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Hill*Topic*

Hilltop Report Informs Maryland's Deliberations to Increase State Funding for Home and Community-Based Services

Maryland has made substantial progress in "rebalancing" Medicaid expenditures for long-term services and supports from institutional care to home and community-based services (HCBS). In FY 2019, Maryland Medicaid delivered HCBS to an estimated 19,440 adults aged 18 and older with chronic conditions and physical disabilities at a cost of $485 million. From FY 2013 to FY 2019, the number of Medicaid participants using HCBS increased by 39%, and the number of nursing home residents declined by 3%. Yet the registry of individuals seeking

admission to **Community Options**, a §1915(c) Medicaid waiver program that offers a comprehensive array of community-based services, remains long.

Community First Choice and **Community Personal Assistance Services** provide personal assistance services and a limited number of other supports. These are Medicaid state plan benefits and thus available to all who meet financial and level-of-care eligibility requirements. About 10,500 Marylanders are enrolled in these two programs. Some enrollees are also on the registry for Community Options, hoping to benefit from the more extensive services available through this program.

Currently about 5,000 individuals receive HCBS through Community Options. Like many states, Maryland uses enrollment caps to limit the number of enrollees in §1915(c) waiver programs and thus maintain more control over Medicaid spending. The Community Options registry currently tops more than 19,000 individuals. Many wait years for admission to this coveted program.

To give greater priority to those on the Community Options registry who are at highest risk for nursing home admission, Hilltop developed the **Pre-AI model** to predict an individual's risk of avoidable institutionalization based on demographics, clinical acuity, functional status, and health services utilization. Now, as openings become available in Community Options, the Maryland Department of Health is using Hilltop's model to reserve 80% of openings for registrants with the highest risk scores. The remaining 20% of openings are made available on a first come, first served basis. Previously, all registrants were prioritized based on first come, first served.

In 2020, at the behest of advocates and other stakeholders, the Joint Chairmen of the Maryland General Assembly requested a report estimating the cost of making Medicaid HCBS programs available to more Marylanders. The Maryland Department of Health asked Hilltop to

conduct this **study**, which was submitted to the Joint Chairmen on May 13, 2021, by Secretary Dennis R. Schrader.

For the study, Hilltop first reviewed the most recent literature on the costs and benefits of HCBS. We followed this with a review of Maryland's experience with rebalancing and an analysis of the Community Options registry to better understand unmet need in the state. Finally, we estimated the costs to Medicaid of increasing enrollment in the Community Options program, taking into account possible offsets from decreased nursing home utilization. Key take-aways from our study include the following:

- The evidence in the literature continues to be mixed on whether states realize cost savings from expanding Medicaid HCBS, but HCBS participants report a higher quality of life and reduced caregiver burden.
- We estimated that only about 3,088 (16%) of the 19,804 individuals on the Community Options registry would meet both financial and level-of-care eligibility requirements for the program. Nearly half of those on the registry were already enrolled in Medicaid and, of those, one-third were receiving HCBS though other Medicaid programs.
- Nine percent of individuals on the Community Options registry had nursing home stays in FY 2019 but were not fast-tracked into the program as they could have been under Maryland's **Money Follows the Individual Act**.
- The cost to Maryland of providing Community Options services to the 3,088 individuals on the registry who we predict would meet eligibility requirements would be about $31 to $39 million annually. The cost to Maryland for each additional Community Options participant would be about $10,000 to $12,500 annually. These estimates include nursing home costs avoided.

On March 31, 2021, Maryland Governor Larry Hogan submitted an amendment to the FY 2022 state budget that includes supplemental appropriations totaling $10.6 million for Community Options: $5 million from state general funds and $5.6 million from the anticipated federal

Medicaid match. With these funds, Community Options will be able to serve about 400 more Marylanders. Hilltop's study informed deliberations by policymakers and contributed to this important outcome.

This additional funding, together with needed improvements in nursing home discharge practices and registry screening and management, will enable the state to make significant progress in helping older adults and individuals with disabilities to remain in their own homes and communities.

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Executive Director

Many thanks to Hilltoppers Christin Diehl, Morgan Henderson, Roberto Millar, and Ian Stockwell for their contributions to this study.

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May 21, 2021

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