Legislative Analysis

Mitchell Bean, Director
Phone: (517) 373-8080
http://www.house.mi.gov/hfa

ESTABLISH LTC SINGLE POINTS OF ENTRY

House Bill 5389 (Substitute H-2)
Sponsor: Rep. Rick Shaffer
Committee: Senior Health, Security, and Retirement

Complete to 5-3-06

A SUMMARY OF HOUSE BILL 5389 (SUBSTITUTE H-2) AS REPORTED FROM COMMITTEE ON 5-2-06

The bill would amend the Social Welfare Act to require the director of the Department of Community Health to designate and maintain locally- and regionally-based single points of entry (SPE) for long-term care (LTC) to serve as visible and effective access points for individuals who seek LTC and to promote consumer choice and quality in LTC option.

A single point of entry agent for long-term care would serve as the sole agency within the designated single point of entry area to assess a consumer's eligibility for Medicaid long-term care programs using a comprehensive level of care assessment approved by the Department of Community Health.

Designation of Agencies/Soliciting Proposals

The DCH would be required to solicit proposals from entities seeking designation as a single point of entry and designate not more than four agencies to serve as SPEs in at least four separate areas of the state. There could be no more than one SPE in each designated region. Subject to the "designation termination" provision in the bill, an agency designated by the department under this provision would be required to serve as an SPE for an initial period of up to three years.

Criteria for Local/Regional Designation

The DCH would have to promulgate rules establishing criteria for designating local or regional SPE agencies, in consultation with the Office of Long-Term Care Supports and Services, the Long-Term Care Supports and Services Advisory Commission, the Department of Human Services, and the Office of Services to the Aging. The rules would have to ensure that an SPE met the following criteria:

--Not provide direct or contracted Medicaid services.

--Be free from all legal and financial conflict of interest with providers of Medicaid services.

--Be capable of serving as the focal point for all individuals, regardless of age, who seek information about LTC in their region, including private-pay individuals.

--Be capable of performing consumer date collection, management, and reporting.

--Have quality standards, improvement methods, and procedures in place that measure customer satisfaction and monitor consumer outcomes.

--Maintain an internal and external appeals process that provides for a review of individual decisions.

--Capable of delivering SPE services in a timely manner.

Single Points of Entry that fail to meet the criteria described above or fiscal and performance standards, or that intentionally and knowingly present biased information intended to steer consumer choice to particular supports and services, would be subject to disciplinary action. This could include increased monitoring, additional reporting, termination as a designated SPE, or other actions as provided by contract.

Duties, Responsibilities and Standards of Service

DCH would require a single point of entry to perform all of the following duties and responsibilities.

--Provide consumers with information on and referral to all LTC options, services, and supports.

--Facilitate movement between supports, services, and settings in an adequate and timely manner that assures consumers informed choice, health, and welfare.

--Assess consumers' eligibility for all Medicaid LTC programs, utilizing a comprehensive level of care assessment approved by DCH.

--Assist consumers in obtaining a financial determination of eligibility for publicly funded LTC programs.

--Assist consumers in developing their long-term care support plans through a person-centered planning process.

--Authorize access to Medicaid programs for which the consumer is eligible and that are identified in the consumer's long-term care supports plan. The SPE agency could not refuse to authorize access to Medicaid programs for which the consumer is eligible.

--Facilitate, upon the request of a consumer, guardian, or authorized representative needed transition services for consumers living in LTC settings if they are eligible for those services according to a DCH-approved policy bulletin.

--Work with designated representative of acute and primary care settings, facility settings, and community settings to assure that consumers are presented with information on the full array of LTC options.

--Re-evaluate the consumer's eligibility and need for LTC upon request of the consumer, a guardian, or authorized representative, or in accordance with the consumer's long-term care support plan.

--Provide the following services within the prescribed time frames: 1) perform an initial evaluation within two business days after contact by the consumer, guardian, or authorized representative; 2) develop a preliminary LTC support plan in partnership with the consumer (and, if applicable, guardian or representative) within two business days and eligibility is determined; and 3) complete a final evaluation and assessment within ten business days from initial contact.

--Perform an initial evaluation and develop a preliminary LTC support plan within 24 hours after contact is made by a consumer in an urgent or emergent situation.

--Perform an initial evaluation and develop a preliminary LTC support plan within 24 hours after contact is made for a consumer who receives notice of being discharged from a hospital within 72 hours; contact could be made by the patient, guardian, representative, or a hospital discharge planner.

--Initiate contact with an be a resource to hospitals within the SPE's service area.

--Provide consumers with information on how to contact an independent consumer advocate and a description of the advocate's mission, with the information provided through a DCH-prepared publication and posted in the office of an SPE agency.

--Collect and report date and outcome as required by the DCH, including the number of referrals by level of care setting; the number of cases where the care setting chosen by the consumer resulted in higher costs that nursing home care; the number of cases where admission to an LTC facility was denied; the number of cases requiring a memorandum of understanding; the rates and causes of hospitalization; the rates of nursing home admissions; the number of consumers transitioned out of nursing homes; the average time frame for case management review; the total number of contacts and consumers served; cost-benefit data; the number of types and referrals made; and the number and types of referrals not made and the reasons why not.

--Maintain consumer contact information and LTC support plans in a confidential and secure manner.

--Provide consumers with a copy of their preliminary and final LTC support plans and subsequent updates.

Monitoring of SPE Agencies

The department would be authorized to monitor single points of entry to assure the following:

--The bias in functional and financial eligibility determination or assistance and the promotion of specific services to the detriment of consumer choice does not occur.

--The consumer assessment and support plans are completed in a timely, consistent, and quality manner through a person-centered planning process and that other required criteria are adhered to.

--The provision of quality assistance and supports.

--That quality assistance and supports are provided to applicants and consumers in a manner consistent with their cultural norms, language of preference, and means of communication.

--Consumer access to an independent consumer advocate.

--That data and outcome measures are being collected and reported as required under the act by contract.

--That consumers are able to choose their supports coordinator.

Fiscal and Performance Standards

Fiscal and performance standards for an SPE agency would include: maintaining reasonable administrative costs; identifying savings in the annual Medicaid budget or limits on the rate of growth in the Medicaid budget; consumer satisfaction; timeliness of delivery of services; quality, accessibility, and availability of services; completing and submitting required reporting and paperwork; number of consumers served; number and type of long-term care services and supports referrals; and number and type of referrals not completed.

Annual Agency Evaluations

The DCH would be required to evaluate the performance of SPE agencies annually. The department would be required to engage a qualified, objective, independent agency to conduct cost-benefit analyses of SPEs, including the impact on Medicaid long-term care costs. The DCH would have to make a summary of the annual evaluation, any report or recommendation for improvement, and the cost-benefit analyses available to the Legislature and the public.

Report to the Legislature

Between 12 and 24 months after the implementation of the SPE agency designations, the Department of Community Health would have to submit a written report to the standing committees of the Senate and House of Representatives dealing with long-term care issues, the chairs of the two Appropriations Committees, the chairs of the Appropriation Subcommittees on Community Health, and the Senate and House Fiscal Agencies. The report would have to discuss the array of services provided by the designated SPEs, and the cost, efficiencies, and effectiveness of single point of entry. The report would have to include recommendations regarding the continuation, changing, or canceling of the program.

Beginning in the year the report is submitted and then annually after that, the DCH would have to make a presentation on the status of single point of entry and on the summary information and recommendations to the Senate and House Appropriation Subcommittees on Community Health to ensure that legislative review of single point of entry would be part of the annual state budget development process.

Toll-Free Number

The department would be required to establish and publicize a toll-free telephone number for areas of the state in which a single point of entry is operational.

Rules

The department would be required to promulgate rules to implement the provisions of the bill not later than 270 days after submitting the required report that follows implementation of single point of entry designations.

Community Mental Health

Community mental health services programs would not be subject to the provisions of the bill (although a community health services program could serve as a single point of entry agency to serve individuals with mental illness or developmental disability.)

Designation of Additional Agencies

The DCH could not designate more than the initial four agencies unless: the written report required after implementation of SPE designations has been submitted; 12 months had passed since the report's submission; and the Legislature appropriates funds to support additional designations.

FISCAL IMPACT:

According to the Department of Community Health, statewide implementation of a single point of entry system would reduce Medicaid long-term care expenditures by 1.7%. Based on current funding levels, this would represent annual savings of $32 million. When combined with existing appropriations for MIChoice home and community based services administration and case management activities, the funding would be sufficient to offset the additional costs of implementing the SPE system statewide.

As part of the Michigan Medicaid Long-Term Care Task Force Final Report, completed June 2005, the Michigan Office of Long-Term Care Supports and Services (OLTCSS) within DCH was charged with creating at least three demonstration Long-Term Care Single Points of Entry (SPEs) as part of a statewide phase-in of the report recommendations for SPEs. As of this writing, the Department has issued an RFP for three plans and possible implementation of the accepted plans as soon as July, 2006.

The information below summarizes the three year phase-in costs and financing for the SPE system as identified in the Department's request for proposal document.

Year 1	**Total**	**Federal**	**GF/GP**
Cost: 3 SPEs x $4,716,000 =	$14,148,000	$7,074,000	$7,074,000
Financing: New Funding	$ 6,643,000	$3,321,000	$3,322,000
Cost Shift	$ 7,505,000	$3,753,000	$3,752,000
Year 2			
Cost: 8 SPEs x $4,716,000 =	$37,728,000	$18,864,000	$18,864,000
Financing: New Funding	$ 17,714,000	$ 8,857,000	$ 8,857,000
Cost Shift	$20,014,000	$10,007,000	$10,007,000
Year 3			
Cost: 14 SPEs x $4,716,000 =	$66,027,000	$33,013,000	$33,014,000
Financing: New Funding	$31,000,000	$15,500,000	$15,500,000
Cost Shift	$35,027,000	$17,513,000	$17,514,000

In the above financial estimates, "cost shifts" represent existing funding that would be saved by implementing the SPE system and then shifted to finance it. These savings are projected to occur by reductions in existing waiver agent administration and case management funding.

POSITIONS:

The Department of Community Health supports the bill. (5-2-06)

The State Long-Term Care Ombudsman (Department of Human Services) supports the bill. (5-2-06)

Area Agency on Aging Association supports the bill. (5-2-06)

A representative from AARP Michigan testified in support of the bill. (5-2-06)

Citizens for Better Care supports the bill. (5-2-06)

Disability Advocates of Kent County support the bill. (5-2-06)

Elder Law of Michigan supports the bill. (5-2-06)

Michigan Poverty Law Program supports the bill. (5-2-06)

Michigan Protection and Advocacy supports the bill. (5-2-06)

Health Care Association of Michigan opposes the bill. (5-2-06)

Michigan Association of Homes and Services to the Aging opposes the bill. (5-2-06)

Michigan Center for Assisted Living opposes the bill. (5-2-06)

Michigan County Medical Care Facility Council opposes the bill. (5-2-06)

NexCare Health Systems LLC opposes the bill. (5-2-06)

Legislative Analyst: E. Best/C. Couch
Fiscal Analyst: Steve Stauff

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.