

COMMUNITY CARE

Community care programs deliver cost-effective home and community-based services for persons who are aging or have physical or intellectual disabilities.

States and the Federal Government fund community care through Medicaid.

TX MEDICAID COMMUNITY CARE PROGRAMS

Community Attendant Services (FY2020 64,900 clients)
For persons with income 101 – 300% of SSI monthly limit

Primary Home Care (FY2020 70,000 clients)
Entitlement for persons up to 100% of SSI monthly limit

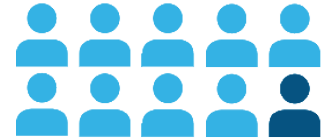
STAR+PLUS Home & Community-Based Services Waiver Program (FY2020 59,600 clients)
For persons with income up to 300% of SSI monthly limit

Personal attendants assist individuals with functional activities of daily living which allow them to live at home, instead of a nursing facility or other institution.



↑ MAXIMIZES CLIENT CHOICE ↑

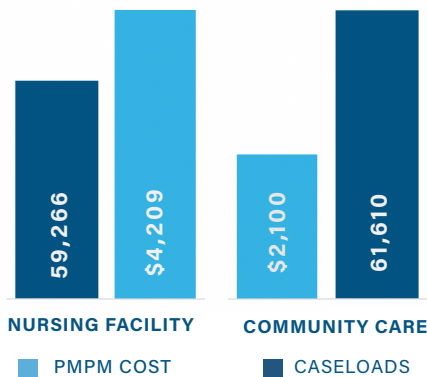
90%



of Americans (age 65+) want to remain in their own home as long as they are able

BENEFITS

COMMUNITY CARE & NURSING FACILITY CASELOADS & COSTS



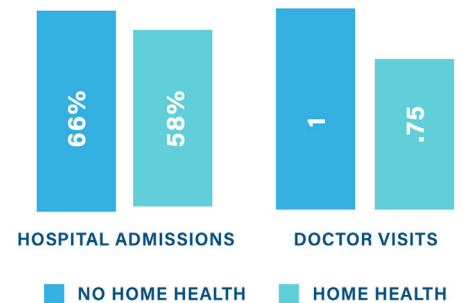
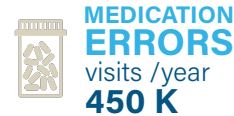
Texas Community Care (CC) providers **save the state money by helping thousands of persons** who would otherwise qualify for Nursing Facilities (NF) care receive health care at home for 1/2 the cost.

Nursing Facility costs (per person) are **2 times higher** than Community Care costs.

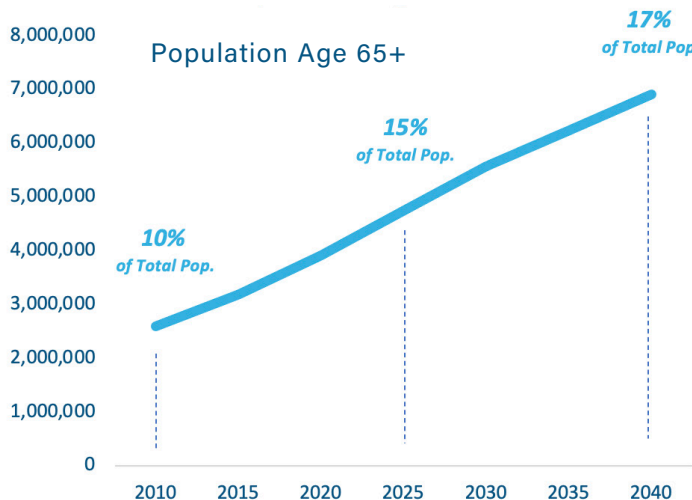
*Data based on HHSC FY2020-2021 Rate Tables
*PMPM: Per Member Per Month

INCREASES QUALITY

Home care can reduce the leading causes for E.R. visits (for aging persons)



AGING OF THE TX POPULATION



EXPANDED ACCESS TO SERVICE

Community Care has significantly expanded the number of Texans served while keeping costly nursing facility admissions flat, despite population growth and increased aging of the Texas population.



Appropriately Fund Medicaid Community Care Services

The Texas Medicaid program serves thousands of older Texans and people with disabilities through its Community Care programs. These programs deliver services, such as attendant care, that allow individuals to remain in the community. The programs are cost-effective, promote independent living, and reduce emergency department visits, hospitalizations, readmissions, and nursing facility stays. ***It is a fact – Community Care programs reduce Medicaid cost.*** Unfortunately, Texas has not created a sustainable rate structure to support community-based care. ***Community Care programs have faced significant underfunding for each of the last 16 years.*** Rates do not cover all allowable Medicaid costs. According to the provider reimbursement rate tables published by HHSC, rate increases of between ***8.6 – 17.5%*** are needed to fully fund the allowable Medicaid costs incurred by these programs during the 2022-23 biennium. Underfunding negatively impacts the delivery of community-based care and prevents providers from implementing quality investments.

Impact of COVID-19

Despite facing a significant increase in operational costs due to the COVID-19 pandemic, Community Care rates have not increased to cover these costs. Providers report ***cost increases of 10% or more*** to pay for operational items associated with COVID-19, primarily infection control and staffing. While providers have seen an increase in fixed costs to operate safely within the COVID environment, some have simultaneously experienced reduced revenue due to utilization decreases. ***The financial strain caused by COVID-19 combined with the continued inadequacy of Medicaid rates is substantial.***

Ongoing Funding Challenges

Community Care providers face many ongoing funding challenges that impact their ability to deliver high quality care, including:

- Lack of appropriate state funding to comply with state and federal mandates, such as the state initiative Electronic Visit Verification, the federal employer mandate, and the repeal of the Department of Labor (DOL) companion exemption, and other DOL requirements.
- High turnover and shortage of qualified attendants caused by low wages that increase the cost of service delivery and affect quality of care.
- The evolving demands and increased costs of operating in the Medicaid managed care model. Texas now serves 94% of its Medicaid population in managed care. Many Community Care providers contract with multiple MCOs and incur additional costs, inefficiencies, and payment delays.

How to Support Community Care

Rates for Community Care programs need to increase to reflect the costs of providing quality care.

1. Provide an add-on payment for Community Care providers during the public health emergency to cover COVID-19 costs.
2. Increase appropriations to HHSC to provide at least a 1% rate increase.
3. Ensure all attendant programs have access to a wage enhancement program
4. Add a rider in HHSC’s bill pattern to require HHSC to design a statewide voluntary Quality Incentive Payment Program (QIPP) for Medicaid Community Care providers.

Estimated 2022-23 Biennial Cost of a Fully-Funded Rate Change		Estimated 2022-23 Biennial Cost of a One Percent Rate Change	
All Funds	GR	All Funds	GR
\$ 1,056,655,453	\$ 401,517,003	\$ 70,624,267	\$ 26,825,984

Note: The General Revenue Fund cost will vary depending on the FMAP. Cost estimates do not include the 6.2 percentage point increase in federal Medicaid matching funds authorized by the CARES Act and available to states from January 1, 2020 through the quarter in which the public health emergency period ends.