenance	\$1,546
Homemaker	\$7,422
Personal Care	\$0
Total Cost	\$8,968

Strategies and Resources

The Department continues to work with stakeholders to implement strategies and identify resources to assist more clients to remain in their homes and communities through the use of IHSS. The Department implemented, or is in process of implementing, the following strategies:

- Facilitate regular stakeholder meetings with clients, providers, and case management agencies to promote communication around participant directed services
- Collaborate with stakeholders on rule revisions to make IHSS policies better reflect stakeholder needs while ensuring sound stewardship of public funds
- Conduct trainings for case managers on authorizing IHSS
- Maintain a list of IHSS agencies that is available to clients, families, and case management agencies
- Provide information on IHSS to clients and agencies in the form of web-based materials, and fact sheets
- Establishing limits on family member reimbursement that allows for client choice of attendants while also ensuring cost controls
- Rewriting rules and modifying waivers to allow greater participant direction options

The Department will continue with the above strategies in addition to the following efforts:

- Work collaboratively with the Department of Public Health and Environment on consistent interpretation of IHSS rules and licensing requirements

- As a result of changes to the structure of Financial Management Services (FMS) used in CDASS, the Department will begin contracting with a vendor in January 2015 to provide routine training to case managers on participant direction, including IHSS

Additionally, the Department is working with stakeholders to improve the long term services and supports (LTSS) delivery system. The following initiatives will strengthen the HCBS infrastructure and integrate consumer direction and person-centered planning throughout LTSS:

- The Affordable Care Act expands Medicaid coverage to more people, but also affords states options in how they provide community-based LTSS. Colorado is exploring the feasibility of implementing Consumer First Choice (CFC), which provides enhanced funding to states that elect to offer person-centered home and community based attendant services and supports.
- Colorado Choice Transitions (CCT) is part of the federal Money Follows the Person (MFP) Rebalancing Demonstration that facilitates the transition of a Medicaid client from a nursing or long term care facility back into his or her own community.
- The Community Living Advisory Group submitted its final report to the Governor's office on September 30, 2014, which included recommendations to redesign of Colorado's HCBS waivers, including how to incorporate consumer direction across all HCBS waivers and services.

Conclusion

IHSS provides a client with the flexibility to direct his or her own care without having the financial allocation or the employer management responsibilities. The client receives the supports necessary to remain in his or her own home rather than entering or remaining in a long term care facility or relying on a home health agency to select staff. IHSS is an important part of the service delivery continuum and provides an opportunity to clients to direct their care while also having nursing and monitoring safeguards.