

Medicaid reform on the horizon



Written by

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Gov. Andrew Cuomo is working to reform [Medicaid](#), the program developmentally disabled people and their families rely on to pay for most of their care.

As the state Office for People with Developmental Disabilities (OPWDD) works to overhaul its current service structure, the system is in a state of flux.

OPWDD's budget provides \$4.3 billion to support state and non-profit operated programs for 2011-12, including about 39,000 community residential placement spots. That number is up 200 from the previous budget year because of continued efforts to transition people in institutions into more appropriate community placements, said agency spokeswoman Nicole A. Weinstein.

The budget reforms the financing of many OPWDD programs and services, and expands less-costly day and residential programs by 2,400 spots. At the same time, it reduces [funding](#) for local programs, which are primarily run by nonprofits, by

2.8 percent, or \$63 million. However, Weinstein notes that's still \$20 million more for local programs than was budgeted in 2009-2010.

Non-profit and state agencies who care for the disabled are considering how they'll cope with their reduced funding.

Caring for the disabled can be costly.

"[NewYorkState's](#) cost per person, per day in Developmental Centers is \$1,220; the average cost to run a State-operated individual residential alternative in Broome County that offers 24/7 supervised care is \$227,000 per person, per year," Weinstein explained.

Some severely disabled people require one-on-one supervision -- sometimes more -- and others require physical or occupational therapy or other supports.

"They're asking us how you're going to take your cut," said Stephen Sano, executive director of the Handicapped Children's

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Association (HCA). "What do you want us to do, heat on the odd days? Stop serving dinner?"

ACHIEVE Executive Director Mary Jo Thorn said her agency was expecting to lose at least \$110,000 through reduced funding, which could hit programs that give the disabled somewhere productive to spend their waking hours -- such as day habilitation and pre-vocational training -- as well as equipment purchases.

There is some money available, such as for supported apartments and intensive behavioral services, Sano noted. The idea is to keep individuals with their families until the state makes it through the budget crunch, or a crisis intervenes. Once that's over, more group homes may be on the horizon again, at least in theory.

Care for the developmentally disabled, and the funding mechanisms behind it, are expected to change significantly with the 1115 Medicaid waiver, now under development by the OPWDD and state [Department of Health](#).

Dubbed "People First," the waiver is intended to lower health care costs for the 100,000 developmentally disabled residents enrolled in Medicaid, according to the National Association of State Directors of Developmental Disabilities. Eighty percent of them have been assessed as needing an institutional level of care, either through an intermediate care facility (ICF) or a nursing home.

During the first five years the waiver takes

effect, the state plans to create community services for the 275 people now housed in four developmental centers, including Broome, who don't have specialized treatment needs. There are also preliminary plans to reduce the institutional population at state institutions to 300 over the five-year period from the 1,260 there now, according to the federal Centers for Medicare and Medicaid Services.

When it comes to funding, the waiver also would end the fee-for-service reimbursement system, and the state will work with CMS in the waiver's first year to ensure that per diem rates for group homes more closely reflect the actual cost of providing services, according to the association.

Community providers won't know the specifics until next year, Thorn said.

"It's a complete redesign for how services will be reimbursed through the system," she said. "If it's a system where funding follows participants, there might be ways to

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be more cost-effective with the funds and have less paperwork. It remains to be seen."

By closing some of the bigger institutions, Medicaid funds can be shifted toward other forms of care, said Robert Stack, chief executive officer of New Jersey-based Community Options, which runs 149 group homes throughout the country, including several in New York State. None are in Broome County, although the agency runs a traumatic brain injury program, job program and day habilitation services in the Binghamton area.

"You can have a tremendous impact on your waiting list if you rebalance Medicaid," he said.

The closure of developmental centers is already under way. This week, the OMWDD celebrated the shutting of the West Seneca Developmental Center in western New York, citing the state's promise to transition residents into community-based settings.

Fran Hall, director of residential services for Catholic Charities of Broome County, said the future of care largely depends on the state's fiscal situation, something that's not likely to improve dramatically over the next few years.

In the meantime, New York -- once considered above average in terms of services and dollars for the disabled -- needs to face its fiscal constraints. Organizations are trying to navigate a changing environment while continuing to provide quality service.

"It's probably going to settle to be an average state. It was well above average in terms of services and dollars and virtually no waiting," Sano said. "We've come to the reality of what the taxpayers can or can't continue to pay. These are expensive services."

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