

Department of Human Services 2009-11 Policy Option Package

Division Name: Seniors and People with Disabilities

Policy Option Package Initiative: Seniors and people with disabilities live safely and independently in their communities.

Policy Option Package Title: Oregon Project Independence Modernization.

Policy Option Package Number: 323

Summary Statement:

This POP retains funding for long-term, in-home services to 3,400 people age 60 and older through Oregon Project Independence (OPI), and it extends OPI eligibility to 900 people age 19 and older with physical disabilities. OPI is currently funded entirely through the Department of Revenue Senior Property Tax deferral account. This fund will not be adequate to sustain OPI at the 2007-09 level approved by the 2007 Legislature nor to increase OPI to the level in the 2007 Governor's Recommended Budget that was intended to expand OPI eligibility. This POP requires no new FTE.

- 1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WILL IT BE IMPLEMENTED?** SPD has \$13.0 million to provide in-home services to 3,400 OPI clients each month during the 2007-09 biennium. The \$13.0 million was transferred to SPD from the Department of Revenue's Senior Property Tax deferral account as mandated by the 2005 Legislature and again approved by the 2007 Legislature. In the 2009-11 biennium the Department of Revenue will only have \$3.5 million available to transfer to SPD for OPI. SPD will also have a carry-over of \$3.9 million, resulting in \$7.4 million for OPI services. In order to maintain the level of services provided in the 2007-09 biennium, \$5.6 million GF is needed.

In addition to maintaining the current level of services, it is the intention of the Governor and the Legislative Assembly to expand OPI services to people age 19 and older with physical disabilities. The 73rd Legislative Assembly during the 2005 regular session passed SB 870 resulting in eligibility expansion to younger adults with physical disabilities. The legislation further stated that the Department may not adopt the rules for eligibility expansion unless the funding is sufficient to provide the services. In order to achieve this expansion, an additional \$3.2 million is needed. This expansion will allow younger people with physical disabilities to receive long-term services funded through OPI.

A combined total of approximately \$8.8 million will be needed to maintain and expand OPI services.

- 2. WHY DOES DHS PROPOSE THIS POP?**

The OPI program provides in-home supports to individuals who do not qualify for Medicaid-funded services. The program has a proven track record of assisting clients to remain in their own homes and reducing the risk for a move to a licensed care facility (nursing home, assisted living, residential care, foster home) or a higher level of in-home care services. By delaying or preventing the need for higher-cost long-term care services, OPI also delays or prevents the need for clients to access Medicaid as a payment source for services.

If funding for the OPI program is reduced by nearly two-thirds, SPD would need to severely limit the number of clients the OPI program serves. Many of the people currently receiving OPI services would quickly qualify for Medicaid-funded long-term services. The costs of providing Medicaid services to these people would rapidly exceed the \$5.6 million needed to fund OPI at its current levels, primarily due to these people also becoming eligible for the Oregon Health Plan (OHP).

Expanding OPI services to people age 19 and older with physical disabilities will help people remain as independent as possible in their own communities. OPI is a cost-effective program that is proven to delay or eliminate the need for more costly Medicaid-funded long-term services and OHP.

3. HOW DOES THIS FURTHER THE AGENCY’S MISSION OR GOALS?

OPI, with heavy support from senior advocates, was approved by the 1977 Legislative Assembly to provide support services for people age 60 and older to prevent institutionalization. SPDs goal for decades is to provide services to people in the least-restrictive, most cost-effective setting possible to meet peoples’ needs. Continuation and expansion of OPI will help SPD fulfill its goal.

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

KPM #2: Seniors Living Outside of Institutions – The percentage of Oregon’s seniors who are living outside of institutions.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

The only alternative to continuing to fund OPI is to serve two-thirds of those people who currently receive OPI-funded services with Medicaid-funded services. Many of these people would qualify for Medicaid-funded services very quickly because they currently meet the financial income criteria and service level, but choose to remain self-sufficient and contribute on a sliding-fee scale for the essential services they need. We rejected this alternative. When people are eligible for Medicaid-funded long-term services they are also entitled to medical services provided by OHP. The costs of providing Medicaid-funded long-term services and OHP far outweigh the costs of providing OPI-funded services, and do not require the significant family resource impoverishment required of individuals under Medicaid.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Two-thirds of the current OPI clients would lose access to OPI-funded long-term services. Many of these clients will immediately move to more expensive Medicaid-funded long-term and OHP services. The remainder of these clients would gradually become eligible for Medicaid-funded services. Inability to expand OPI services to people age 19 and older with physical disabilities results in Medicaid being the only funding source for people who need long-term services.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Area Agencies on Aging would be able to continue to serve the current number of OPI clients and expand their services to people age 19 and older with physical disabilities.

9. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date: 7-1-09

End Date (if applicable): None

a. Will there be new responsibilities for DHS? Specify which division(s) and describe their new responsibilities.

- | | |
|--|--|
| <input type="checkbox"/> Administrative Services | <input type="checkbox"/> Addictions and Mental Health |
| <input type="checkbox"/> Children, Adults and Families | <input type="checkbox"/> Public Health |
| <input type="checkbox"/> Division of Medical Assistance Programs | <input checked="" type="checkbox"/> Seniors and People With Disabilities |

The new responsibility will be expanding OPI services to people age 19 and older with physical disabilities.

b. Will there be new administrative impacts? Specify which office(s) and describe how it will be affected.

- | | |
|--|--|
| <input type="checkbox"/> Human Resources | <input type="checkbox"/> Payment Recovery |
| <input type="checkbox"/> Information Security (privacy) | <input type="checkbox"/> Investigations and Training |
| <input type="checkbox"/> Document Management (imaging) | <input type="checkbox"/> Facilities |
| <input type="checkbox"/> Audit and Consulting | <input type="checkbox"/> Contracts |
| <input type="checkbox"/> Information Services (IT) | <input type="checkbox"/> Budget |
| <input type="checkbox"/> Financial Services (Accounting) | <input type="checkbox"/> Other (Specify) |

There will be no administrative impacts.

c. Will there be changes to client caseloads or services provided to population groups? Specify how many in each relevant program.

This POP would continue OPI-funded services to 3,400 people. This POP would also expand OPI-funded services to up to 900 people age 19 and older with physical disabilities at present average service levels.

d. Will it take new staff to implement and maintain? For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary. Attach position descriptions.

No new positions are needed.

e. What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training?

There are no start-up costs.

f. What are the ongoing costs?

All costs are ongoing.

g. What are the potential savings?

No direct savings but cost-avoidance, since most people receiving OPI services and the people age 19 and older with physical disabilities are, or quickly become, eligible for Medicaid-funded services if OPI services are not available.

h. Based on these answers, is there a fiscal impact?

Yes.

i. What are the sources of funding and the funding split for each one? Include grant names and fund type, such as “Medicaid, General and Federal Funds.”

The OPI program is a General Fund program.

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