



The Hilltop Institute

analysis to advance the health of vulnerable populations

Medicaid Long-Term Supports and Services in Maryland: The Living at Home Waiver

A Chart Book

December 14, 2009

*Prepared for:
Maryland Department of Health and Mental Hygiene*



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AN HONORS UNIVERSITY IN MARYLAND

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Introduction

This chart book provides information about Maryland Medicaid participants who receive services through the Living at Home Waiver program. The purpose of the Living at Home Waiver is to provide community services and supports for low-income individuals with physical disabilities who are aged 18 to 64 years at the time of enrollment. The program, which started in April 2001, serves people who would otherwise require the services of a nursing facility, enabling them to return to or remain in the community. The waiver program is authorized under Section 1915(c) of the Social Security Act and approved by the federal Centers for Medicare and Medicaid Services.

Under the waiver, participants have the opportunity to manage their own attendant care services. Other services available through the waiver include:

- Skilled Nursing Supervision
- Assistive Technology
- Personal Emergency Response Systems (PERS)
- Environmental Assessments and Adaptations
- Medical Day Care
- Consumer and Family Training
- Case Management
- Fiscal Intermediary Services
- Transitional Services
- Home Delivered Meals
- Dietician and Nutritionist Services

Waiver participants are also entitled to receive other services under the Medicaid State Plan.

Introduction continued

The Living at Home Waiver program currently receives funding to support an active enrollment of 500 participants. Vacancies are filled on an ongoing basis throughout the year. Individuals in nursing homes whose services are paid for by Medicaid may apply to the Living at Home Waiver regardless of slot availability.

This chart book summarizes demographic, service utilization, and expenditure data for the Living at Home Waiver for state fiscal years (FYs) 2001 through 2008. The data are presented through a series of figures that illustrate trends in Living at Home Waiver utilization, along with accompanying narrative text. Notable trends in the data include:

- The number of Living at Home Waiver participants was 579 in FY 2008—an increase of 32 percent from FY 2003.
- Total Medicaid expenditures for Living at Home Waiver participants reached \$27.5 million in FY 2008. Expenditures increased an average of 15 percent per year from FY 2003 to FY 2008.
- Since the implementation of the Medicare Part D prescription drug benefit in January 2006, pharmacy expenditures for waiver participants have decreased more than \$500,000. However, the decrease in Medicaid pharmacy expenditures has been offset by increases in waiver and non-waiver service expenditures.
- Average annual expenditures per person for Living at Home Waiver services increased 9 percent from FY 2007 to FY 2008. Ninety-six percent of waiver expenditures are for attendant care services.
- Medicaid non-waiver service expenditures rose by almost \$2 million from FY 2006 to FY 2008, primarily due to increases in MCO capitation rates and “other non-waiver services” such as inpatient and outpatient services.
- In FY 2008, Living at Home Waiver expenditures for participants in the Rare and Expensive Case Management (REM) program were \$7,000 more per person per year than for those not enrolled in REM.
- Dual eligibles (individuals who are enrolled in both Medicare and Medicaid) comprise about 61 percent of the waiver population but account for only about 46 percent of total Medicaid expenditures for waiver participants.

Chart Book Organization

The data presented in this chart book are organized into six sections.

- **Demographics:** This section includes data on the number of Living at Home Waiver participants with breakdowns by age, race, gender, and county and region of residence. It also contains data on the settings from which individuals entered the waiver program and prior Medicaid coverage.
- **REM Participants and Dual Eligibles:** This section presents information about population size and expenditures for Living at Home Waiver participants who are enrolled in the case management program for individuals with specified, complex diagnoses, as well as those who are eligible for both Medicare and Medicaid.
- **Medicaid Expenditures:** This section provides data on expenditures for Medicaid waiver, non-waiver, and pharmacy services that are received by participants in the Living at Home Waiver program.
- **Waiver Expenditures and Service Utilization:** This section contains information about the types of services received under the Living at Home Waiver program, as well as expenditures for those services.
- **Medicaid Non-Waiver Services and Expenditures:** This section contains information about Medicaid services received by participants in the Living at Home Waiver that are provided outside of the waiver.
- **HealthChoice Utilization and Capitation Payments:** This section discusses the number and percentage of Living at Home Waiver participants who are enrolled in Maryland's Medicaid managed care program, as well as expenditures for the services they receive.

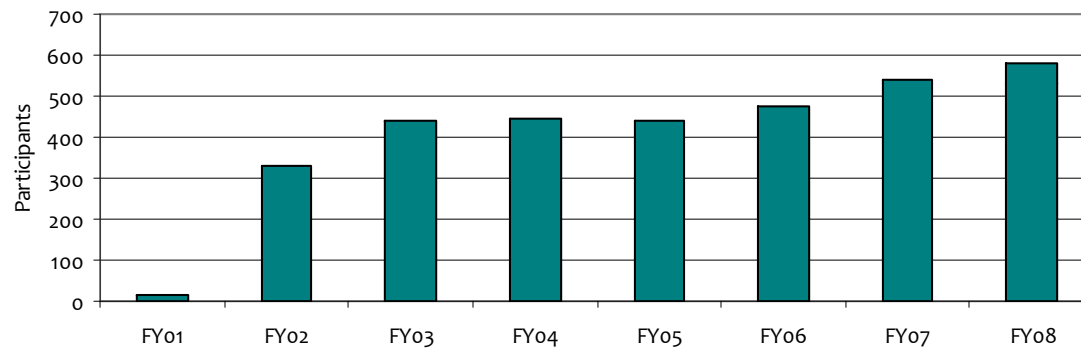
Data Sources

The information in this chart book was derived from two data sources.

- **Maryland Department of Health and Mental Hygiene, Medicaid Management Information System (MMIS2):** This system contains person-level data for all individuals eligible for Medicaid services in Maryland during the relevant fiscal year, including Medicaid eligibility category and fee-for-service claims.
- **Maryland Department of Health and Mental Hygiene, Decision Support System (DSS):** This system provides summary reports based on MMIS2 files and functions as a data book for figures in this chart book derived from the DSS.

Demographics

Figure 1. Number of Unduplicated Living at Home Waiver Participants*



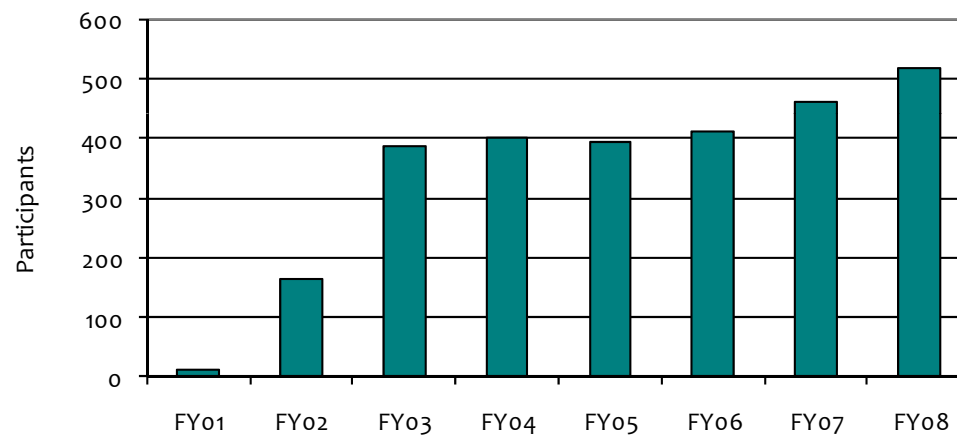
*Number of unduplicated individuals enrolled in the Medicaid Living at Home Waiver who were eligible for Medicaid coverage during the fiscal year.

Source: DSS

The number of Living at Home Waiver participants was relatively stable from FY 2003 to FY 2005 at approximately 440 individuals.

By FY 2008, the number of waiver participants had risen to 579—an increase of 31% since FY 2005.

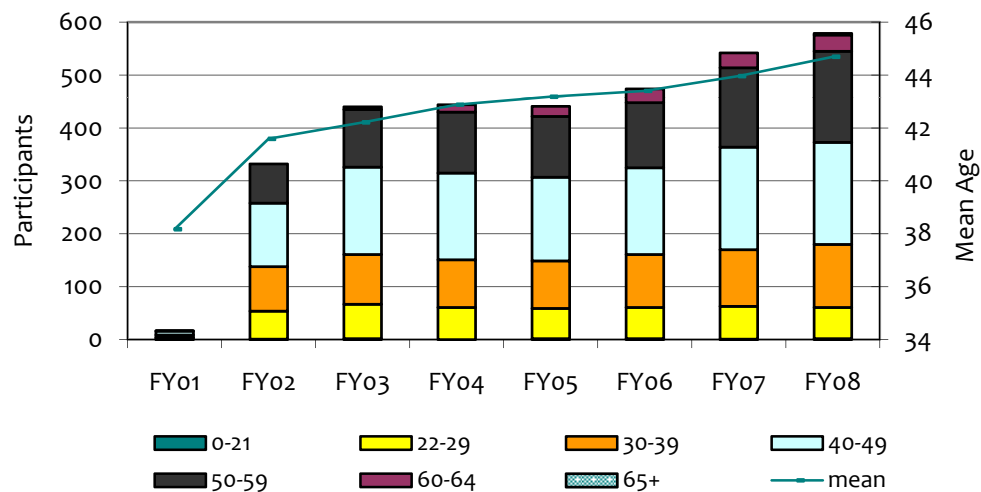
Figure 2. Average Number of Living at Home Waiver Participants per Month



Source: DSS

The number of Living at Home Waiver participants enrolled at some point during FY 2008 was 579. However, on average, there were 517 waiver participants each month during this same period.

Figure 3. Living at Home Waiver Participants, by Age Group

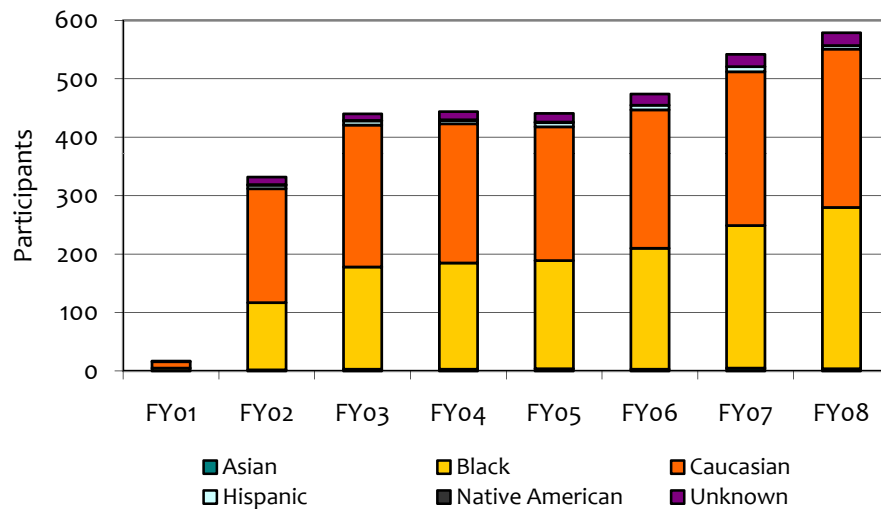


In FY 2008, the greatest percentages of Living at Home Waiver participants were in the 40-49 and 50-59 age groups, at 33% and 30%, respectively.

The mean age of waiver participants increased by almost two-and-a-half years from 42.2 in FY 2003 to 44.7 in FY 2008.

Source: DSS

Figure 4. Living at Home Waiver Participants, by Race

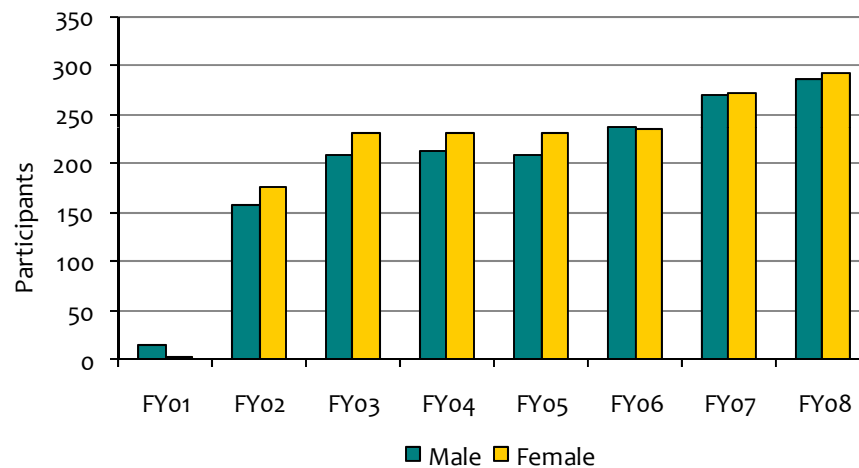


Source: DSS

Since the inception of the waiver, the number of Black participants has increased at a faster rate than the other racial groups.

The number of Black participants increased 52% from FY 2004 (182) to FY 2008 (276). The next largest rate of increase (14%) during this period was in the number of White participants.

Figure 5. Living at Home Waiver Participants, by Gender



Source: DSS

Prior to FY 2006, female waiver participants slightly outnumbered male participants. From FY 2006 to FY 2008, the distribution of females and males was nearly equal.

Figure 6. Number of Living at Home Waiver Participants per Capita, by County

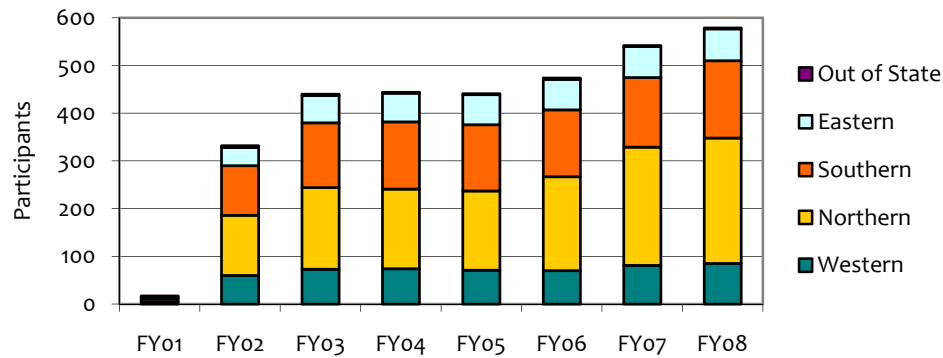
	Participants		Participants		Participants		Participants		Participants		Participants		Participants		Participants	
	FY01		FY02		FY03		FY04		FY05		FY06		FY07		FY08	
	Total	Per Capita	Total	Per Capita	Total	Per Capita	Total	Per Capita	Total	Per Capita	Total	Per Capita	Total	Per Capita	Total	Per Capita
Allegany	1	0	19	7	23	9	23	9	21	8	21	8	20	8	19	7
Anne Arundel	3	0	48	4	56	4	48	3	41	3	48	3	54	4	56	4
Baltimore City	0	0	22	1	44	2	47	3	49	3	73	4	104	6	118	6
Baltimore	2	0	44	2	58	2	60	2	64	3	65	3	76	3	72	3
Calvert	0	0	3	1	4	2	4	2	5	2	6	2	4	2	4	2
Caroline	1	1	5	6	10	11	9	10	8	8	7	7	7	7	8	8
Carroll	0	0	10	2	9	2	10	2	8	2	7	1	11	2	15	3
Cecil	0	0	3	1	4	2	6	2	9	3	9	3	8	3	7	2
Charles	2	1	17	6	18	6	17	5	18	5	21	6	22	6	24	7
Dorchester	0	0	6	5	8	7	9	8	9	8	9	8	7	6	5	4
Frederick	0	0	9	2	11	2	10	2	11	2	15	3	16	3	14	2
Garrett	4	4	5	5	6	6	6	6	6	6	5	5	7	7	7	7
Harford	1	0	12	2	13	2	12	2	12	2	11	2	14	2	17	2
Howard	0	0	14	2	18	3	18	3	18	2	16	2	17	2	18	2
Kent	0	0	3	4	3	4	2	3	1	1	1	1	2	3	4	5
Montgomery	0	0	31	1	38	1	44	2	41	1	44	1	45	1	50	2
Prince George's	1	0	48	2	68	3	67	3	67	3	62	3	68	3	75	3
Queen Anne's	0	0	3	2	9	6	10	7	11	8	12	8	11	7	10	6
Somerset	0	0	2	3	7	9	6	8	6	8	7	9	7	9	7	9
St. Mary's	0	0	5	2	8	4	9	4	8	3	7	3	7	3	9	3
Talbot	0	0	1	1	2	1	2	1	2	1	2	1	5	3	5	3
Washington	0	0	3	1	6	1	7	2	7	2	6	1	10	2	12	3
Wicomico	1	0	12	5	11	4	13	5	14	5	14	5	15	5	17	6
Worcester	1	1	3	2	3	2	3	2	3	2	3	2	3	1	4	2

Source: DSS

Baltimore City, Baltimore County, and Prince George's County consistently had the largest number of waiver participants (as might be expected given their large populations). Talbot, Calvert, Worcester, and Kent Counties had the smallest number of participants.

In FY 2008, Somerset County had the largest number of waiver participants per capita, with 9 out of every 10,000 residents being enrolled in the waiver.

Figure 7. Living at Home Waiver Participants, by Region



Source: DSS

Figure 8. Living at Home Waiver Participants, by Region

	FY 01		FY 02		FY 03		FY 04		FY 05		FY 06		FY 07		FY 08	
Region	Number/	Percent	Number/	Percent	Number/	Percent	Number/	Percent	Number/	Percent	Number/	Percent	Number/	Percent	Number/	Percent
Western	5	29%	60	18%	73	17%	74	17%	71	16%	70	15%	81	15%	85	15%
Northern	6	35%	126	38%	171	39%	167	38%	166	38%	197	42%	248	46%	263	45%
Eastern	3	18%	38	11%	57	13%	60	14%	63	14%	64	14%	65	12%	67	12%
Southern	3	18%	104	31%	136	31%	141	32%	139	32%	140	30%	146	27%	162	28%
Out of State	0	0%	4	1%	3	1%	2	0%	2	0%	3	1%	2	0%	2	0%
Total	17	100%	332	100%	440	101%	444	101%	441	100%	474	102%	542	100%	579	100%

Note: This chart book uses the following regions: *Western* (Allegany, Carroll, Frederick, Garrett, Howard, and Washington Counties), *Northern* (Baltimore City and Anne Arundel, Baltimore, and Harford Counties), *Eastern* (Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester Counties), and *Southern* (Calvert, Charles, Montgomery, Prince George's, and Saint Mary's Counties).

"Out of State" category includes persons residing in Maryland near the state line with an out-of-state postal facility code. Periodically these individuals are manually assigned to the appropriate county.

Source: DSS

In FY 2008, the greatest number of Living at Home Waiver participants were in the Northern and Southern regions (45% and 28%, respectively).

Figure 9. Newly Enrolled Living at Home Waiver Participants, by Pre-Waiver Setting

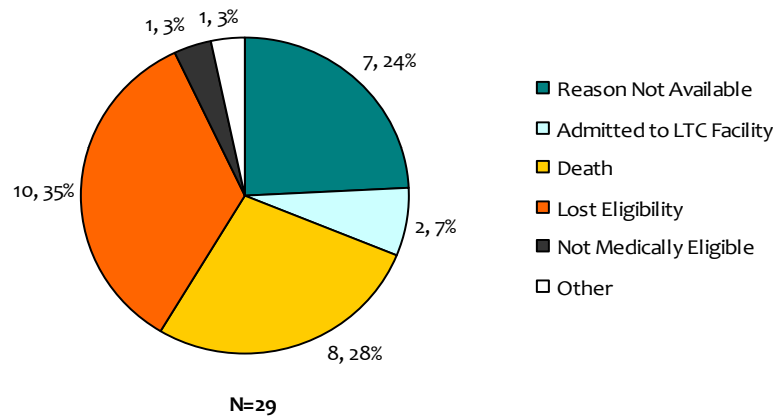
Pre-Waiver Setting*	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
Chronic Hospital	0	1	1	1	3	0	0	0
Nursing Facility Stay	1	16	25	34	46	68	72	66
Other	16	298	97	24	5	6	54	21
Total	17	315	123	59	54	74	126	87

* Pre-waiver setting refers to the setting in which the participant resided prior to enrolling in the Living at Home Waiver. To determine an individual's pre-waiver setting, The Hilltop Institute examined MMIS claims for the three months prior to waiver enrollment to see if claims were filed for a chronic hospital, institution for mental disease (IMD), intermediate care facility for persons with mental retardation (ICF/MR), or nursing facility (NF) stay; if so, new waiver participants were classified accordingly (however, there were no waiver participants with IMD or ICF/MR claims). Waiver participants without chronic hospital, IMD, ICF/MR, or NF claims were classified as coming from "other" settings. It cannot be said with certainty—nor can it be assumed—that individuals in the "other" category were residing in the community prior to waiver enrollment.

Source: MMIS2

From FY 2004 to FY 2008, the majority of newly enrolled participants were residing in a nursing home prior to enrollment, but the proportion varied widely among years, ranging from a low of 58% in FY 2004 to a high of 92% in FY 2006.

Figure 10. Reason for Leaving the Living at Home Waiver, FY 2008



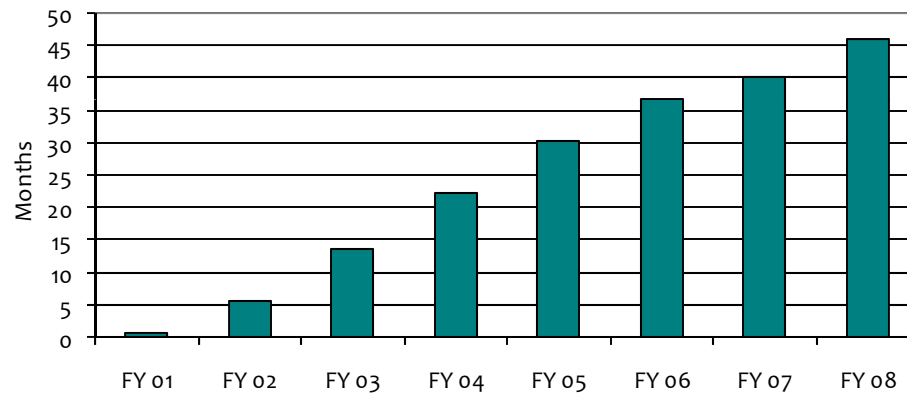
Of the 29 Living at Home Waiver participants leaving the waiver in FY 2008, 10 (35%) lost eligibility for an unspecified reason, 8 (28%) left due to death, 2 (7%) were admitted to a long-term care facility, and 1 (3%) was no longer medically eligible.

Note: Living at Home Waiver participants leaving the Living at Home Waiver in FY 2008 were identified using Medicaid Living at Home Waiver eligibility spans, which run from the beginning date of waiver eligibility to the last date of eligibility. For participants with more than one Living at Home Waiver eligibility span, the last eligibility span was used. Living at Home Waiver participants whose last eligibility end date occurred during FY 2008 are represented in this chart.

Persons in the “Lost Eligibility” category include Living at Home Waiver participants who were no longer financially, technically, or medically eligible for the waiver.

Source: MMIS2

Figure 11. Average Length of Stay, in Months, at a Point in Time for Participants Enrolled in the Living at Home Waiver, by Fiscal Year



In FY 2008, the average length of stay for Living at Home Waiver participants enrolled in the waiver on June 30, 2008, was 45.97 months.

Note: Participants enrolled in the Living at Home Waiver in each fiscal year were identified using each participant's last Medicaid Living at Home Waiver eligibility span. Individual participant lengths of stay were calculated from the beginning date of the participant's last Living at Home Waiver eligibility span to the last day of each fiscal year (June 30). The lengths of stay for persons still in the waiver on June 30 in a given year were totaled and averaged to obtain the average length of stay for all participants in the waiver on June 30 of that fiscal year.

Source: MMIS2

Figure 12. Prior Medicaid Coverage for Living at Home Waiver Participants

Prior Medicaid Coverage	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
Full Coverage	7	114	158	170	220	276	350	387
Partial Coverage*	0	0	1	1	1	1	12	18
No Prior Coverage	10	223	284	273	220	197	181	174
Total Participants	17	337	443	444	441	474	543	579

Note: Prior Medicaid coverage group is defined as the last Medicaid coverage group assigned to each waiver participant prior to enrollment in the waiver. Counts include participants with a Living at Home Waiver program code in the MMIS in each of the fiscal years.

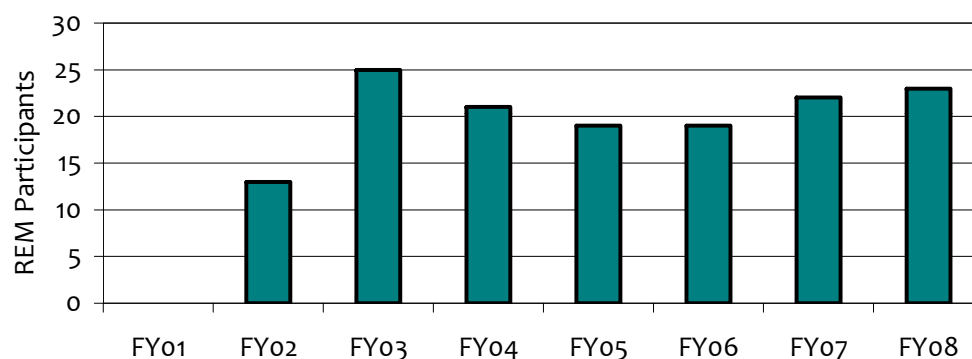
* Partial Medicaid coverage includes Medicare Savings Programs such as Qualified Medicare Beneficiary and the Specified Low-Income Medicare Beneficiary Program. This category also includes the Maryland Primary Adult Care Program and Pickle Amendment.

Source: DSS

The percentage of Living at Home Waiver participants who had no prior Medicaid coverage at the time of waiver enrollment declined from 66% in FY 2002 to 30% in FY 2008, suggesting that the waiver was increasingly being accessed by persons already in the Medicaid system.

REM Participants and Dual Eligibles

Figure 13. Living at Home Waiver Participants Enrolled in the REM Program

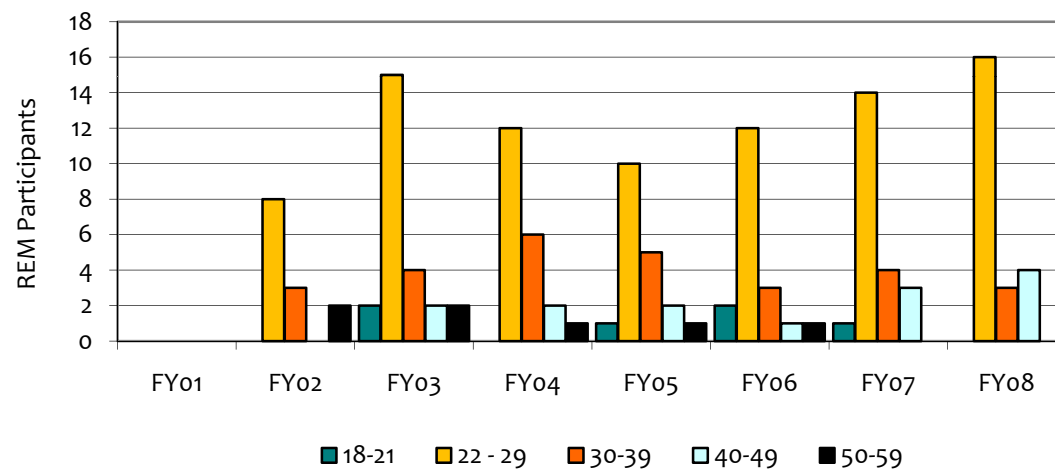


Note: The REM Program is a Medicaid case managed, fee-for-service alternative to HealthChoice managed care organization (MCO) participation for individuals with specified rare and expensive conditions. Source: DHMH Long Term Care Program, REM Program, available at <http://www.dhmh.state.md.us/mma/longtermcare/html/REM-information.htm>.

Source: MMIS2

The number of Living at Home Waiver participants enrolled in the REM program remained relatively stable from FY 2005 to FY 2008. Nineteen Living at Home Waiver participants were enrolled in REM in FY 2005 and FY 2006, 22 were enrolled in FY 2007, and 23 were enrolled in FY 2008.

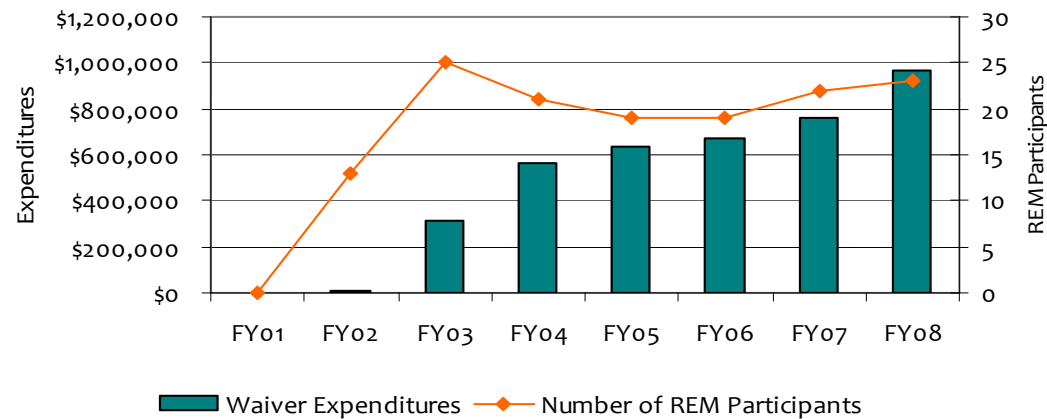
Figure 14. Living at Home Waiver Participants Enrolled in the REM Program, by Age Group



Source: MMIS2

The largest number of Living at Home Waiver participants enrolled in REM were consistently in the 22-29 age group.

Figure 15. Medicaid Waiver Expenditures for Living at Home Waiver Participants Enrolled in the REM Program

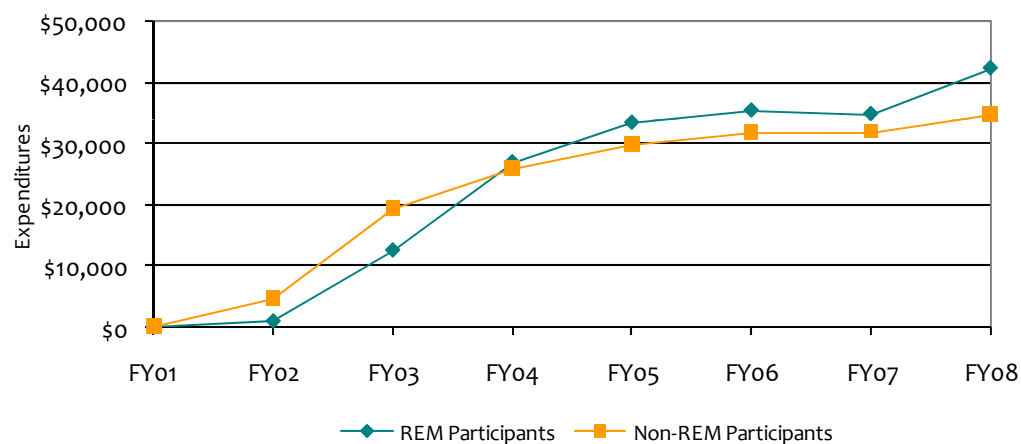


While the number of Living at Home Waiver participants in the REM program remained relatively stable from FY 2005 to FY 2008, waiver-related expenditures for this group increased rapidly. In FY 2008, waiver-related expenditures for the 23 REM participants was more than \$971,000.

Note: Medicaid waiver expenditures do not include Medicaid expenditures for non-waiver or pharmacy services.

Source: MMIS2

Figure 16. Comparison of Average Annual Waiver Expenditures per Person for Living at Home Waiver Participants Enrolled and Not Enrolled in the REM Program

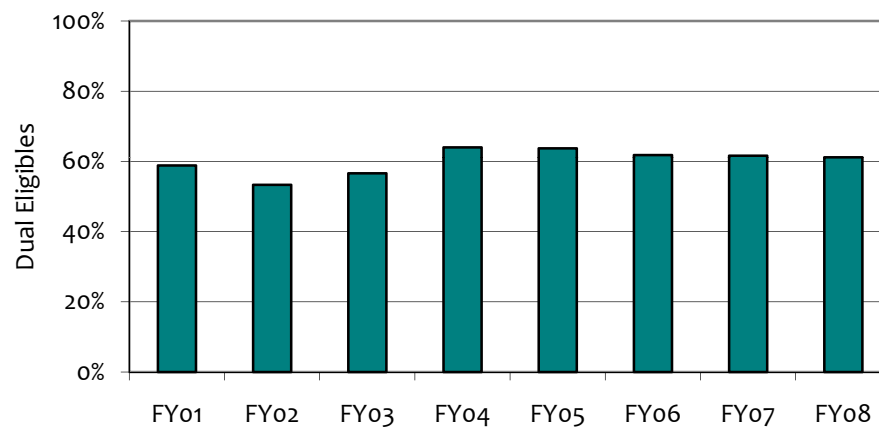


Source: DSS and MMIS2

In the period from FY 2005 to FY 2007, average annual Living at Home Waiver expenditures for REM participants were slightly higher than average annual waiver expenditures for those not in the REM Program.

By FY 2008, average annual waiver expenditures for REM participants had grown to more than \$42,000, \$7,000 higher than average annual waiver expenditures for non-REM participants.

Figure 17. Dual Eligibles as a Percentage of Living at Home Waiver Participants*



* Dual eligibles are individuals who are enrolled in both Medicare and Medicaid (may receive full or limited benefits) during the fiscal year.

Source: DSS

The percentage of Living at Home Waiver participants who were dually eligible for Medicare and Medicaid declined slightly from 64% in FY 2004 to 61% in FY 2008.

There were 354 Living at Home Waiver participants who were dually eligible in FY 2008.

Figure 18. Average Annual PMPM Medicaid Expenditures for Dual Eligible Living at Home Waiver Participants

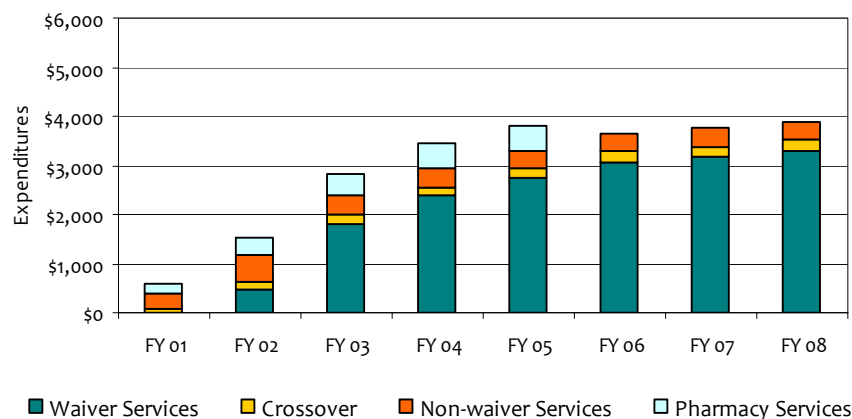
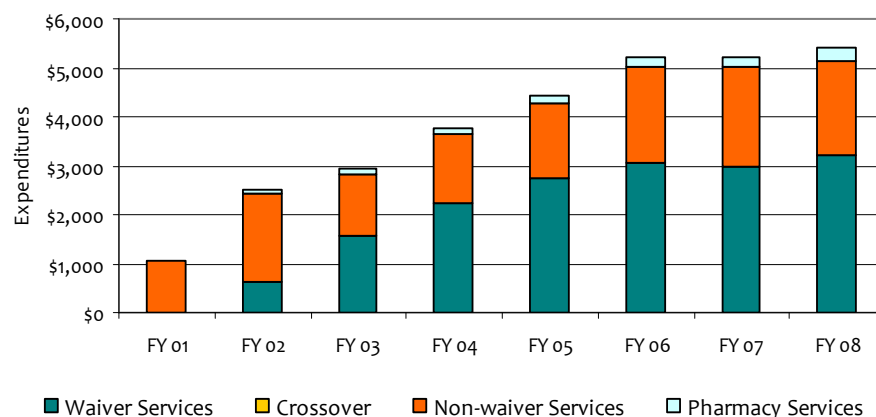


Figure 19. Average Annual PMPM Medicaid Expenditures for Non-Dual Eligible Living at Home Waiver Participants



Note: Average annual per member per month (PMPM) Medicaid expenditures were calculated by dividing Living at Home Waiver participant expenditures incurred in each of the twelve months in the fiscal year by the number of Living at Home Waiver participants enrolled in the waiver in each month. PMPM expenditures were calculated separately for dual and non-dual Living at Home Waiver participants and for the different expenditure categories. Average annual PMPM expenditures were calculated by summing the monthly PMPM calculations for each fiscal year and averaging the total by the number of months in which expenditures occurred.

Source: DSS

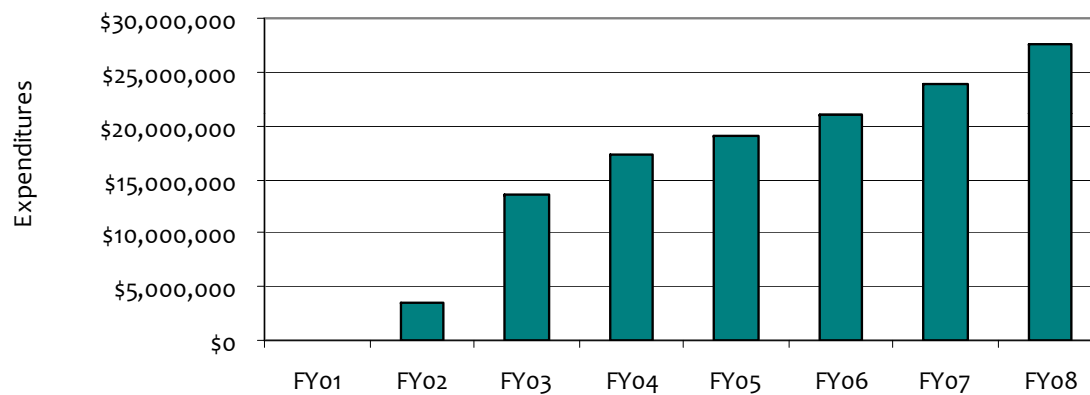
Per member per month (PMPM) Medicaid expenditures for Living at Home Waiver services in FY 2008 were \$3,307 for dual eligibles and \$3,198 for non-duals.

Non-waiver PMPM expenditures were consistently higher for non-dual eligibles than for dual eligibles. In FY 2008, non-waiver PMPM expenditures were \$1,949 for non-dual eligibles, compared to only \$327 for dual eligibles.

As a result of the implementation of Medicare Part D in January 2006, PMPM Medicaid pharmacy expenditures for dual eligibles declined from \$499 in FY 2005 to \$18 in FY 2008. Meanwhile, PMPM pharmacy expenditures for non-dual eligibles increased from \$158 in FY 2005 to \$245 in FY 2008, an increase of 55%.

Medicaid Expenditures

Figure 20. Total Medicaid Expenditures for Living at Home Waiver Participants



Note: Total Medicaid expenditures are defined as all Medicaid waiver expenditures, Medicaid non-waiver expenditures, and pharmacy expenditures paid to service providers by Medicaid on behalf of Living at Home Waiver participants.

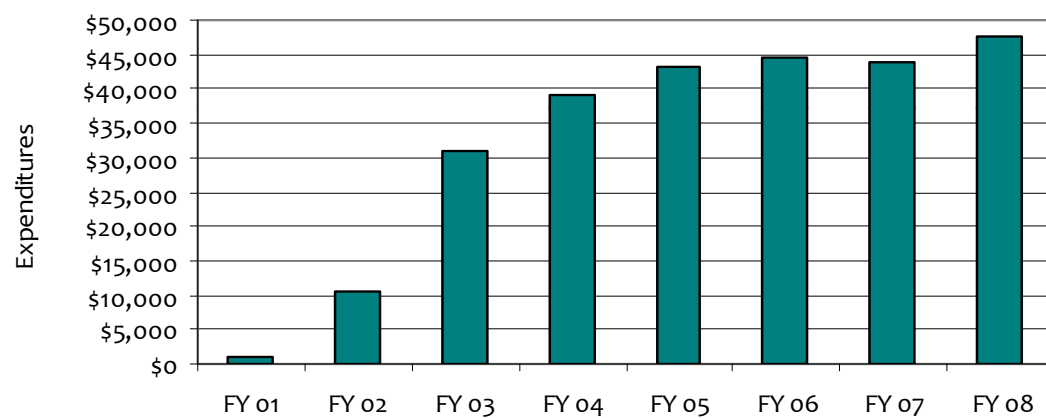
Source: DSS

Total Medicaid expenditures for waiver participants rose steadily from FY 2003 to FY 2008, increasing approximately 15% per year on average.

In FY 2008, total expenditures exceeded \$27.5 million.

Waiver expenditures generally reflect the number of Living at Home Waiver participants in the waiver, by year.

Figure 21. Average Annual Total Medicaid Expenditures per Person for Living at Home Waiver Participants



Source: DSS

Average annual total Medicaid expenditures per Living at Home Waiver participant increased by 9% from \$43,840 in FY 2007 to \$47,572 in FY 2008.

Figure 22. Total Medicaid Expenditures for Living at Home Waiver Participants, by Service Category

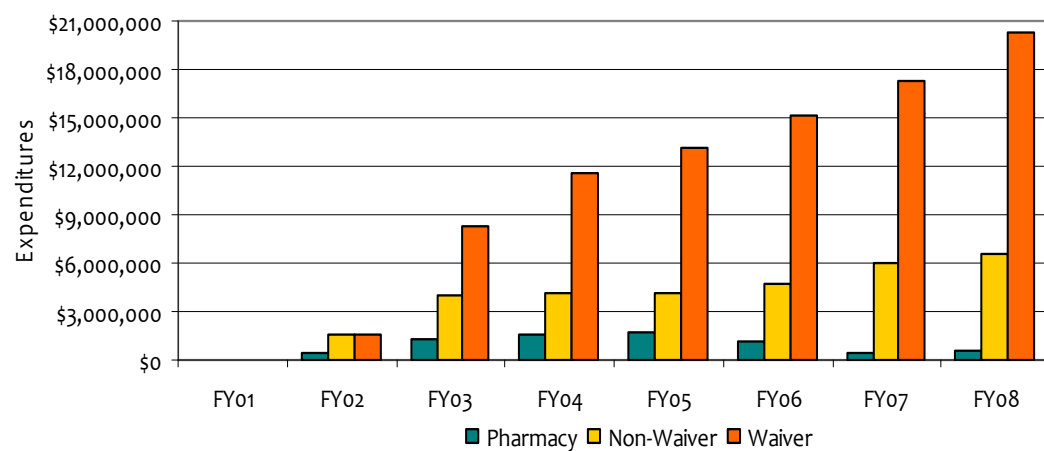
Service Category	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
Waiver Costs	\$0	\$1,505,708	\$8,322,565	\$11,505,462	\$13,211,626	\$15,164,347	\$17,347,192	\$20,288,421
Non-waiver	\$15,137	\$1,570,398	\$3,972,227	\$4,181,024	\$4,181,611	\$4,741,893	\$5,987,798	\$6,626,548
Pharmacy	\$3,058	\$424,549	\$1,296,537	\$1,638,164	\$1,703,137	\$1,164,631	\$426,553	\$629,245
Total	\$18,196	\$3,500,654	\$13,591,330	\$17,324,650	\$19,096,374	\$21,070,871	\$23,761,543	\$27,544,214

Source: DSS

Beginning January 2006, most pharmacy expenditures for dual eligibles were covered by Medicare Part D. Consequently, pharmacy expenditures for Living at Home Waiver participants declined from a high of \$1.7 million in FY 2005 to \$426,553 in FY 2007, before rising again to \$629,245 in FY 2008.

Total Medicaid expenditures for Living at Home Waiver participants continued to rise despite the decline in pharmacy expenditures.

Figure 23. Total Medicaid Expenditures for Living at Home Waiver Participants, by Service Category



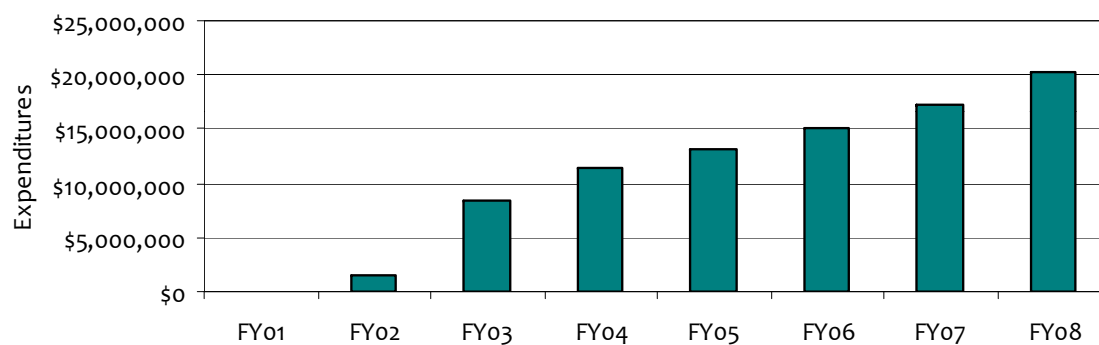
Source: DSS

In FY 2008, expenditures for waiver services comprised about 74% of total Medicaid expenditures for Living at Home Waiver participants.

Expenditures for Medicaid non-waiver services averaged about 24% of total expenditures in each of the last five fiscal years.

Waiver Expenditures and Service Utilization

Figure 24. Total Medicaid Expenditures for Living at Home Waiver Services, by Fiscal Year

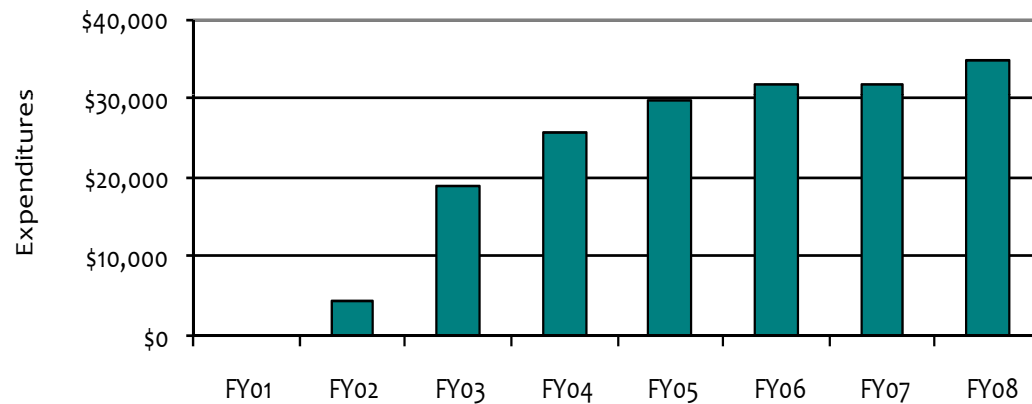


Note: Total Medicaid expenditures are defined as all Medicaid waiver expenditures, Medicaid non-waiver expenditures, and pharmacy expenditures paid to service providers by Medicaid on behalf of Living at Home Waiver participants.

Source: DSS

Expenditures for Living at Home Waiver services more than doubled from \$8.4 million in FY 2003 to just over \$20 million in FY 2008.

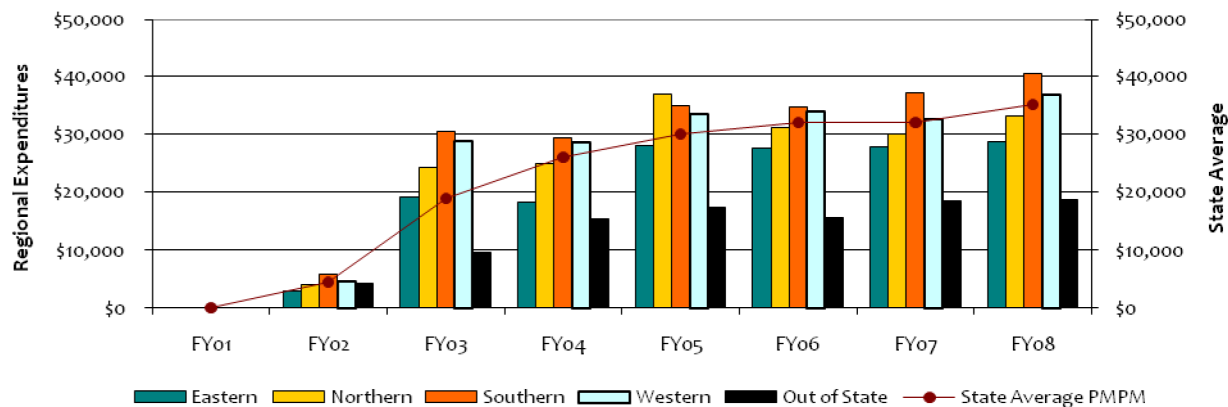
Figure 25. Average Annual Living at Home Waiver Expenditures per Person



Source: DSS

Average annual expenditures per person for waiver services remained relatively stable from FY 2006 to FY 2007 at about \$32,000 before increasing by 9% to \$35,000 in FY 2008.

Figure 26. Average Annual Living at Home Waiver Expenditures per Person, by Region



From FY 2003 to FY 2008, the Western and Southern regions consistently exceeded the state's average per person waiver expenditures.

Note: This chart book uses the following regions: *Western* (Allegany, Carroll, Frederick, Garrett, Howard, and Washington Counties), *Northern* (Baltimore City and Anne Arundel, Baltimore, and Harford Counties), *Eastern* (Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester Counties), and *Southern* (Calvert, Charles, Montgomery, Prince George's, and Saint Mary's Counties).

"Out of State" category includes persons residing in Maryland near the state line with an out-of-state postal facility code. Periodically these individuals are manually assigned to the appropriate county.

Source: DSS, MMIS2

Figure 27. Medicaid Expenditures for Living at Home Waiver Services

Living at Home Waiver Services	Total Waiver Expenditures by Fiscal Year		Percent Change in Expenditures
	FY 07	FY 08	
Assistive Technology Purchase	\$43,590	\$94,678	117%
Attendant Care - Agency	\$10,037,042	\$11,592,978	16%
Attendant Care - Non-Agency	\$6,681,083	\$7,864,231	18%
Community Transition Services	\$64,323	\$65,019	1%
Consumer Training	\$435	\$40	-91%
Environmental Accessibility Adaptations	\$197,394	\$253,312	28%
Family Training - Agency	\$0	\$76.00	-
Family Training - Non-Agency	\$0	\$105	-
Nursing Supervision - Agency	\$166,868	\$227,808	37%
Nursing Supervision - Non-Agency	\$14,184	\$16,225	14%
Personal Emergency Response System - Maintenance/Other	\$1,845	\$360	-80%
Personal Emergency Response System - Monthly Monitoring	\$135,857	\$159,974	18%
Personal Emergency Response System - Purchase/Install	\$2,349	\$3,254	39%
Other Waiver Services*	\$2,222	\$10,361	366%
Total Living at Home Waiver Services	\$17,347,192	\$20,288,421	17%

* "Other waiver services" are Medicaid waiver services that are provided during an individual's Living at Home Waiver span but are authorized under a different home and community-based waiver.

Source: DSS

There was great variability by service in the percentage change in spending from FY 2007 to FY 2008.

Agency and non-agency attendant care services accounted for 96% of waiver service expenditures in FY 2007 and FY 2008.

While expenditures for assistive technology purchase, environmental accessibility adaptations, and agency nursing supervision exhibited strong growth from FY 2007 to FY 2008, together these expenditures accounted for less than 3% of waiver service expenditures.

Figure 28. Use of Living at Home Waiver Services

Waiver Service	Number of Users			Average Units of Service Per User		
	FY 07	FY 08	Percent Change	FY 07*	FY 08†	Percent Change
Assistive Technology Purchase	72	119	65%	**	**	**
Attendant Care - Agency	361	417	16%	1,665	1,665	0%
Attendant Care - Non-Agency	244	284	16%	2,095	2,119	1%
Consumer Training	1	1	0%	11	1	-91%
Environmental Accessibility Adaptations	65	101	55%	**	**	**
Family Training - Agency	0	1	-	0	2	-
Family Training - Non-Agency	0	2	-	0	2	-
Nursing Supervision - Agency	429	497	16%	10	12	20%
Nursing Supervision - Non-Agency	71	56	-21%	8	11	38%
Personal Emergency Response System, Maintenance/Other	9	3	-67%	5	3	-40%
Personal Emergency Response System, Monthly Monitoring	315	371	18%	10	10	0%
Personal Emergency Response System, Purchase/Install	39	64	64%	**	**	**

Note: Units of service are calculated by dividing the total service expenditure for the fiscal year by the Medicaid fiscal year payment rate for that service and dividing by the number of unduplicated users of the service during the fiscal year. Units of service may be quantified in hours, days, per meal, per month, etc.

* FY 2007 Living at Home Waiver payment rates were used in this calculation.

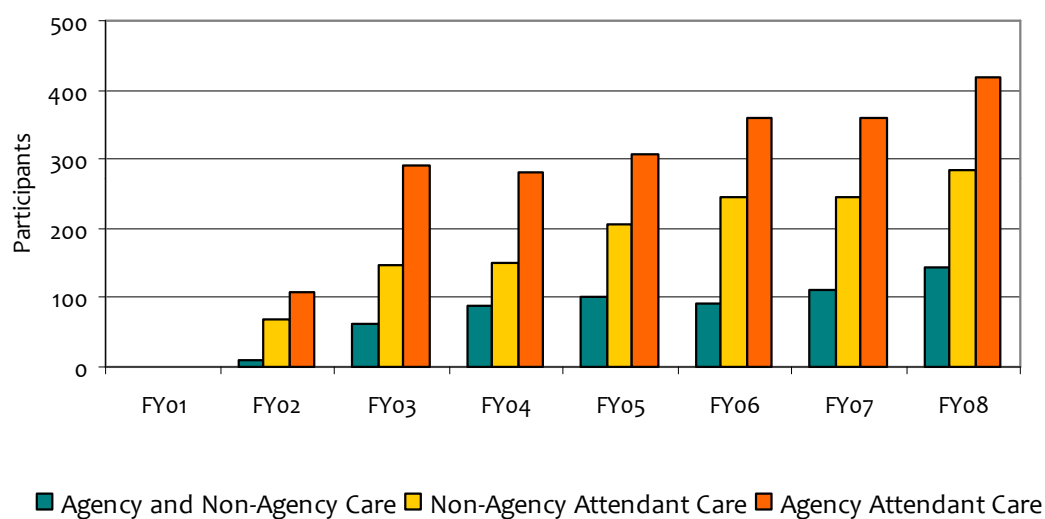
† FY 2008 Living at Home Waiver payment rates were used in this calculation.

** Unable to calculate average units due to the unit of measure for these services (i.e., per year, per modification).

The number of waiver participants using agency attendant care and non-agency attendant care increased by 16% from FY 2007 to FY 2008.

The hours of service per user for attendant care (both agency and non-agency) remained steady during this time period.

Figure 29. Attendant Care Users, by Type of Attendant Care

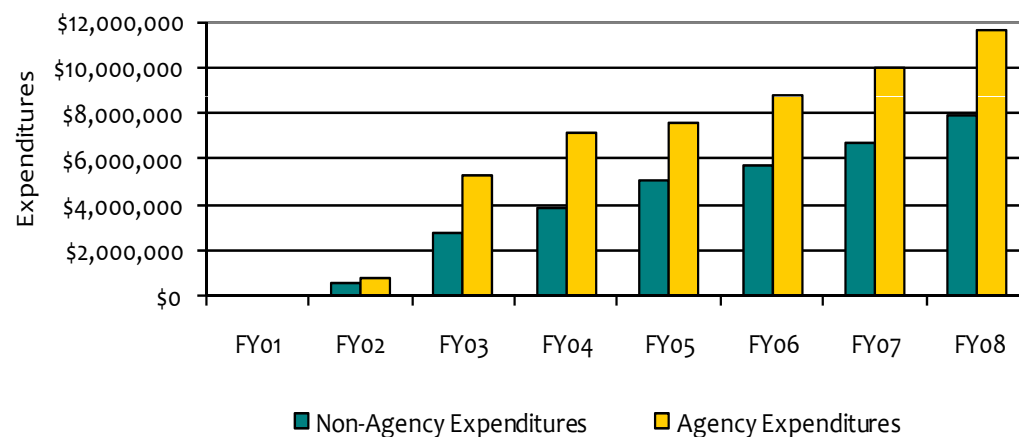


Source: DSS

Waiver participants were more likely to use attendant care provided by an agency than non-agency attendant care.

The number of participants using both agency and non-agency attendant care has been on the rise since FY 2006.

Figure 30. Attendant Care Expenditures, by Type of Attendant Care



Source: DSS

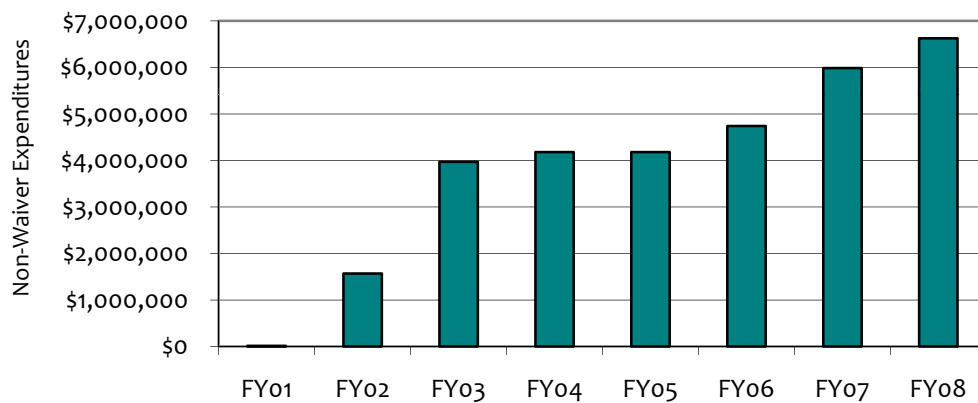
Expenditures for both agency-based and non-agency attendant care rose steadily over the past few years.

Although more waiver participants used agency-based attendant care in FY 2007 and FY 2008, they utilized fewer units of care than non-agency attendant care users.

In FY 2008, agency-based attendant care was reimbursed at a rate of \$16.70 (\$3.63 more per hour than non-agency services), contributing to higher expenditures for agency-based services.

Medicaid Non-Waiver Services and Expenditures

Figure 31. Medicaid Non-Waiver Expenditures for Living at Home Waiver Participants



Note: Medicaid non-waiver expenditures are Medicaid payments made on behalf of waiver participants for services, other than Living at Home Waiver services, received under the Maryland Medicaid State Plan.

Source: DSS

Medicaid non-waiver expenditures were relatively stable at approximately \$4 million from FY 2003 to FY 2005 before increasing by almost \$2 million from FY 2006 to FY 2008.

Figure 32. Medicaid Non-Waiver Expenditures for Living at Home Waiver Participants, by Service Category

Non-Waiver Expenditure	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
MCO Capitation Payments*	\$3,693	\$444,282	\$1,503,413	\$1,635,374	\$1,481,043	\$1,636,001	\$1,977,872	\$2,251,758
Medical Day Care	\$1,117	\$247,486	\$612,007	\$596,698	\$560,899	\$594,221	\$576,409	\$584,962
Medicare Cost Share	\$1,348	\$183,309	\$492,370	\$554,064	\$604,351	\$683,709	\$759,095	\$906,435
Mental Health	\$0	\$12,670	\$36,915	\$39,461	\$33,595	\$51,694	\$74,828	\$52,178
State Plan Personal Care	\$7,630	\$310,585	\$320,018	\$148,200	\$76,900	\$54,703	\$68,108	\$50,644
Other Non-Waiver Services**	\$1,350	\$372,066	\$1,007,504	\$1,207,227	\$1,424,823	\$1,721,566	\$2,531,487	\$2,780,572
Total	\$15,137	\$1,570,398	\$3,972,227	\$4,181,024	\$4,181,611	\$4,741,893	\$5,987,798	\$6,626,548

* “MCO Capitation Payments” are fixed monthly amounts paid to MCOs to provide services to Medicaid beneficiaries enrolled in the Maryland HealthChoice program. Capitation payments are based on actuarial projections of medical utilization. MCOs are required to provide all covered, medically necessary Medicaid services within that capitated amount.

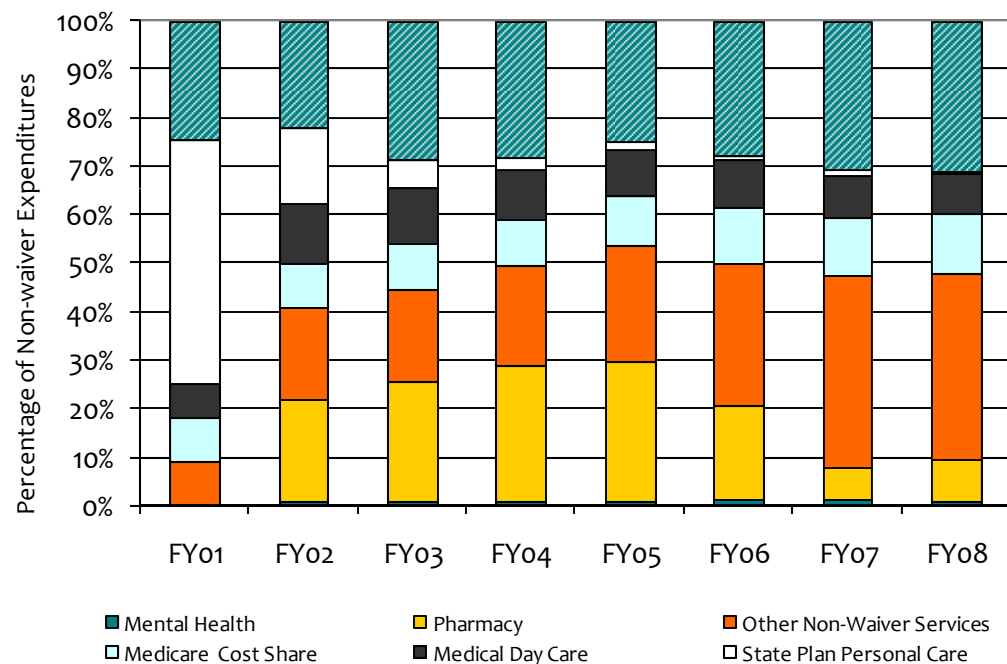
** “Other Non-Waiver Services” are services other than those listed above and those provided under the waiver that are paid for by Medicaid on behalf of Living at Home Waiver participants.

Source: DSS

In FY 2008, MCO capitation payments for Living at Home Waiver participants enrolled in HealthChoice totaled \$2.25 million. From FY 2003 to FY 2008, MCO capitation payments accounted for one-third or more of non-waiver expenditures.

Medicare cost share expenditures rose steadily, reaching \$906,435 in FY 2008.

Figure 33. Distribution of Medicaid Non-Waiver Expenditures, by Service Category

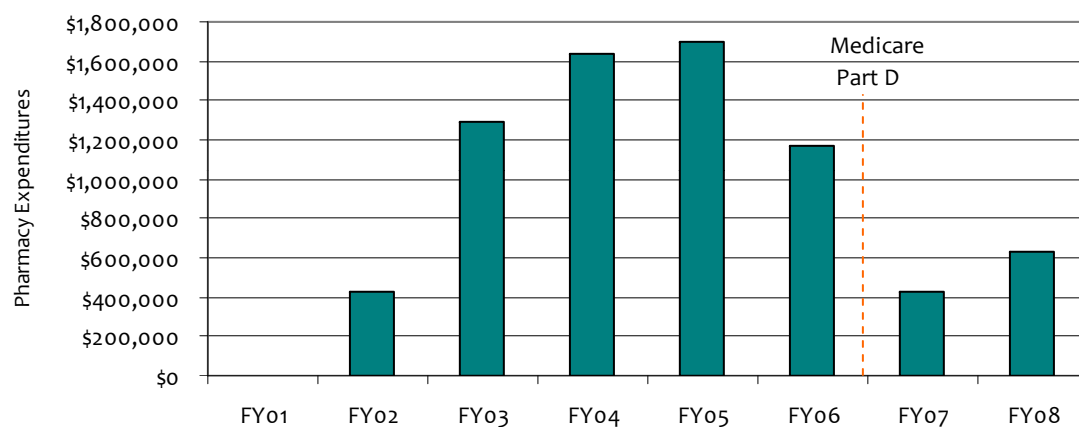


Source: DSS

State plan personal care services declined from 50% of all Medicaid non-waiver expenditures in FY 2001 to only 1% from FY 2005 through FY 2008. This is because personal care services were made available as a waiver service.

The percentage of expenditures dedicated to medical day care, Medicare cost share, and MCO capitation payments changed relatively little from FY 2003 to FY 2008.

Figure 34. Pharmacy Expenditures for Living at Home Waiver Participants



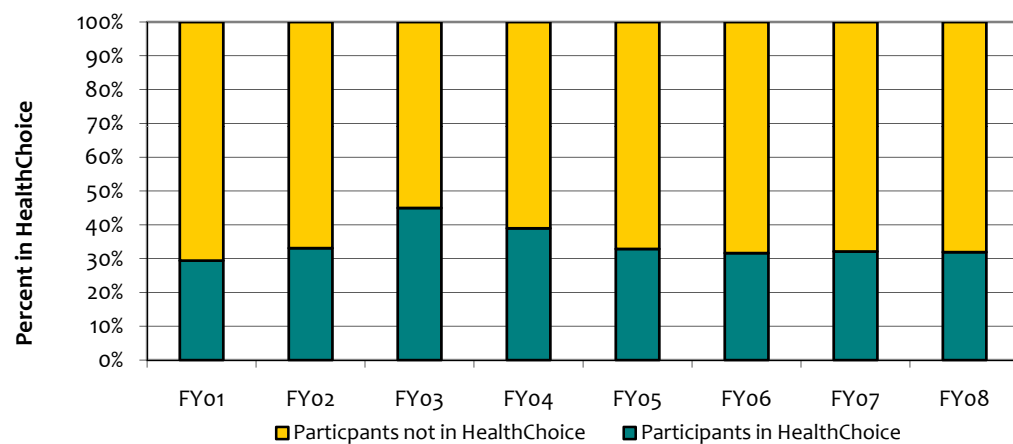
Note: Medicare Part D is a federally funded program designed to help Medicare beneficiaries defray the expenditures of prescription drugs. The initial Medicare Part D enrollment period was November 15, 2005, through May 15, 2006. Annual enrollment periods for Medicare Part D begin on November 15 of the prior plan year.

Source: DSS

As a result of the implementation of the Medicare Part D prescription drug benefit in January 2006, pharmacy expenditures decreased by 75% from FY 2005 to FY 2007. Pharmacy expenditures then increased by 48% from FY 2007 to FY 2008.

HealthChoice Utilization and Capitation Payments

Figure 35. Percentage of Living at Home Waiver Participants Enrolled in a HealthChoice MCO

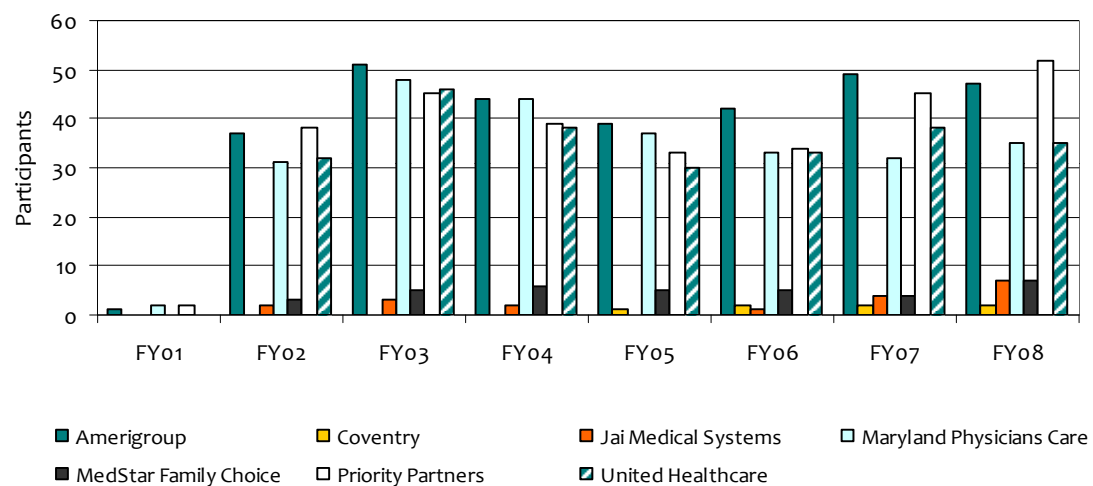


From FY 2005 to FY 2008, about one-third of Living at Home Waiver participants were enrolled in a HealthChoice MCO.

Note: HealthChoice MCOs are health care organizations that provide services on a capitated basis to Maryland Medicaid beneficiaries participating in the HealthChoice managed care program.

Source: DSS

Figure 36. Number of Living at Home Waiver Participants Enrolled in HealthChoice, by MCO Enrollment



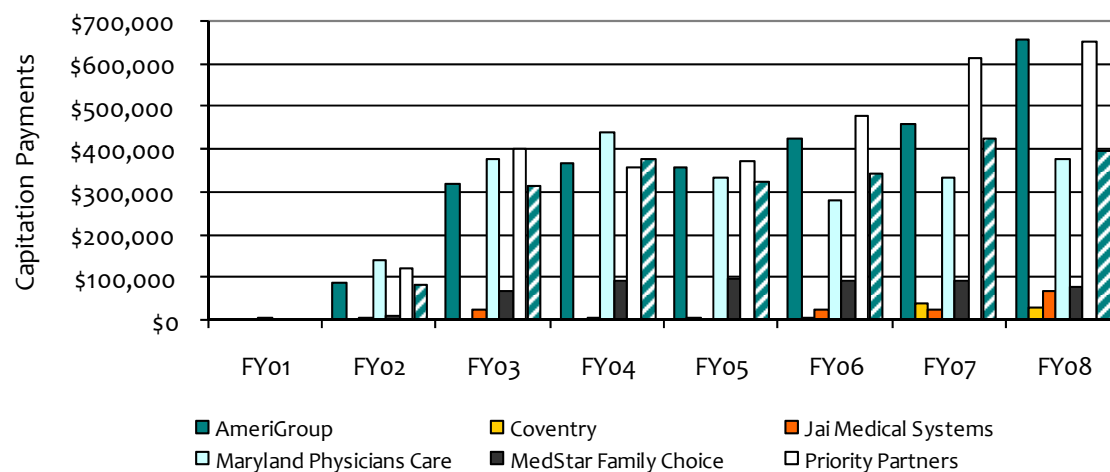
Note: Maryland's largest MCOs—Amerigroup, Maryland Physicians Care, Priority Partners, and United Healthcare—serve Medicaid enrollees only, and operate on a statewide basis.

Source: DSS

Seven MCOs provide services to Living at Home Waiver participants in Maryland.

The number of waiver participants enrolled in each of the MCOs varies annually.

Figure 37. Annual Capitation Payments for Living at Home Waiver Participants, by HealthChoice MCO



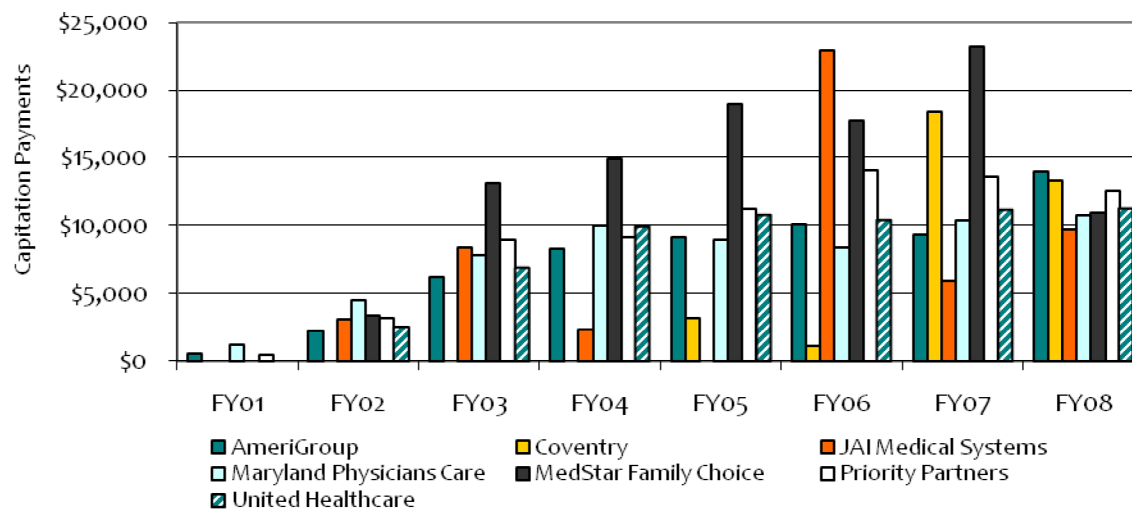
Total annual MCO capitation payments for Living at Home Waiver participants varied greatly by MCO. In FY 2008, payments ranged from \$26,500 to about \$680,000.

This wide range in payments reflects differences in both enrollment and acuity among HealthChoice MCO populations.

Note: Annual capitation payments for Living at Home Waiver participants enrolled in HealthChoice MCOs are individually risk-adjusted, thus reflecting relative acuity/risk of the individuals enrolled in that health plan.

Source: DSS

Figure 38. Average Annual Capitation Payments for Living at Home Waiver Participants, by HealthChoice MCO



Source: DSS

There is great variation, both within and across HealthChoice MCOs, in the average annual MCO capitation payment per person for Living at Home Waiver participants. For example, the per person payment in FY 2006 ranged from a low of \$1,000 to a high of \$23,000 and, in FY 2007, from \$6,000 to \$24,000.

This cost differential reflects an adjustment for risk based on the acuity of the waiver participants enrolled in a given MCO.



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