

### AN EVALUATION OF THE ASSISTED LIVING MEDICAID WAIVER PROGRAM



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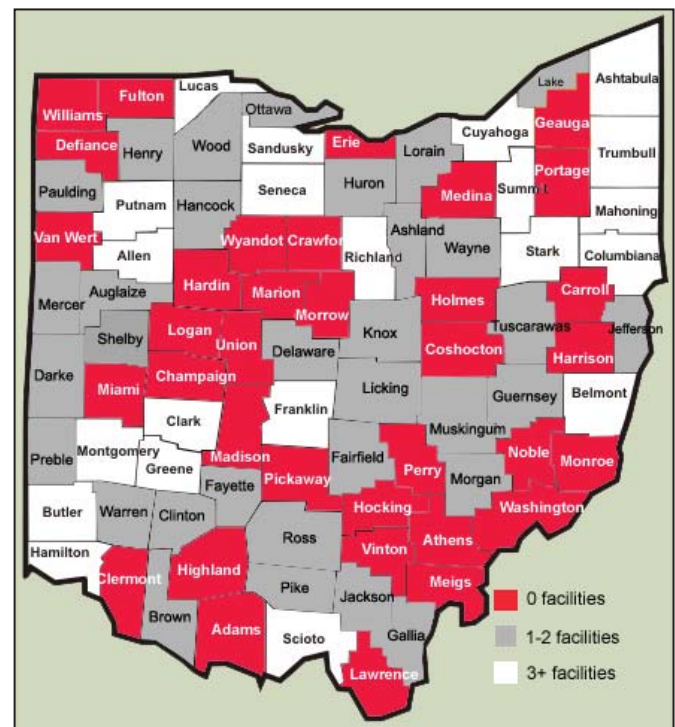
#### Purpose

In the past decade the number of older people across the United States with disability has increased by about 20%, and the national Medicaid long-term care costs have nearly doubled. In response to these challenges, states are in the process of changing their long-term care delivery systems to include a wider range of service options. The development of the Assisted Living Waiver Program in 2006 represented an additional attempt by Ohio to expand the range of long-term care options for individuals with disability. This research evaluates the state's experiences in the implementation of the Ohio Assisted Living Medicaid Waiver Program.

#### Select Findings

- As of February 1, 2009, the program had 169 certified providers and over 1000 active participants. The 169 providers represent a 46% participation rate (of those providers meeting the assisted living criteria). Nearly 40% of Ohio's counties do not have a facility participating in the waiver program (see Figure 1, right).
- Although more heavily populated regions such as Cleveland, Columbus, and Cincinnati have the largest number of providers, the Rio Grande (100%), Cambridge (78%), and Youngstown (63%) regions have the highest facility participation rates.
- There are more than 500 individuals waiting to enroll in the program. The lack of an available facility was the primary barrier to enrollment.
- Program participants meet level of care and experience high levels of impairment. Waiver participants have lower ADL impairment scores (2.6) than nursing home residents (4.4) or PASSPORT (3.0) consumers. Assisted living waiver residents report higher levels of cognitive impairment compared to PASSPORT.
- Assisted living residents report high levels of satisfaction with both the program and the assisted living residence. In the majority of satisfaction areas waiver participants reported satisfaction scores comparable to non-waiver assisted living residents.
- Medicaid expenditures for assisted living waiver participants averaged \$30,600 per year, with the assisted living expenditure portion at \$24,200 or 80% of the total. Medicaid expenditures for long-stay nursing home residents totaled \$67,500, with \$44,200 being the actual nursing home portion. Nursing home residents are more disabled than assisted living residents, so cost differences are expected.

Figure 1  
Assisted Living Waiver Facility Supply  
by County





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### Program Recommendations

- Currently 46% of eligible facilities are participating. Because some PAAs have been very successful at attracting facilities, it would be advantageous for the Ohio Department of Aging (ODA) and the Area Agencies on Aging (AAAs) to share successful approaches across regions. ODA, the Ohio Department of Job and Family Services (ODJFS), and the Unified Budget Committee are pursuing strategies to expand residential assisted living and other supportive housing options.
- The assisted living waiver appears to be meeting a need in the market that is different from PASSPORT and nursing homes. Assisted living waiver residents report fewer ADL limitations compared to PASSPORT consumers and nursing home residents (2.6 vs. 2.9 vs. 4.5, respectively). However, a higher proportion of assisted living residents require supervision compared to PASSPORT clients. These trends should be monitored carefully by ODA and the AAAs to ensure appropriate matches among consumers and service settings.
- The major reason that individuals leave the Assisted Living Waiver Program is to be placed in a nursing home. We recommend that ODA and the AAAs look carefully at individuals who disenroll to nursing homes to better understand if some of these nursing home placements can be avoided.
- The current tier reimbursement system does not work. Nine of ten waiver residents are placed in Tier 3, the highest reimbursement category. Although Tier 3 residents were supposed to be more disabled, we find no discernable difference between residents placed in Tier 2 and Tier 3. We recommend that ODA and ODJFS work on revisions to the reimbursement system during the next phase of the waiver.
- Medicaid expenditures for both assisted living and nursing home residents who are under age 65 represent a considerable expense for the state. Because these individuals are not eligible for Medicare and have high care needs, the state should carefully examine approaches to integrating the acute and long-term care needs of the population under age 65.
- Focus groups with consumers and their families again underscore the importance in getting good and timely information to long-term care consumers. Although the consumer guide represents a significant effort by Ohio to provide information to individuals about facilities, assistance with the decision making process is the missing piece of the equation. It is clear that the majority of families are committed to providing care to their loved ones, but assistance with making decisions about how to help is often the challenge faced by consumers and their families.
- Our review of other state programs identified some lessons that are important for Ohio to examine as it continues to develop its assisted living and residential care options. There are many challenges in the financing and regulatory worlds that states face as they expand this area of service delivery, particularly in a tight economy. State respondents told us that solid communication between state officials, AAAs, and industry providers are critical to the health of the assisted living option. To this end, we recommend that the state continue to use its assisted living advisory group, and in fact, expand it to include additional types of housing providers.

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