Maryland
DEPARTMENT OF HEALTH

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Secretary

September 15, 2022

The Honorable Guy Guzzone, Chair
Senate Budget and Taxation Committee
3 West Miller Senate Office Bldg.
Annapolis, MD 21401 - 1991

The Honorable Ben Barnes, Chair
House Appropriations Committee
121 House Office Bldg.
Annapolis, MD 21401 - 1991

Re: 2022 Joint Chairmen's Report (p. 119) – Quarterly Report on Community First Choice Program and Community Options Waiver Financial and Registry Data – August 2022

Dear Chairs Guzzone and Barnes:

Pursuant to the 2022 Joint Chairmen's Report (p. 119), the Maryland Department of Health (MDH) respectfully submits this first quarterly report on the Community First Choice (CFC) program and Community Options Waiver Financial and Registry Data. The quarterly reports will provide information on spending in the Community First Choice program, disaggregating Community Options waiver spending, and will include monthly enrollment, utilization, and cost data that aligns with actual budget expenditures under the CFC program.

If you have any comments or questions, please contact Megan Peters, Acting Director of Governmental Affairs, at megan.peters@maryland.gov.

Sincerely,

Dennis R. Schrader
Secretary

Enclosure

cc: Steve Schuh, Deputy Secretary, Health Care Financing and Medicaid
Tricia Roddy, Deputy Director, Office of Health Care Financing
Marlana Hutchinson, Director, Office of Long-Term Supports and Services
Megan Peters, Acting Director, Office of Governmental Affairs
Sarah Albert, Department of Legislative Services (5 copies)

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Quarterly Report on the Community First Choice Program and Community Options Waiver Financial and Registry Data

Pursuant to the 2022 Joint Chairmen's Report (p. 119)

August 2022

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Background

The 2022 Joint Chairmen's Report (p. 119) requests that the Maryland Department of Health (MDH) report on the Community First Choice program and the Community Options Waiver. Specifically, the request is seeking information on the monthly enrollment, utilization, and cost data for Fiscal Year (FY) 2021 and FY 2022, the number of Community Options waiver slots filled, and the current status of the Community Options registry and staffing to support the registry.ents.

Community First Choice (CFC) Program

The CFC program is a State plan option authorized by Section 2401 of the Affordable Care Act of 2010 (ACA) and Section 1915(k) of the Social Security Act.[1] The CFC program offers a variety of services and supports in a community setting to children and adults with disabilities who require assistance with activities of daily living. The intent of this program is to prevent or delay institutionalization, while providing a cost savings to the State. The following services and supports are offered through the CFC program: accessibility adaptations; assistive technology; consumer training; environmental assessments; home-delivered meals; nurse monitoring; personal assistance services; personal emergency response systems; supports planning; and transition services.

To qualify for the CFC program, applicants must meet an institutional level of care and certain financial eligibility requirements. Specifically, an individual must be enrolled in an eligibility category covered under the Medicaid State Plan. As part of the Medicaid State Plan, the CFC program is considered an entitlement benefit and individuals who meet the eligibility criteria are enrolled in the program. MDH reviews an applicant's request for services through the person-centered plan and makes a determination based on program requirements, including medical necessity and necessity to prevent institutionalization.

Community Options (CO) Waiver

The CO Waiver provides community services and supports to individuals 18 years of age or older and allows older adults and adults with disabilities to receive services while remaining in their homes or another community setting. The following services and supports are offered through the CO Waiver: assisted living services; behavioral consultation; case management; dietitian and nutritionist services; family training; medical day care; and senior center plus.

To qualify for the CO Waiver, individuals must meet eligibility requirements. MDH gives first priority to individuals who can be discharged from a nursing facility upon receipt of waiver services. Interested individuals may contact MDH for a referral to Options Counseling, which provides information to individuals in a nursing facility to help them understand their discharge options and programs that may support them in the community.

For individuals residing in the community who are interested in waiver services, MDH maintains

1 ACA Section 2401, Community First Choice option (Section 1915(k) of the Social Security Act); Maryland State Plan Amendment Summary: https://www.medicaid.gov/sites/default/files/2019-12/md-cfc-spa-matrix.pdf

a registry. Individuals can place their name on the registry by calling the Maryland Access Point (MAP) and completing a Level One screen. Based on the results of the screen, individuals are placed in a priority group. Individuals are invited to apply for the CO Waiver from the registry on a monthly basis. Upon receipt of an application, the individual is assessed by the local health departments to determine medical eligibility. If the individual is medically eligible for the CO Waiver, the supports planning provider will meet with the applicant to develop a person-centered plan of service that includes all services and supports addressing the applicant's needs. Upon receipt of the plan, MDH will review the requested services and render a decision based on program requirements, including medical necessity and necessity to prevent institutionalization.

Expenditure Data

The federal Public Health Emergency (PHE), as a result of the COVID-19 pandemic, and the subsequent maintenance-of-effort (MOE) between states and the Centers for Medicaid and Medicare Services (CMS) has impacted expenditure, enrollment, and utilization data because participants cannot be disenrolled from Medicaid and its programs, regardless of the participant no longer meeting program eligibility requirements. The MOE provision has been in effect since March 18, 2020 and will continue six (6) months after the end of the PHE. While the PHE is in effect, a participant can only be disenrolled from Medicaid and its programs if the participant dies, moves to another state, or voluntarily terminates his or her Medicaid coverage or program participation. The PHE had a direct impact on data for both FY 2021 (July 1, 2020 – June 30, 2021) and FY 2022 (July 1, 2021 – June 30, 2022).

All expenditure and utilization data in this report is from the Hilltop Institute's report on *Monthly Waiver and Program Enrollment Trends – Service Level – April 2022*. Table 1 reflects CFC expenditures, unique users, and average annual CFC expenditures per user for FY 2021 and FY 2022. As CO Waiver participants can access CFC services, the CFC expenditure data is inclusive of CFC participants and CO Waiver participants receiving CFC services.

It is important to note that the FY 2021 data is for the full fiscal year, while FY 2022 includes data from July 2021 through March 2022. To accurately compare FY 2021 and FY 2022, an additional three (3) months of data is required. The data for FY 2022 will not reflect complete enrollment, utilization or expenditures until MDH receives the October 2022 quarterly report from the Hilltop Institute.[2] Moreover, Medicaid providers have one year from the date of service to submit claims for services rendered. As such, MDH will need additional time to analyze actual expenditures in consideration of the time allocated for claims submission and payment.

[2] The Hilltop Institute is a nonpartisan research organization at the University of Maryland, Baltimore County. The Hilltop Institute collaborates with the Department to conduct objective, evidence-based research and analysis to inform state health policy.

Table 1. CFC Expenditures, Unique Users, and Average Expenditures per User FY 2021 and FY 2022*

Fiscal Year	CFC Expenditures	Unique Users of CFC Services	Average Expenditures per User of CFC Services
FY 2021	$ 452,228,493	18,851	$ 23,990
FY 2022	$ 318,385,314	18,401	$ 17,303

*FY 2021 data is for the full fiscal year. FY 2022 data is from July 2021 through March 2022.

Table 2 reflects CO Waiver expenditures, unique users, and the average annual CO Waiver expenditures per user for FY 2021 and FY 2022. As with the CFC data, data for FY 2021 is inclusive of the full FY, while the data for FY 2022 only includes information from July 2021 through March 2022. The same stipulations noted above regarding FY 2022 data apply here.

Table 2 also disaggregates waiver and non-waiver expenditures. Waiver expenditures reflect those services that are included in the CO Waiver, while non-waiver services are services that participants are entitled to receive as part of their Medicaid coverage and include items such as pharmacy, durable medical equipment, and disposable medical supplies.

Table 2. CO Expenditures, Unique Users, and Average Expenditures per User FY 2021 and FY 2022*

Fiscal Year	CO Expenditures	CO Unique Users	CO Average Expenditures per User
FY 2021	Waiver: $51,265,581 Non-waiver: $183,967,195	4,917	Waiver: $10,426 Non-waiver: $37,415
FY 2022	Waiver: $32,622,723 Non-waiver: $123,186,674	4,522	Waiver: $7,214 Non-waiver: $27,242

*FY 2021 data is for the full fiscal year. FY 2022 data is from July 2021 through March 2022.

Figures 1 and 2 reflect the total expenditures by month for CFC and the CO Waiver, including both CO waiver and non-waiver services. Non-waiver services for CO wavier participants refers to both CFC services and other non-waiver services (i.e. services they are entitled to receive as part of their Medicaid coverage). Therefore, the total cost of non-waiver services for CO Waiver participants includes the costs for CFC services accessed by CO Waiver participants. Those CFC costs are also reflected in the total cost for CFC services reported. As noted previously, providers have one year from the date of service to submit claims; therefore, expenditures for FY 2022 are not fully captured in the data presented. The appearance of a decrease of expenditures in the latter part of 2022 is misleading. Expenditures are expected to increase over time as additional claims are received and paid.

CFC services account for the largest cost to the State followed by other non-waiver services. The highest combined cost occurred in March 2021, followed by January 2021.

Figure 1. FY 2021 CO Waiver and CFC Expenditures by Month

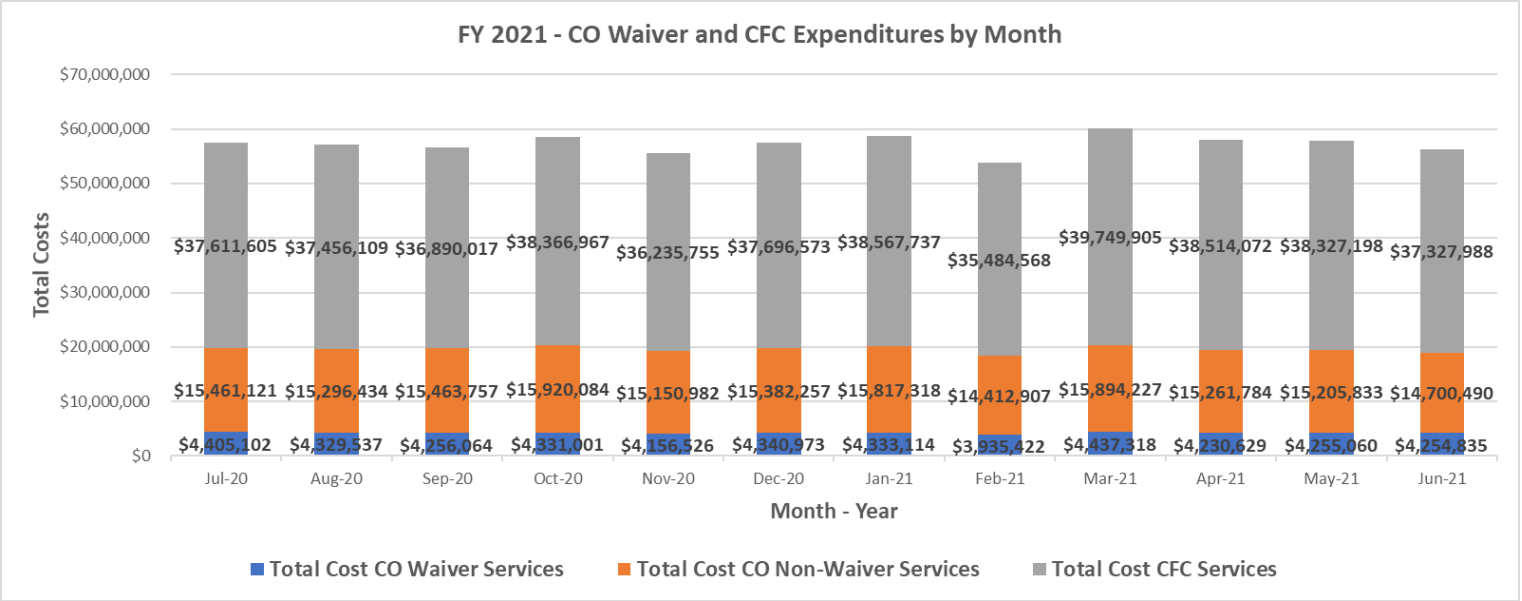
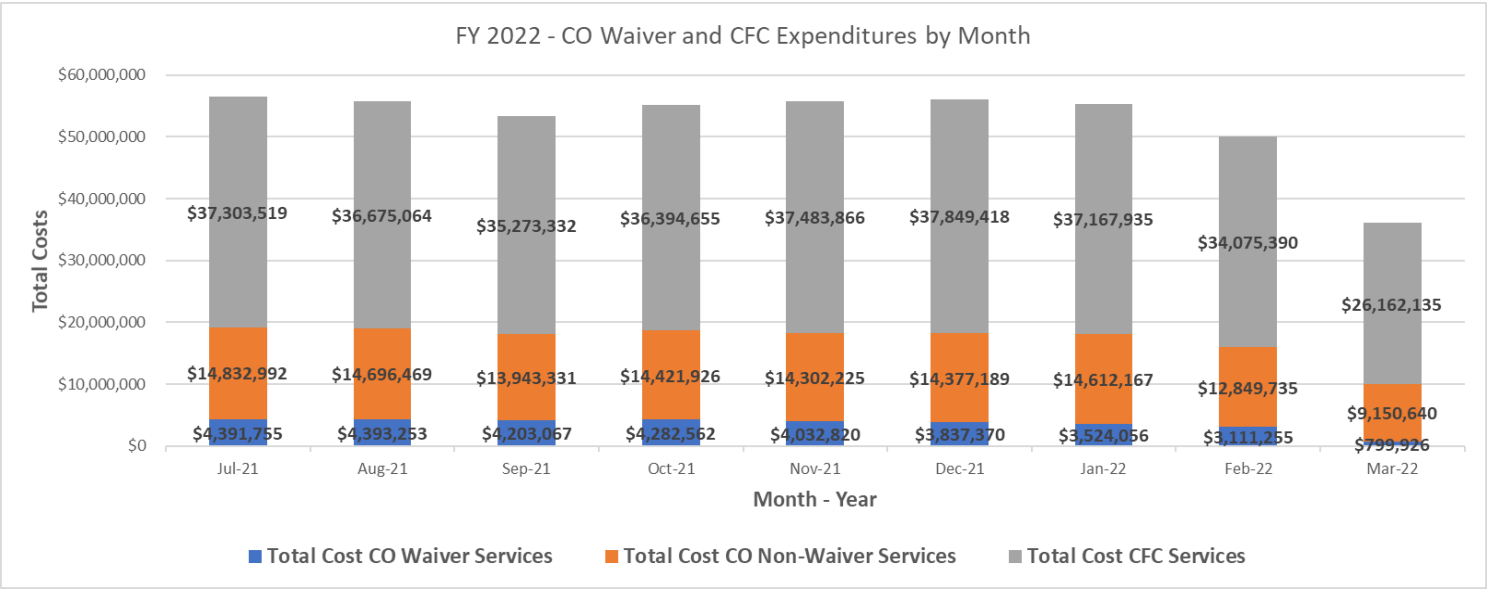


Figure 2. FY 2022 CO Waiver and CFC Expenditures by Month



Figures 3 and 4 reflect the unique enrollees for the CO Waiver along with the average expenditure per enrollee for FY 2021 and FY 2022. The average expenditure is further disaggregated by waiver and non-waiver expenses which, as noted above, refers to both CFC services and other non-waiver services. Non-waiver expenses significantly exceed waiver expenses each month. As noted, for FY 2022, providers have one year from the date of service to submit claims; therefore, MDH will further analyze the data once the full fiscal year is available.

Figure 3. FY 2021 CO Waiver Unique Enrollees and Average Cost Per Enrollee

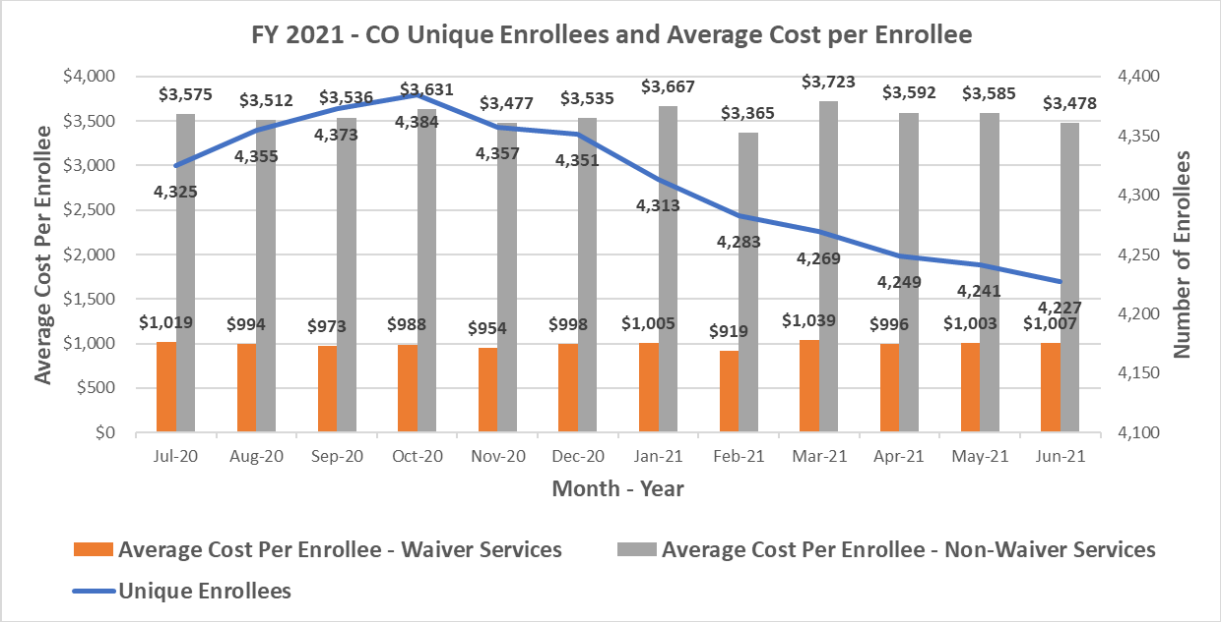
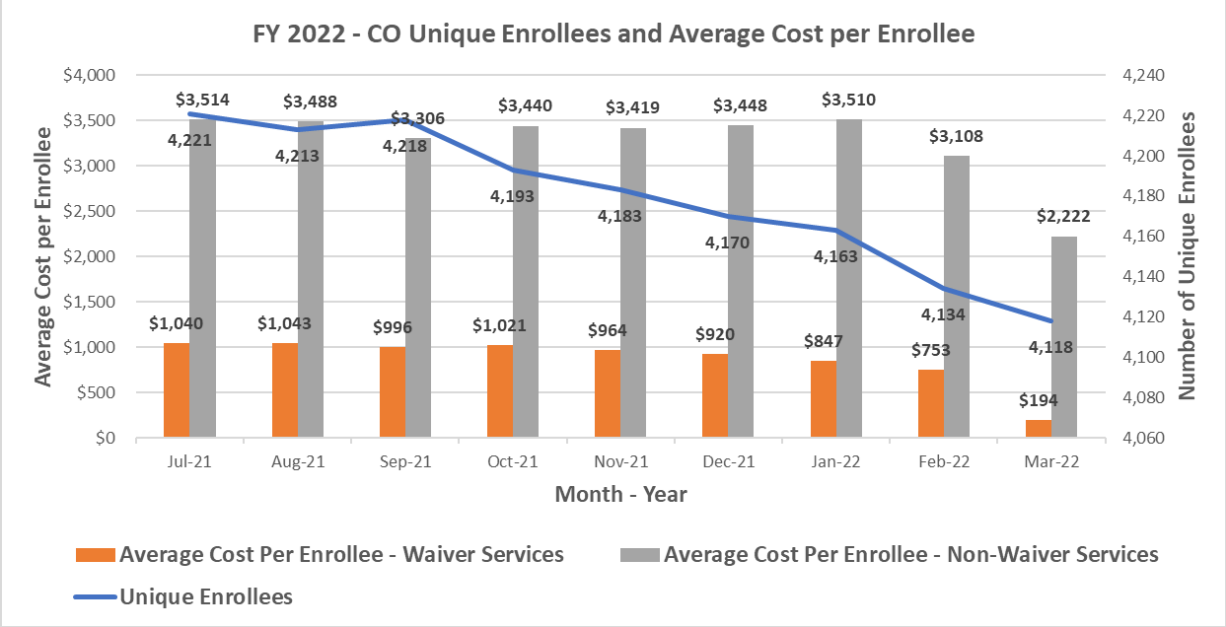


Figure 4. FY 2022 CO Waiver Unique Enrollees and Average Cost per Enrollee



Figures 5 and 6 represent the unique users of CFC services and the average cost per user. FY 2021 saw a steady increase in users with the highest average cost per user reaching $2,594. As noted previously, the expenditures for FY 2022 are not complete and will change as additional claims are received and paid.

Figure 5. FY 2021 CFC Unique Users and Average Cost per User

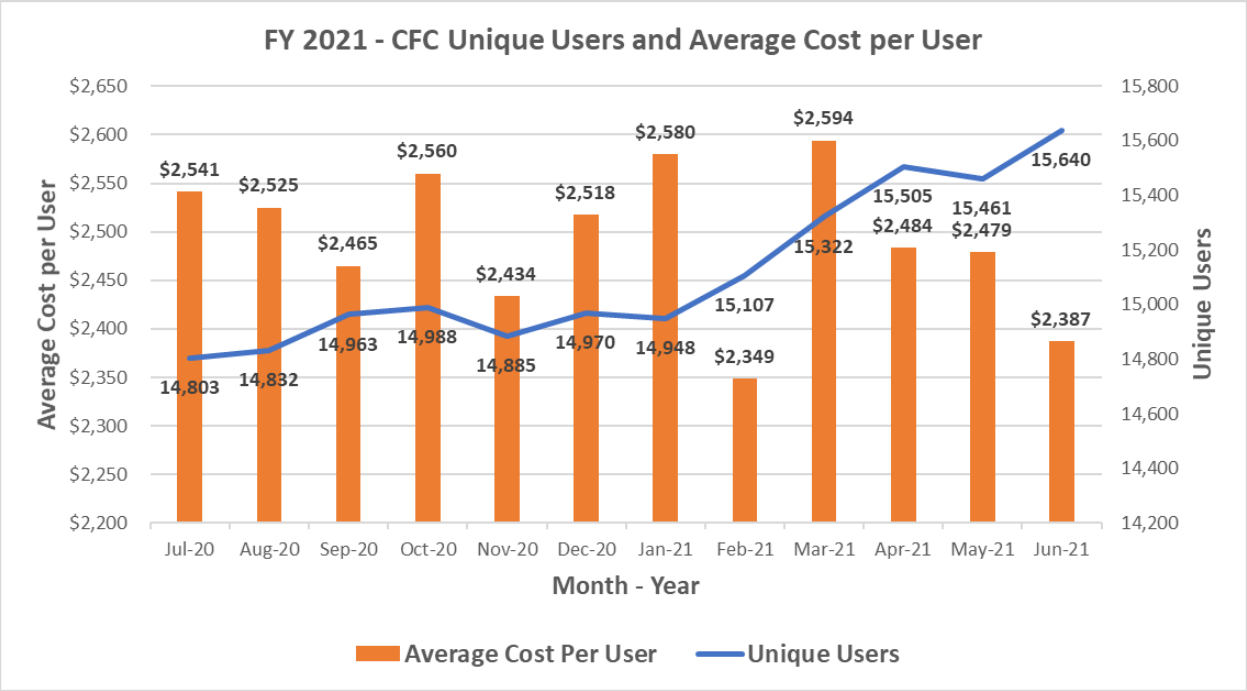
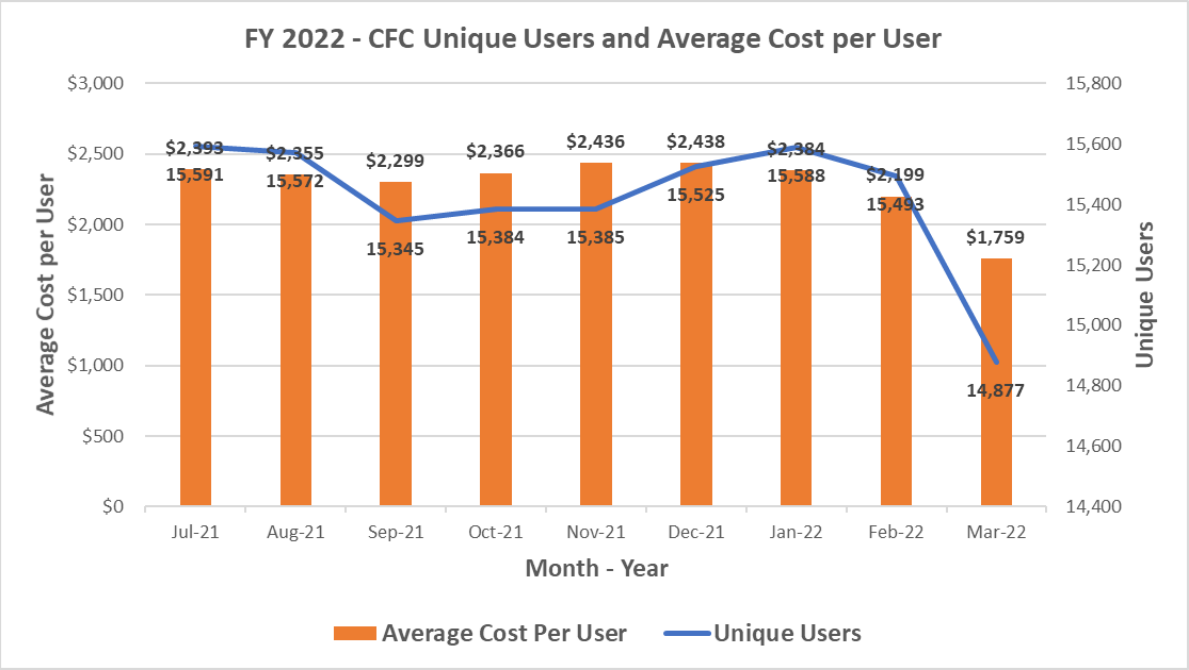


Figure 6. FY 2022 CFC Unique Users and Average Cost per User



Community Options Waiver Slots

The CO Waiver application was last renewed in September 2016 for a period of five years (July 1, 2016 through June 30, 2021). CMS approved an amendment to the CO Waiver application in 2019, which updated the number of waiver slots to more accurately align with future enrollment projections and to update the methodology for triaging the CO Waiver registry. Based on the approved amendment, the slots for each waiver year were as follows: Year 1: 4,585; Year 2: 5,094; Year 3: 4,800; Year 4: 5,520; and Year 5: 6,348. Since July 1, 2021, MDH has been operating the CO Waiver under an approved extension while the State and CMS finalize the CO Waiver renewal application.

The CO Waiver renewal application, with a planned effective date of October 1, 2022 (provided that CMS approves the effective date), will petition for waiver slots as follows: Years 1-4: 6,348; and Year 5: 7,500. The CO Waiver enrollment data, reported in Table 2 above, shows that participation in the program is well below the maximum waiver slots proposed in the renewal application. In FY 2021 there were 4,917 unique CO Waiver users and in FY 2022 there were 4,522 unique users.

Table 3 indicates enrollment in the CO Waiver is low among individuals who are invited to apply. For CY 2021, 33% of individuals invited to apply submitted an application while only 20% of individuals invited to apply in CY 2022 have submitted an application.

Table 3. Average monthly number of invites, applications, and enrollments

Year	Average number of invites sent per month	Average number of applications received per month	Percentage of applications returned per month	Average number enrolled per month	Average number denied per month
2021	302	101	33%	23	40
2022*	301	60	20%	3	10

** Data from January 1, 2022-July 13, 2022*
Source: LTSS*Maryland*, Wave Effort Report

There are a number of reasons an individual may not apply to the CO Waiver upon receipt of the application, including relocation to another state, the individual no longer having an interest in or need for the services, or an inability to reach the individual. Given the data above, the availability of waiver slots is not a limiting factor for enrollment into the CO Waiver. The number of available waiver slots far exceeds the number of applications received despite the 300 applications sent each month.

Community Options Waiver Registry Operations

In 2019, MDH changed the methodology for triaging the CO Waiver registry from first-come, first-served to prioritizing individuals based on risk of institutionalization. To determine this risk, MDH worked with the Hilltop Institute to develop an algorithm using data from the Level One screen. Eighty percent of the individuals invited to apply to the CO Waiver each month are prioritized based on risk of institutionalization and twenty percent are based on length of time on the registry or first come, first served. MDH trained the MAP sites to complete the Level One screen for all individuals on the registry to determine an individual's risk of institutionalization. The results place the individual into one of six priority groups, with priority Group One being the highest. MAP can complete a Level One screen at any time based on an individual's request.

Each month, the Division of Participant Enrollment and Service Review within the Office of Long Term Services and Supports (OLTSS) sends a CO Waiver application to 300 individuals identified through the above-mentioned algorithm. Division staff attempt to contact individuals by phone and mail over the span of 63 days to ensure receipt of the application and determine individuals' interest in applying before removing them from the registry. Senate Bill 28 (Chapter 738 of the Acts of 2022) – Home and Community-Based Services Waiver – Participation and Applications - requires MDH to increase the number of applications mailed each month from 300 to 600 by October 1, 2022. OLTSS is creating a work plan to implement this requirement.

Data on the number of individuals on the CO Waiver registry as of June 30, 2021 and June 30, 2022 is outlined in Table 4. The largest increase from June 2021 to June 2022 is for individuals age 65 and older.

Table 4. CO Waiver Registry Data

Age of individuals on CO Wavier Registry	June 2021	June 2022
Up to 17*	106	143
18-64	4,662	6,091
65+	13,370	17,496
Total on Registry	18,138	23,730

*While anyone can add their name to the registry, the CO Waiver provides community services and supports to individuals 18 years of age or older. CO Waiver eligibility criteria
Source: LTSS*Maryland*

The Division of Participant Enrollment and Service Review does periodic reviews of the registry to remove individuals who are deceased, no longer interested in waiver services or are receiving services in a nursing facility. If an individual on the registry is identified as receiving services in a nursing facility, he or she is removed from the registry and referred for Options Counseling to learn about opportunities to receive waiver services and assistance applying for Medicaid in the community. MDH prioritizes individuals residing in a nursing facility that are interested in waiver services over other applicants. Pursuant to Senate Bill 636 (Chapter 464 of the Acts of 2022) – Waiver Programs – Wait-List and Registry Reduction – MDH is required to formulate a plan to reduce the CO Waiver registry by 50% beginning in FY 2024. OLTSS is working to finalize its work plan, including staffing needs, to reduce the registry as dictated by this bill.