



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

TESTIMONY PRESENTED TO THE APPROPRIATIONS AND HUMAN SERVICES

COMMITTEES

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Secretary

Office of Policy and Management

TESTIMONY SUPPORTING ACQUIRED BRAIN INJURY WAIVER II

Good morning, Senators Bye and Slossberg, Representatives Walker and Abercrombie, and distinguished members of the Appropriations and Human Services Committees. Thank you for the opportunity to offer written testimony in support of the Acquired Brain Injury (ABI) Waiver II.

Over the last few months there has been a great deal of conflicting information circulating about what a new waiver will and won't do for individuals with acquired brain injury so I appreciate the opportunity to be able to outline the merits of this new waiver and to clear up any confusion that still exists.

Given that the demand for services under the state's Medicaid waivers generally exceeds available resources, any expansion of ABI coverage requires that we do so in a manner that is mindful of costs. With that in mind, and because many of our other waivers also serve individuals with very complex needs, we are proposing this new waiver to better align costs across all of our waiver populations. Recognizing that current participants oppose changes to the existing waiver, we have instead chosen to implement a new waiver with a lower cost cap, but with an expanded service array, for new participants – and with no impact on those currently receiving services under the existing waiver.

While any new clients will be enrolled in ABI Waiver II, those individuals currently served under the ABI Waiver I will not experience any changes – they will continue to receive services based on current criteria. As is required by the federal Centers for Medicare and Medicaid Services (CMS) as a condition of operating under a waiver, DSS will continue to carefully assess the cost neutrality of services under the waiver to ensure that overall costs do not exceed the costs of institutional care. We have heard many concerns expressed by advocates that individuals would be re-institutionalized if cost neutrality somehow became an issue with the federal government. I want to assure everyone here that the state is committed to ensuring that the current waiver continues to operate for many years to come, and that *if* any federal cost neutrality issues arise in the future, they will be addressed through home and community-based remedies rather than by institutionalization.

There has been concern expressed that the new ABI Waiver II will make it more difficult for individuals with high care needs to be served. This is not true. Similar to the existing waiver, the new waiver includes four levels of care – Nursing Facility, ABI/Nursing Facility, Intermediate Care Facility, and Chronic Disease Hospital. It is important to note that many participants under the current ABI Waiver I are being served effectively with care plans that cost much less than 150% of the cost of institutional care. Individuals whose care plans exceed the 150% cost cap can be re-evaluated and would very likely be eligible for a higher level of care.

Because care coordinators had suggested additions to the service array, the new waiver expands the menu of service options. Contrary to how it has been presented, the inclusion of Recovery Assistant as an offering in the new waiver does not represent a shift away from rehabilitative supports. Recovery Assistants provide a flexible range of supportive assistance that provides a rehabilitative approach to enable participants to maintain their home, encourage the use of existing natural supports and foster involvement in social and community activities.

Another concern we've heard is about the proposed shift from the current 200% cost cap to a 150% cap for the ABI Waiver II. The current ABI Waiver has the highest cost cap of all of the Medicaid waiver programs. The Personal Care Assistance, Elder and Katie Beckett Waivers – all waivers that serve individuals with complex needs – are capped at 100% of the cost of institutional care. The Mental Health Waiver is capped at 125%. The Department of Developmental Services operates four waivers: the Comprehensive Supports Waiver is capped at 150% of the institutional cost while the Individual and Family Support, Employment and Day Supports, and Autism Waivers are capped at less than 100%. The proposed 150% cost cap for ABI Waiver II brings the cap in line with the highest cost cap of all of the other waivers and allows for significant service dollars within that cap. I would note that we had originally proposed an individual cost cap of 125%, but based on concerns raised, we have modified our proposal to the more generous 150% cap. By adhering to this proposed cost cap, cost neutrality can be more readily demonstrated by DSS for the new waiver application.

As allowed under federal rules, we are proposing to reserve capacity for individuals transitioning to the community under Money Follows the Person, similar to the existing waiver, and also to add reserve capacity for Department of Mental Health and Addiction Services (DMHAS) consumers. Some have objected to a reserve policy and have called it "illegal." The CMS waiver instructions, however, allow that:

"A state may reserve a portion of a waiver's capacity for specified purposes. Reserving waiver capacity means that some waiver openings (a.k.a., "slots") are set aside for persons who will be admitted to the waiver on a priority basis for the purpose(s) identified by the state." (emphasis added)

Currently, DMHAS funds placements for individuals with acquired brain injury who reside in institutional settings and also supports individuals in the community with state

funds. This waiver will permit the services to these clients to be 50% federally reimbursed—a win-win for the individual and for the state. The adopted state budget for FY 2015 assumes \$6 million in additional federal revenue based on the expectation that the waiver before you today will be approved. Furthermore, with the number of DMHAS ABI placements increasing each year, the additional federal reimbursement that is gained under the new waiver will continue to grow into the future, and costs that would have otherwise been fully state-funded will now be reimbursable under Medicaid. This is an important consideration, as the additional resources allow the state to serve more people with acquired brain injury.

Approval of this waiver not only benefits the state by bringing in additional revenue, but also by reducing the waiting list under the current ABI waiver from 49 individuals to 30. This represents a 39% reduction in the waiting list and will allow those that remain on the waiting list to be served that much quicker under the new waiver. The Appropriations Committee's budget includes additional funding to reduce the remaining waiting list to 15. We are fully supportive of this change.

The waiver before you today provides additional services beyond those provided under the current waiver, provides a reasonable cost cap of 150%, and allows the state to realize the significant additional federal reimbursement that is assumed in the adopted state budget. Without approval, we may need to contemplate reductions in other important programs to ensure that the budget remains balanced.

I would again like to thank the Committees for the opportunity to provide written testimony in support of this waiver. I respectfully request that the Committees take favorable action on the proposed waiver.