

# California Olmstead Plan Update on its Implementation

November 2012

California's Olmstead Plan, released in May 2003, provides a blueprint for improving California's long-term care delivery system to ensure that persons with disabilities and older adults have appropriate access and choice regarding community-based services and long-term care options. In 2005 and 2010, the California Health and Human Services Agency released updates on the state's implementation of the recommended action steps in the plan.

During the development of the Olmstead Plan, many stakeholders and consumers throughout the state dedicated their time, commitment, and ideas to the Olmstead planning process. The planning process included a series of local Olmstead Forums hosted around the state by stakeholders to allow individuals to identify their needs and preferences for living in the community and any best practices. It also included the organization of a workgroup comprised of consumers and stakeholders to identify options and recommendations while also considering needs and preferences identified in the forums. The workgroups held meetings throughout the state.

The California Olmstead Plan is a framework and a compass for the state to ensure that laws, regulations, and program initiatives are consistent with principles of the Olmstead decision. The plan, adopted in 2003, organizes recommended future actions into twelve components. The most recent update on implementation of California's Olmstead Plan, released in 2010, combined these twelve components into four major categories. Similarly, this update is organized into those same four categories:

- 1. State Commitment:** Consistency with the Olmstead Decision; Financing Long-Term Services and Supports
- 2. Assessment and Transition:** Assessment; Transition from Institutional Settings; Housing; Capacity Needs in the Community
- 3. Diversion:** Services that Divert Individuals at Risk of Institutionalization; Consumer Information; Community Awareness; Comprehensive Care Coordination
- 4. Data and Research:** Data; Quality Assurance

## 1. STATE COMMITMENT

**Consistency with the Olmstead Decision.** The Olmstead Plan includes goals for state policy and financing that is consistent with the Olmstead Decision.

- *Olmstead Advisory Committee:* The State of California convened the Olmstead Advisory Committee in 2005 to help inform policies and practices that impact Californians' abilities to receive services in the least restrictive environment and to avoid unnecessary institutionalization. The Olmstead Advisory Committee developed the Olmstead Policy Filter to advise the Health and Human Services Agency on the extent to which a policy (legislative, regulatory, budgetary) meets the intent of the Olmstead decision. The Olmstead Policy Filter comprises seven criteria that promote Olmstead implementation. Please see the end of this update for a copy of the Olmstead Policy Filter.

In 2008, a revised Executive Order provided renewed commitment of the administration to the principles of the Americans with Disabilities Act (ADA) and the Olmstead decision. In 2012, Health and Human Services Secretary Diana Dooley expanded the Olmstead Advisory Committee membership to include representation of veterans, members experienced in housing development, and members with expertise in transportation services.

- *Commissioned Report on Long-Term Care.* As part of the State's Real Choice Systems Transformation project, the Health and Human Services Agency commissioned a report to improve understanding of the financial and structural barriers to increasing access to home and community-based services. The final report, *Home and Community-Based Long-Term Care: Recommendations to Improve Access for Californians*, was released on November 12, 2009. The report generated substantial discussion and related activities. Authors Robert Mollica, Ed.D., and Leslie Hendrickson, Ph.D., provided technical assistance to the Health and Human Services Agency, state departments, and legislative staff and served as subject matter experts at several legislative hearings and stakeholder meetings.

**Financing Long-Term Services and Supports.** The Olmstead Plan includes goals for financing that are consistent with the Olmstead decision. Towards this end, California has pursued every Medicaid program that Congress has approved that provides a tool to implement or expand home and community-based services, as well as pursuing grants for demonstration and research projects. The following is a brief highlight of California's successful grant submittals for waivers and grants from the federal government for developing, strengthening, and expanding our home and community-based services infrastructure and programs.

- *Nursing Facility Transition Screening Tool.* The Department of Health Care Services was selected for the Money Follows the Person demonstration in December 2007, with implementation in 2008. California's Money Follows the Person Rebalancing Demonstration, known as California Community Transitions, makes use of the Nursing Facility Transition Screening Tool. This has enabled the state to transition over 900 individuals residing in nursing facilities into the demonstration since December 2008, and inform many other individuals about their rights to informed choice.
- *Aging and Disability Resource Center Demonstration Grants.* Since 2003, California has received seven federal grants to develop and strengthen Aging and Disability Resource Connection partnerships. To date, partnerships have been established in the following counties: Riverside, Orange, San Francisco, San Diego, Del Norte, Butte, Colusa, Glenn, Tehama, Plumas and Nevada. Northern County Partnership consists of four counties together: Butte, Colusa, Glenn, Tehama, and Plumas. These seven Aging and Disability Resource Connection partnerships cover approximately 28% of California's population.

California has opted to use the modified title of Aging and Disability Resource Connections to reflect the principle of "no wrong door" as opposed to "single entry point" concept that works for smaller states. In California, Aging and Disability Resource Connections have at their core a partnership between an Area Agency on Aging and an Independent Living Center, as well as other organizations depending on specifics of the local community. These core partners are joined by a network of "extended" partners. Collectively, Aging and Disability Resource Connection partner organizations become recognized as trusted sources of comprehensive information, counseling, and assistance. Aging and Disability Resource Connections empower

consumers to consider all options, make informed decisions, and access community long term services and supports to help attain personal goals for independence, regardless of the source of financing (Medi-Cal (California's Medicaid program), Medicare, private insurance, federal or state-funded programs or consumer fees).

- *Administration on Aging Demonstration Grants.* Between 2004-2009, the Department of Aging applied for and received six competitive Administration on Aging demonstration grants to States to implement evidence based support programs to ethnically diverse families caring for a family member with Alzheimer's disease or another form of dementia. Over half of nursing home residents typically have some form of dementia.
- *Waivers for Individuals with Developmental Disabilities.* The Department of Developmental Services secured waiver amendments to provide federal financial participation for community-based services for individuals requiring Intermediate Care Facility level of care. These services play a vital role in transitioning consumers with the most significant care needs from Developmental Centers into community environments were instrumental in closing the Agnews Developmental Center and will similarly help in the closure of the Lanterman Developmental Center. The Department of Developmental Services also secured a Medi-Cal State Plan Amendment to expand federal match funds for long-term care services.
- *In-Home Supportive Services as a Medicaid Program.* The Department of Social Services converted In-Home Supportive Services to a Medicaid program. This increased federal financial participation while preserving the statewideness of the program. *See additional detail on this program on pages 21-22.*
- *1915(k) Community First Choice Option Program.* California submitted a State Plan Amendment to implement the 1915(k) Community First Choice Option Program (CFCO) on December 1, 2011, which was approved on September 4, 2012. CFCO will enhance Medi-Cal's ability to provide community-based personal assistant services and support to seniors and persons with disabilities to certain enrollees who otherwise would need institutional care. By participating, California will receive a six percent increase in its federal medical assistance percentage for funds spent on these important services.
- *American Recovery and Reinvestment Act (ARRA).* The Department of Rehabilitation targeted American Recovery and Reinvestment Act (ARRA) funds of nearly \$650,000 to independent living organizations to advance Olmstead implementation. Projects focused on developing peer mentoring, public policy education and outreach efforts, and providing transition funds and technical assistance and training for independent living centers to become Medicaid providers or otherwise partner with Medi-Cal to support transitions from institutional settings.
- *New Freedom Transportation Grant.* In 2010, the Department of Aging applied for and received combined funding from the New Freedom Transportation Grant awarded to the Department of Transportation to convene a Mobility Management Workgroup to assist seven local agencies in identifying and securing funding to develop a local mobility management plan focused on improving transportation services to older adults and persons with disabilities.

## 2. ASSESSMENT AND TRANSITION

**Assessment.** The Olmstead Plan includes goals to conduct timely assessments for persons in institutions to determine the supports and services needed for them to live successfully in the community. It also includes goals for timely assessments for persons living in the community who are at risk of placement in an institution.

- *Section Q of the Minimum Data Set.* In 2010, the Centers for Medicare and Medicaid Services updated the Minimum Data Set, including Section Q, which addresses a resident's desire to return to the community. The Department of Health Care Services developed local partnerships to take referrals from institutional providers as required in the changes to the Minimum Data Set and is using grant funding to reimburse those organizations for handling referrals. This initial screening connects institutional residents to community-based service organizations that conduct assessments and develop and facilitate transition plans. The department is now working with the Centers for Medicare and Medicaid Services (CMS) on a method to be directly informed of residents indicating their desire to discharge home.

**Transition from Institutional Settings.** The Olmstead Plan's goals also include services that facilitate transitions of individuals from institutional settings to the most integrated settings appropriate for their needs, based on informed consumer choice. These include housing and other fundamental capacity needs in the community.

- *Developmental Center Closures.* The Department of Developmental Services successfully closed Agnews Developmental Center and the Sierra Vista Community Facility. These closures transitioned most residents into the community, ensuring continuity of services between the centers and the community and specifically enhancing community-based services in the San Francisco Bay Area by developing 60 homes that will remain available to people with developmental disabilities in perpetuity. The Department of Developmental Disabilities is also implementing the closure of Lanterman Developmental Center, which the Legislature approved as part of the 2010-2011 budget.
- *California Community Transitions (CCT).* California Community Transitions (CCT) is California's Money Follows the Person demonstration to transition long-term residents from long-term care facilities to community environments. CCT lead organizations include Independent Living Centers, Home Health Agencies, Area Agencies on Aging and Multipurpose Senior Services Program providers as well as the Department of Developmental Services. Fifteen lead organizations are currently serving potential demonstration participants in 42 counties. Another seven providers are actively pursuing lead organization status. The Department of Developmental Services serves as lead for all California Community Transitions transitions facilitated by regional centers. Through October 2010, lead organizations and the Department of Developmental Services have supported 286 individuals in their transitions with 244 individuals currently in various stages of transition planning.
- *Independent Living Centers.* The State Independent Living Plan identifies transition services as part of its 2010-2013 priorities. Approximately \$150,000 is allocated annually for independent living centers to provide necessary services to individuals they are assisting to transition to the community, limited to \$4,000 per individual. Individuals served do not need to be on Medi-Cal. These efforts funded by the Rehabilitation Act, Title VIIB, have transitioned hundreds of people with disabilities back to community living.

- *Mental Health Services Act Housing Program.* The Department of Health Care Services and the California Housing Finance Administration jointly administer the Mental Health Services Act Housing Program. This program is funded by revenue from the state Mental Health Services Act (passed by California voters as Proposition 63 in 2004) for the development, acquisition, and rehabilitation of permanent supportive housing for individuals with mental illness and their families, especially homeless individuals with mental illness and their families. Approximately \$400 million in Mental Health Services Act funding has been set aside for this program.

### 3. DIVERSION

**Diversion.** The Olmstead Plan includes goals for services that divert individuals at risk of institutionalization.

- *Medi-Cal Home and Community-Based Services Waivers.* As mentioned throughout this letter, our departments have expanded Medicaid Home Community Based Services (HCBS) waivers to the current nine in place for California.
- *Individuals with HIV/AIDS.* The Department of Public Health, Center for Infectious Diseases, Office of AIDS administers a home and community-based services waiver designed to offer people living with HIV/AIDS an alternative to nursing facility care or long-stay hospitalization to retain quality of life within the home and community. The waiver serves approximately 2,450 Medicaid beneficiaries each year. Statewide Office of Aids contractors provide outreach to primary care providers, hospitals, federally qualified health centers, substance abuse recovery homes, HIV testing sites, HIV counseling and prevention-service sites, and residential care during community events.
- *The Multipurpose Senior Services Program.* California's Multipurpose Senior Services Program waiver was renewed in 2009, including the flexibility to hire staff who are registered nurses or public health nurses. Waiver capacity has remained at 16,000 since 2003, though enrollment is closer to 9,000 due to funding constraints.
- *In-Home Supportive Services.* The In-Home Supportive Services program serves more than 440,000 individuals in their homes, which makes it the largest personal care program in the country. This program grew over 100 percent in the number of recipients served over a ten year period (from 208,401 in FY 1998-99 to 429,786 in FY 2008-09). In 2004, California secured a Section 1115 demonstration waiver that captured federal financial participation for In-Home Supportive Services recipients with parent and spouse providers, advance pay, and restaurant meal allowance. In 2005, Congress authorized states to provide Personal Assistance Services under Section 1915(j) of the Deficit Reduction Act. The Department of Health Care Services and the Department of Social Services worked with Center for Medicare and Medicaid Services to amend California's Medicaid State Plan to offer In-Home Supportive Services as a Section 1915(j) State Plan Option in 2009.

**Consumer Information and Community Awareness.** The Olmstead Plan also focuses on consumer information and community awareness.

- *California Community Choices (Choices)*. California Community Choices (the Choices project) was housed at the California Health and Human Services Agency, Office of the Secretary and was fully federally funded. It focused on developing California's long-term care infrastructure to increase access to home and community-based services and to help divert persons with disabilities and older adults from unnecessary institutionalization. Funding supported infrastructure development, including development of a pilot website, CalCareNet, a "one-stop shop" for information about long-term services and supports: <http://calcarenet.ca.gov>. CalCareNet features local services in Orange and Riverside counties, as well as statewide information about licensed care facilities and alcohol and drug programs. The site also provides general education and tips for anyone seeking information about long-term services and supports.
- *The California (Medi-Cal) Working Disabled Program*. The Department of Health Care Services established the 250 Percent Working Disabled Program, effective April 1, 2000. This program allows employed individuals with disabilities to earn up to 250 percent of the federal poverty level in countable income and maintain Medi-Cal eligibility by paying a monthly premium. A Medicaid Infrastructure Grant has supported outreach and education so that people with disabilities receiving critical Medi-Cal long-term services and supports are aware they can work and earn incomes above poverty levels without losing eligibility.

**Comprehensive Care Coordination.** And finally, the Olmstead Plan recommends comprehensive care coordination.

- *Coordinated Care Initiative*. As mentioned earlier, California is in the process of launching the Coordinated Care Initiative. This will begin with eight demonstration counties: Alameda, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo, and Santa Clara. The participating health plans are part of the state's existing network of Medi-Cal health plans and have experience providing Medicare managed care. Each underwent a rigorous selection process. Under the Coordinated Care Initiative, the participating health plans will receive a monthly payment to provide beneficiaries access to all covered, medically necessary services. This is called "capitation." These bundled payments create strong financial incentives for the health plans to ensure beneficiaries receive necessary preventative care and home-and community-based options to avoid unnecessary admissions to the hospital or nursing home.
- *Expansion of Managed Care*. In renewing California's Section 1115 Waiver, the Department of Health Care Services expanded the scope to cover more uninsured adults by extending the current county-based Health Care Coverage Initiative to increase support for public hospitals through the Safety Net Care Pool and to mandatorily enroll seniors and persons with disabilities into managed care plans to achieve care coordination, better manage chronic conditions, and improve health outcomes. Mandatory enrollment has been phased in over a 12-month period. Consumer protections are built into the process, requiring health plans to conduct a timely health risk assessment based upon the member's health status and to have accessible specialty care networks.
- *Program of All-Inclusive Care for the Elderly*. Program of All-Inclusive Care for the Elderly (PACE) organizations provide risk-based capitated care for older adults who are frail. The Department of Health Care Services contracts with these organizations to provide all medical services, home and community-based long-term care to Medi-Cal and dual Medi-Cal/Medicare

beneficiaries who are at the skilled nursing or intermediate care facility level of care. Currently, the state contracts with five organizations. In 2012-13, six new PACE organizations will become operational.

#### **4. DATA AND RESEARCH**

**Data and Research.** The Olmstead Plan includes goals for quality assurance and the collection and analysis of data.

- *California Medicaid Research Institute.* The California Medicaid Research Institute (CaMRI) is currently analyzing individuals' experiences in avoiding long-term institutional placements through many home and community-based programs California. Funded by The SCAN Foundation and the Department of Health Care Services, this project will conduct a comprehensive review of Medi-Cal home and community-based services. The broad objectives of this project are to establish a robust database of 2005-2008 long-term care and home and community-based services data, analyze the use and impacts of home and community-based services and other long-term care services, and develop predictive modeling techniques that will inform California's home and community-based services policy makers.