Medicaid Home Care Presumptive Eligibility: Cost Savings Highlights from Other States
Re: HB 144 (Chairman Burch)

Washington (WA):

- WA’s PE program helped shrink the average wait time required to determine Medicaid financial eligibility by 66% (from 37 days to 17 days).¹
- WA officials determined that PE clients saved Medicaid an average of $1,964 a month by authorizing HCBS for people who would have entered an institution if services were delayed.²

Colorado (CO):

- CO’s PE pilot cost $106,879, but saved the state a total of $407,012. These savings were generated by diverting patients from costly nursing facility care into home and community based services (HCBS).³
- CO officials estimated a third of Medicaid hospital discharges could be diverted to home care, but study results showed, “About 60% of the Medicaid eligible people discharged from hospitals avoided nursing home placement.”⁴

Connecticut (CT):

- An Area Agency on Aging (AAA) study estimated CT could save $6,033 per month for every client deemed presumptively eligible for HCBS rather than paying for institutional care.⁵
- The CT Home Care Program explores Medicaid eligibility for approximately 2,157 clients annually. The AAA study showed preventing premature institutional care for one month and for 25% of the 2,157 applicants could save the state $3,251,787.⁶

Kansas (KS):

- Researchers at the University of Kansas (KU) found KS’s PE pilot would have only needed to divert 5 people (2.5% of 200) away from institutional care in order for it to be cost effective. In the end, the PE pilot successfully diverted 11% of participants (22 of 200) away from nursing homes and into HCBS. The KU study documented a less than 1% error rate in determinations.⁷
- Rosemary Chapin, the study’s author, stated they feared the pilot would incur significant costs, so state lawmakers created a large "safety fund" just in case. The program was so cost effective the safety fund went untouched.⁸

Ohio (OH):

- OH’s PASSPORT, administered by AAAs, is a Medicaid waiver program which has PE for home care.
- PE has contributed to OH reducing the percentage of its Medicaid budget spent on institutional care from 60% to 48%.⁹
- OH data indicates the error rate in assessments is about 1% of applications.¹⁰

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⁵ CT AAA Legislative Testimony before the Human Services Committee, March 5, 2013.
⁶ CT AAA Legislative Testimony before the Human Services Committee, March 5, 2013.
⁸ Rosemary Chapin made this assertion in a phone conversation with Caitlin Maloney of Alston & Bird, LLC on Tuesday, January 13, 2015. Ms. Chapin can be reached at (785) 864-8941 or by email at rchapin@ku.edu. Ms. Maloney can be reached at caitlin.maloney@alston.com.