



The Hilltop Institute

analysis to advance the health of vulnerable populations

Medicaid Long-Term Supports and Services in Maryland: The Older Adults Waiver

A Chart Book

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Prepared for:
Maryland Department of Health and Mental Hygiene



UMBC
AN HONORS UNIVERSITY IN MARYLAND

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Introduction

This chart book provides information about Maryland Medicaid participants who receive services through the Older Adults Waiver program. The purpose of the Older Adults Waiver is to enable low-income individuals aged 50 years and older to remain in a community setting even though, because of their health status, they are eligible for placement in a long-term care facility. 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.

The waiver allows services to be provided to enrolled participants in their own homes or in assisted living facilities. It is administered by the Maryland Department of Aging and a network of 19 Area Agencies on Aging. Services provided under the waiver may include:

- Personal care
- Respite care
- Home-delivered meals
- Assisted living services
- Senior Center Plus
- Family or consumer training
- Personal emergency response systems (PERS)
- Dietitian/nutritionist services
- Assistive devices
- Environmental modifications and assessments
- Behavior consultation services
- Medical day care
- Case management

Waiver participants receive full Medicaid benefits and are entitled to receive other services under the Medicaid State Plan.

Introduction continued

The Older Adults Waiver program currently receives funding to support an active enrollment of approximately 3,150 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 Older Adults Waiver regardless of slot availability.

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

- The Older Adults Waiver served a total of 3,581 participants in FY 2008. The number of participants has remained relatively stable since FY 2003.
- Beginning in FY 2001, there was a notable increase in participants aged 50-64 years coinciding with the lowering of the minimum age requirement from “at least 62 years of age” to “at least 50 years of age.” However, two-thirds of participants have consistently been 75 and older.
- Over 90% of waiver participants are eligible for both Medicare and Medicaid (dual eligibles).
- Following the implementation of Medicare Part D in January 2006, pharmacy expenditures for waiver participants dropped by \$11.3 million from FY 2005 to FY 2007, before increasing slightly in FY 2008. However, an increase in waiver expenditures offset these savings.
- In FY 2008, average annual waiver expenditures per person were slightly more than \$21,000.
- In FY 2008, the largest waiver expenditures were for agency personal care aides and consumer-employed personal care aides (\$47.4 million), followed by assisted living services (\$24.1 million).

Chart Book Organization

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

- **Demographics:** This section includes data on numbers of Older Adults 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.
- **Dual Eligibles:** This section presents information about population size and expenditures for Older Adults Waiver participants who are eligible for both Medicare and Medicaid.
- **Medicaid Expenditures:** This section provides data on expenditures for both waiver services and non-waiver services that are received by participants in the Older Adults Waiver program.
- **Waiver Expenditures and Service Utilization:** This section contains information about the types of services received under the Older Adults Waiver program and expenditures for those services.
- **Medicaid Non-Waiver Services and Expenditures:** This section contains information about Medicaid services received by participants in the Older Adults Waiver that are provided outside of the waiver.
- **HealthChoice Utilization and Capitation Payments:** This section assesses the number and percentage of Older Adults Waiver participants who are enrolled in Maryland's Medicaid managed care program, as well as expenditures for the services they receive.

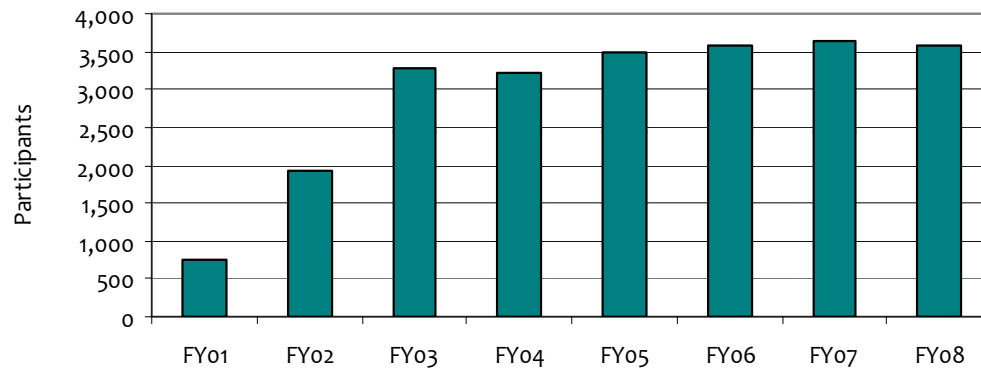
Data Sources

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

- **Maryland Department of Health and Mental Hygiene (DHMH), Medicaid Management Information System (MMIS2):** This system contains person-level data for all individuals enrolled in Maryland Medicaid 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, available to DHMH, 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 Older Adults Waiver Participants*



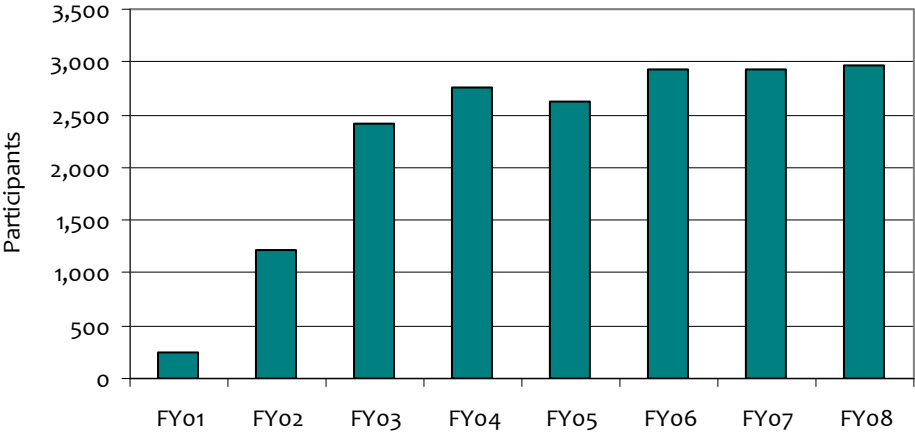
*Number of unduplicated individuals enrolled in the Medicaid Older Adults Waiver who were eligible for Medicaid coverage during the fiscal year.

Source: DSS

Following an expansion of the program to accommodate participants statewide in July 2000, and an increase in the number of waiver slots, the number of waiver participants increased rapidly, climbing 158% from FY 2001 to FY 2002, and 70% from FY 2002 to FY 2003.

The number of Older Adults Waiver participants remained relatively stable from FY 2003 to FY 2008.

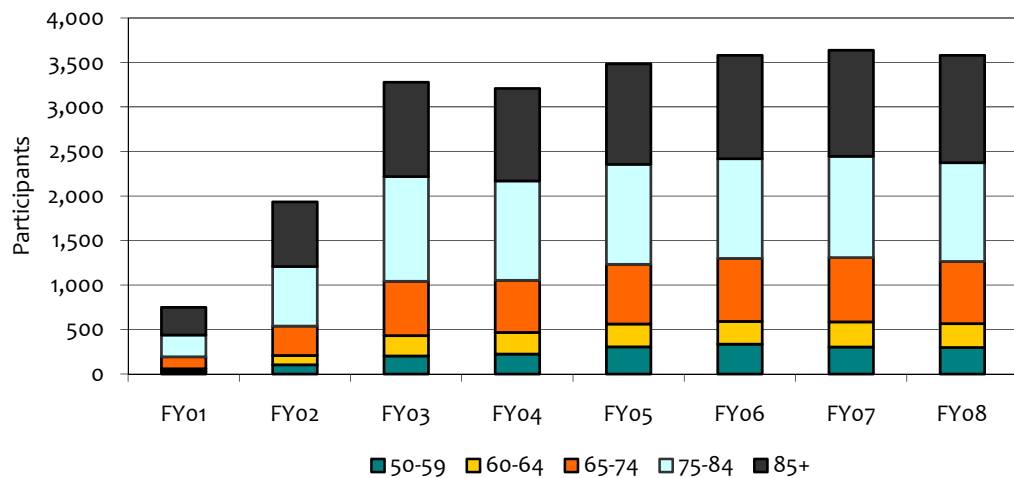
Figure 2. Average Number of Older Adults Waiver Participants per Month, by Fiscal Year



Source: DSS

The number of Older Adults Waiver participants enrolled in the waiver at some point during FY 2008 was 3,581. However, there were slightly less than 3,000 participants enrolled in the waiver each month during this period.

Figure 3. Older Adults Waiver Participants, by Age Group

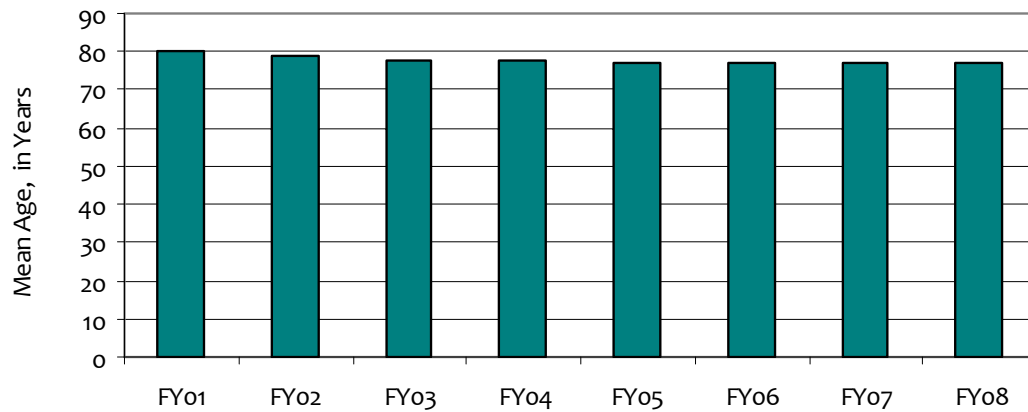


Source: DSS

Two-thirds of waiver participants were consistently in the 75-84 and 85 and older age groups.

Beginning in FY 2002, there was a notable increase in participants aged 50-64. This coincided with the lowering of the minimum age requirement for waiver participation in January 2001 from “at least 62 years” to “at least 50 years.” As a result, participants aged 50-64 climbed from 8% in FY 2001 to a high of 17% in FY 2006 before stabilizing at 16% in FY 2007 and FY 2008.

Figure 4. Mean Age of Older Adults Waiver Participants

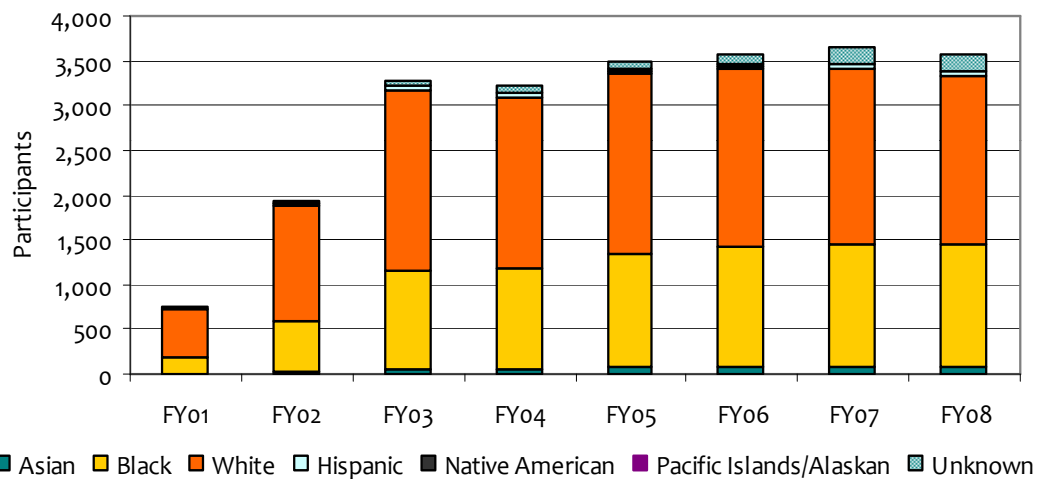


Source: DSS

The average participant age decreased from 80 years in FY 2001 to 77 years in FY 2005 following the lowering of the minimum age requirement for waiver participation in January 2001.

The average age, 78 years, remained stable from FY 2005 to FY 2008.

Figure 5. Older Adults Waiver Participants, by Race



Source: DSS

There was little variation in the racial composition of waiver participants.

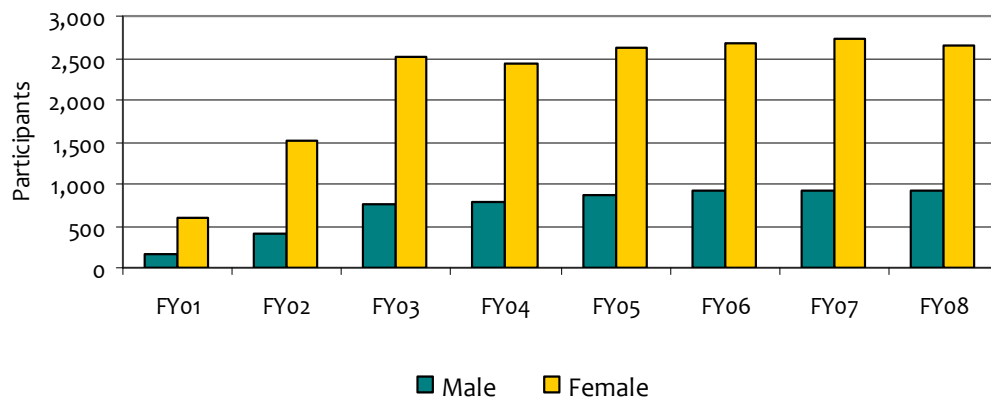
In FY 2008, the greatest percentage of participants were White (53%), followed by Black (38%), Asian (2%), and Hispanic (1%).

Figure 6. Older Adults Waiver Participants, by Gender

Gender	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
Female	600	1,522	2,518	2,437	2,613	2,669	2,718	2,654
Male	150	413	762	773	874	913	920	927
Total	750	1,935	3,280	3,210	3,487	3,582	3,638	3,581

Source: DSS

Figure 7. Older Adults Waiver Participants, by Gender



Source: DSS

On average, females consistently outnumbered males by a 3 to 1 ratio.

Figure 8. Number of Older Adults Waiver Participants per Capita, by County

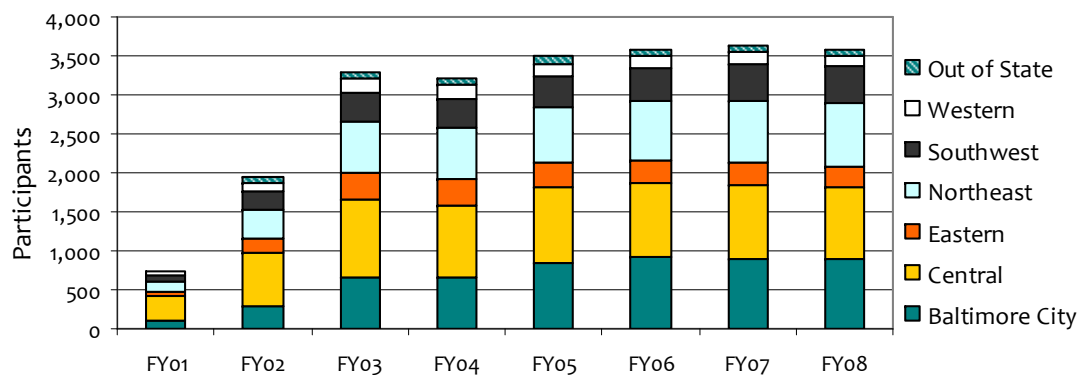
	Participants		Participants		Participants		Participants		Participants		Participants		Participants		Participants	
	FY 01		FY 02		FY 03		FY 04		FY 05		FY 06		FY 07		FY 08	
	Total	Per Capita	Total	Per Capita	Total	Per Capita	Total	Per Capita	Total	Per Capita	Total	Per Capita	Total	Per Capita	Total	Per Capita
Allegany	2	1	11	4	37	14	44	17	58	22	64	25	62	24	51	20
Anne Arundel	89	7	229	17	323	23	309	22	291	20	289	19	305	20	289	18
Baltimore City	100	6	279	15	648	36	663	36	847	46	928	50	903	48	897	48
Baltimore County	82	3	231	10	441	18	452	18	503	20	521	20	564	22	572	22
Calvert	2	1	6	3	18	8	17	8	31	13	41	17	51	20	45	17
Caroline	7	8	28	31	47	51	51	55	53	55	46	47	38	38	33	32
Carroll	30	7	82	19	110	24	103	22	112	23	115	23	120	23	116	22
Cecil	0	0	15	6	29	12	41	16	44	17	49	18	53	19	55	19
Charles	22	8	71	23	118	38	94	29	70	21	66	19	68	19	66	18
Dorchester	11	1	24	22	46	41	39	35	37	32	35	30	34	29	40	33
Frederick	1	0	13	2	40	7	36	6	38	7	38	6	42	7	47	7
Garrett	20	20	36	36	50	49	39	38	36	35	30	29	31	30	28	26
Harford	18	3	49	8	72	11	72	11	65	10	71	10	60	8	63	9
Howard	163	27	237	37	290	43	247	35	256	35	234	31	219	28	199	24
Kent	0	0	14	19	25	34	23	31	26	34	27	36	24	31	23	30
Montgomery	57	2	214	8	358	13	335	12	374	13	390	13	377	12	375	12
Prince George's	33	2	123	6	217	11	232	11	257	12	287	13	317	14	324	14
Queen Anne's	6	5	24	18	39	28	28	20	24	16	23	15	28	18	21	13
Somerset	4	5	6	8	24	32	24	32	27	36	24	32	25	33	24	31
St. Mary's	10	5	29	13	32	14	28	12	27	11	25	10	26	10	30	11
Talbot	0	0	12	9	13	9	13	9	11	7	10	7	10	7	6	4
Washington	36	9	68	17	75	18	85	20	77	18	65	15	58	13	52	12
Wicomico	28	12	62	25	103	40	102	39	84	31	69	25	68	24	73	25
Worcester	9	5	16	8	45	23	44	22	51	26	49	25	60	30	62	31

Baltimore City consistently had the largest number of waiver participants, followed by Baltimore County, Montgomery County, and Prince George's County. Talbot, Kent, Queen Anne's, and Somerset Counties generally had the fewest waiver participants.

In FY 2008, Baltimore City had the largest number of waiver participants per capita, with 48 out of every 10,000 residents being enrolled in the waiver.

Source: DSS

Figure 9. Older Adults Waiver Participants, by Region



Baltimore City and the Northeast and Central regions have historically had the largest number of waiver participants.

Beginning in FY 2004, there were slight increases in the number of participants in the Northeast and Southwest regions. Baltimore City had the largest increase during that same period.

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

Figure 10. Older Adults Waiver Participants, by Region

Region	FY01		FY02		FY03		FY04		FY05		FY06		FY07		FY08	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Baltimore City	100	13%	279	14%	648	20%	663	21%	847	24%	928	26%	903	25%	897	25%
Central	310	41%	693	36%	1011	31%	927	29%	959	28%	951	27%	943	26%	910	25%
Eastern	65	9%	186	10%	342	10%	324	10%	313	9%	283	8%	287	8%	282	8%
Northeast	130	17%	377	19%	652	20%	668	21%	724	21%	756	21%	797	22%	806	23%
Southwest	67	9%	229	12%	385	12%	371	12%	385	11%	419	12%	462	13%	465	13%
Western	58	8%	115	6%	162	5%	168	5%	171	5%	159	4%	151	4%	131	4%
Out of State	20	3%	56	3%	80	2%	89	3%	88	3%	86	2%	95	3%	90	3%
Total	750	100%	1,935	100%	3,280	100%	3,210	100%	3,487	100%	3,582	100%	3,638	100%	3,581	100%

Enrollment in the Central region peaked in FY 2003 at 1,011, or 31% of total waiver enrollment, before declining in FY 2008 to 910 participants, or 25% of enrollment.

Baltimore City enrollment totaled 100, or 13% of waiver enrollment in FY 2001, steadily climbing to 897 participants, or 25% of waiver enrollment, in FY 2008.

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

Figure 11. Newly Enrolled Older Adults Waiver Participants, by Pre-Waiver Settings

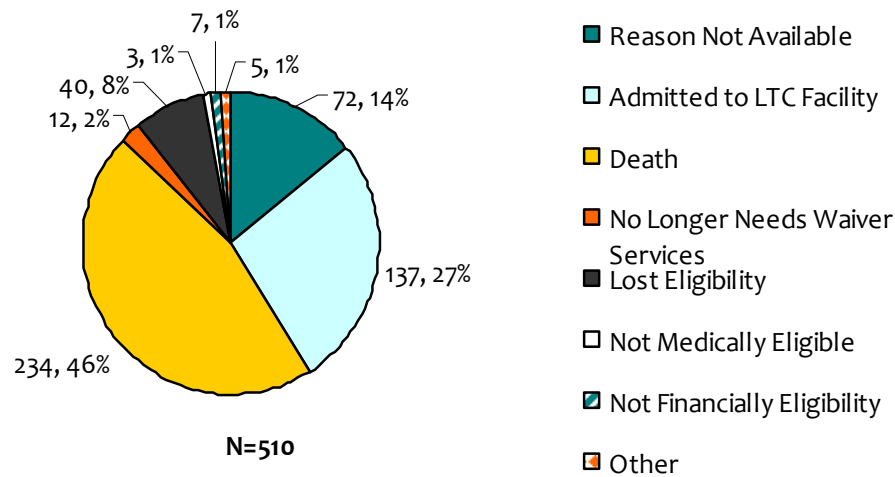
Pre-Waiver Setting*	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
Chronic Hospital	0	0	2	1	1	0	0	1
Institution for Mental Diseases	0	3	0	0	0	0	0	0
Nursing Facility	9	56	122	160	275	294	246	290
Other	741	1184	1542	434	770	491	577	408
Total	750	1,243	1,666	595	1,641	785	823	699

* Pre-waiver setting refers to the setting in which the participant resided prior to enrolling in the Older Adults Waiver. To determine an individual's pre-waiver setting, The Hilltop Institute examined MMIS2 claims for the three months prior to waiver enrollment to see if claims were filed for a chronic hospital, institution for mental diseases (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 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

While the number of persons who were in nursing facilities in the three months prior to entering the waiver increased steadily from the inception of the waiver to 41% in FY 2008, the majority (58%) of newly enrolled participants were in a setting other than a chronic hospital, IMD, or nursing facility during this time.

Figure 12. Reason for Leaving the Older Adults Waiver, FY 2008



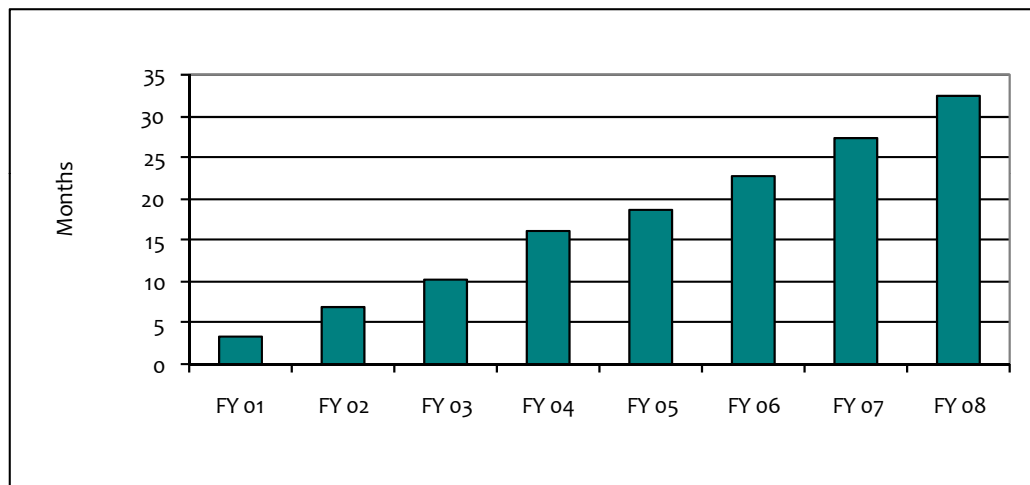
Of the 510 Older Adults Waiver participants who left the waiver during FY 2008, 234 (46%) left due to death, 137 (27%) were admitted to a long-term care facility, 40 (8%) lost eligibility due to an unspecified reason, 7 (1%) lost financial eligibility, and 3 (1%) lost medical eligibility.

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

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

Source: MMIS2

Figure 13. Average Length of Stay, in Months, at a Point in Time for Participants Enrolled in the Older Adults Waiver, by Fiscal Year



In FY 2008, the average length of stay for Older Adults Waiver participants enrolled on June 30, 2008, was 32.5 months.

Note: Participants enrolled in the Older Adults Waiver in each fiscal year were identified using each participant's last Medicaid Older Adults Waiver eligibility span. Individual participant lengths of stay were calculated from the beginning date of the participant's last Older Adults 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 14. Prior Medicaid Coverage for Older Adults Waiver Participants

Prior Coverage Status	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
Full Coverage	93	297	754	950	1,458	1,728	1,877	1,989
Partial Coverage*	2	3	4	3	214	321	433	452
No Prior Coverage	655	1,635	2,524	2,257	1,815	1,533	1,328	1,141
Total Participants	750	1,935	3,282	3,210	3,487	3,582	3,638	3,582

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 an Older Adults Waiver program code in the MMIS2 in each of the fiscal years.

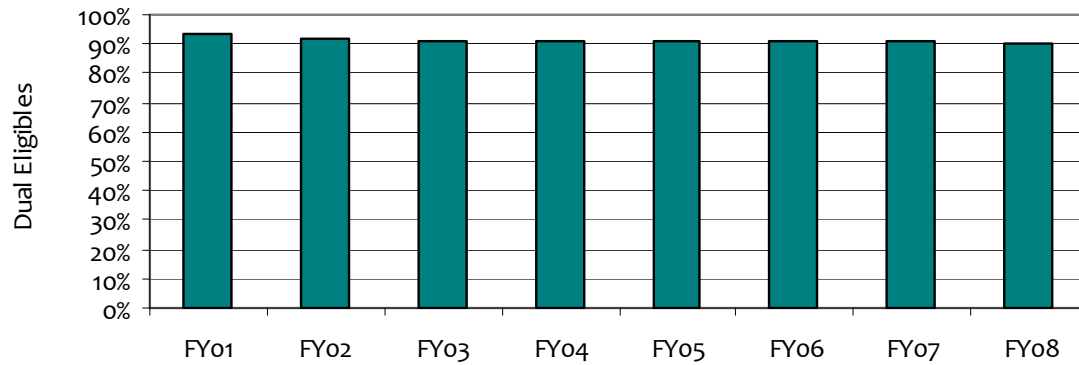
* Partial Medicaid coverage includes Medicare Savings Programs such as Qualified Medicare Beneficiary and the Specified Low-Income Medicare Beneficiary Program. This category also includes the Maryland Primary Adult Care Program and Pickle Amendment.

Source: DSS

The percentage of all participants with either full or partial Medicaid coverage in the three months prior to enrolling in the Older Adults Waiver increased steadily. Only 30% of all participants had either full or partial Medicaid coverage in FY 2004, compared to 68% in FY 2008.

Dual Eligibles

Figure 15. Dual Eligibles* as a Percentage of 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 vast majority (over 90% beginning in FY 2001) of participants were dual eligibles (enrolled in both Medicare and Medicaid).

Figure 16. Average Annual Per Member Per Month Medicaid Expenditures for Dual Eligible Older Adults Waiver Participants

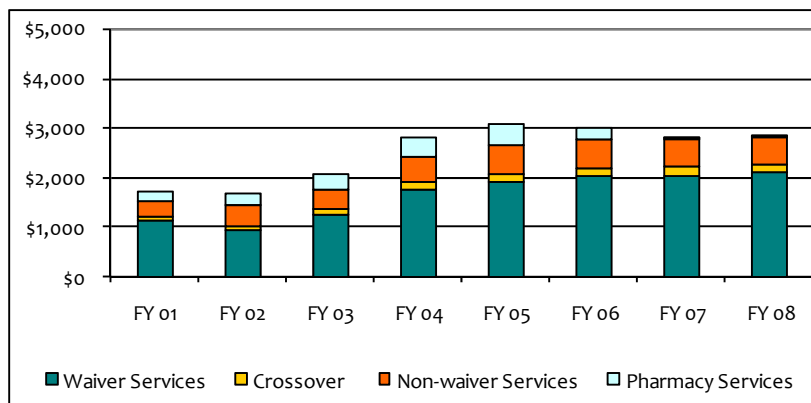
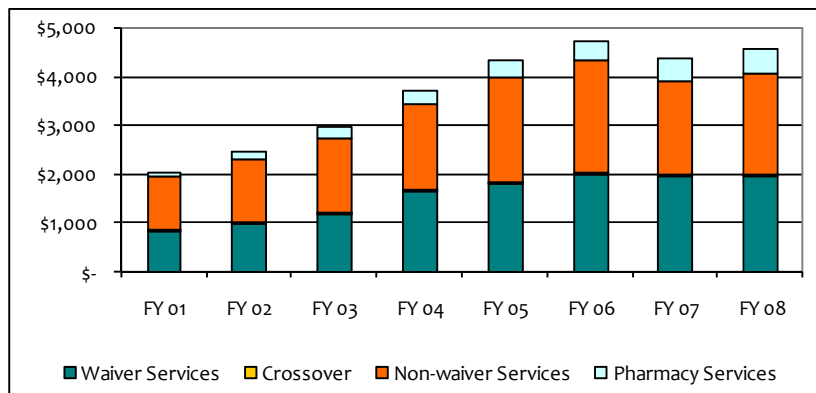


Figure 17. Average Annual Per Member Per Month Medicaid Expenditures for Non-Dual Eligible Older Adults Waiver Participants



Note: Average annual PMPM Medicaid expenditures were calculated by dividing Older Adults Waiver participant expenditures incurred in each of the twelve months of the fiscal year by the number of Older Adults Waiver participants enrolled in the waiver in each month. PMPM expenditures were calculated separately for dual and non-dual Older Adults 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.

Crossover claims are Medicaid claims that reflect Medicare patient liability costs (premiums, co-payments, etc.) that are paid by Maryland Medicaid on behalf of dual eligibles.

Source: DSS

Per member per month (PMPM) Medicaid expenditures for Older Adults Waiver services were similar for dual eligible and non-dual eligible Older Adults Waiver participants. In FY 2008, PMPM expenditures for waiver services were \$2,131 for dual eligibles and \$1,999 for non-dual eligibles.

Non-waiver PMPM expenditures were consistently higher for non-dual eligibles than for dual eligibles. In FY 2008, non-waiver PMPM expenditures were \$2,051 for non-dual eligibles, compared to only \$564 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 \$413 in FY 2005 to \$7 in FY 2008. Meanwhile, PMPM Medicaid pharmacy expenditures for non-dual eligibles increased 49% (from \$345 in FY 2005 to \$514 in FY 2008).

Medicaid Expenditures

Figure 18. Total Medicaid Expenditures for Older Adults Waiver Participants, by Service Category

Service Category	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
Waiver	\$3,311,293	\$14,252,909	\$36,324,192	\$58,281,353	\$60,156,201	\$71,229,860	\$72,271,129	\$75,239,782
Non-Waiver	\$1,277,991	\$7,973,105	\$17,709,177	\$24,458,044	\$27,756,575	\$31,580,762	\$30,382,010	\$30,234,724
Pharmacy	\$594,794	\$3,373,298	\$8,444,818	\$12,277,719	\$12,862,787	\$8,661,391	\$1,577,869	\$1,896,363
Total Expenditures	\$5,184,078	\$25,599,311	\$62,478,187	\$95,017,116	\$100,775,564	\$111,472,013	\$104,231,008	\$107,370,869

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 Older Adults Waiver participants.

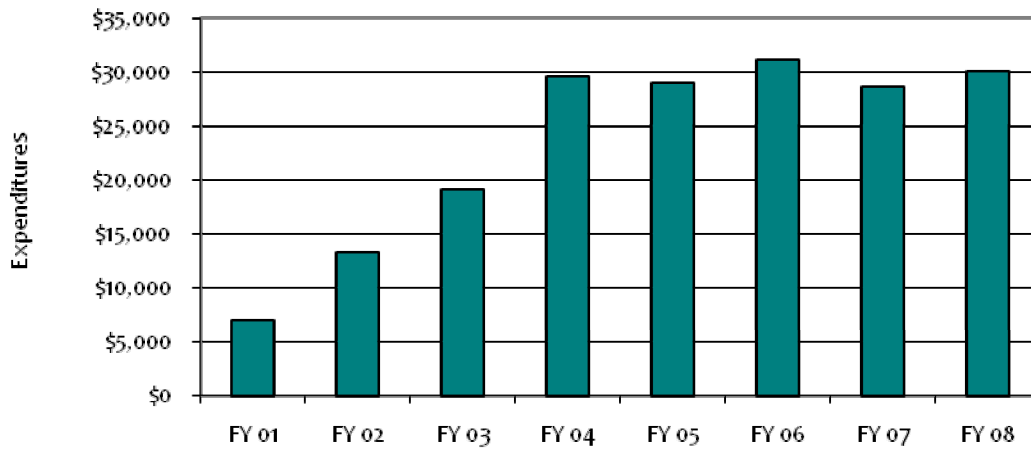
Source: DSS

Waiver expenditures jumped by more than \$11 million from FY 2005 to FY 2006 and increased an additional \$4 million from FY 2006 to FY 2008. The increases in waiver expenses offset pharmacy savings resulting from the implementation of Medicare Part D in January 2006.

Non-waiver expenditures for waiver participants remained relatively stable from FY 2006 to FY 2008 at slightly more than \$30 million.

Following the implementation of Medicare Part D, pharmacy expenditures dropped by \$11.3 million from FY 2005 to FY 2007, before increasing slightly in FY 2008.

Figure 19. Average Annual Total Medicaid Expenditures per Person for Older Adults Waiver Participants

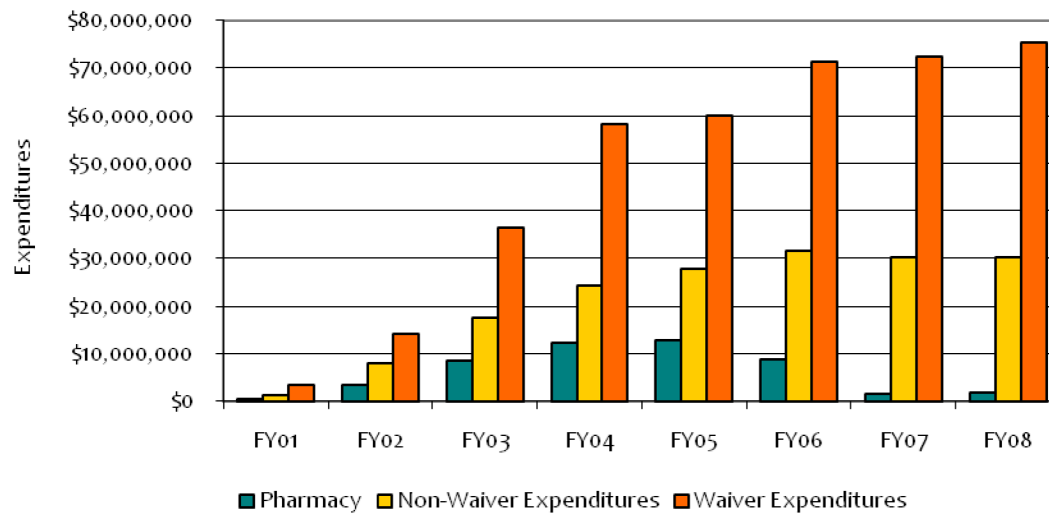


Average annual total Medicaid expenditures per waiver participant decreased by 8% from \$31,120 in FY 2006 to \$28,651 in FY 2007, before increasing slightly to just under \$30,000 in FY 2008.

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 Older Adults Waiver participants.

Source: DSS

Figure 20. Total Medicaid Expenditures for Waiver Participants, by Service Category



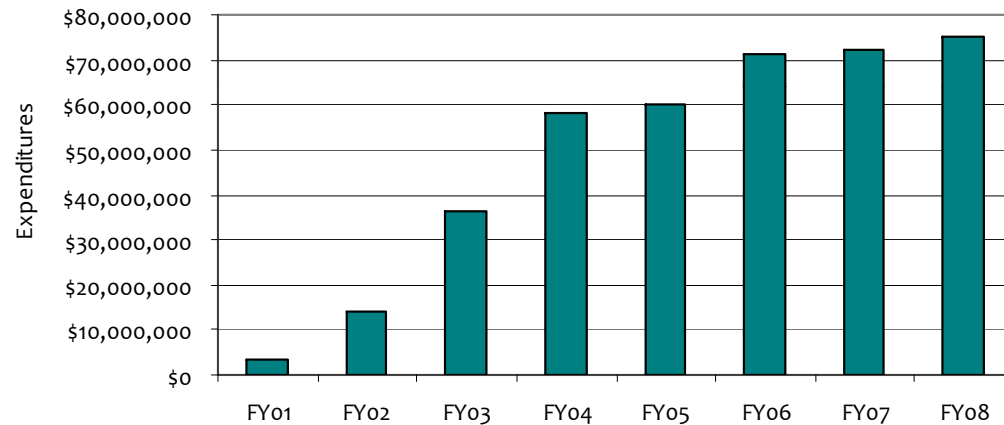
Source: DSS

In FY 2007 and FY 2008, waiver expenditures accounted for more than two-thirds of total Medicaid expenditures for waiver participants.

In FY 2008, waiver expenditures were \$75.2 million; non-waiver expenditures were \$30.2 million; and pharmacy expenditures were \$1.9 million.

Waiver Expenditures and Service Utilization

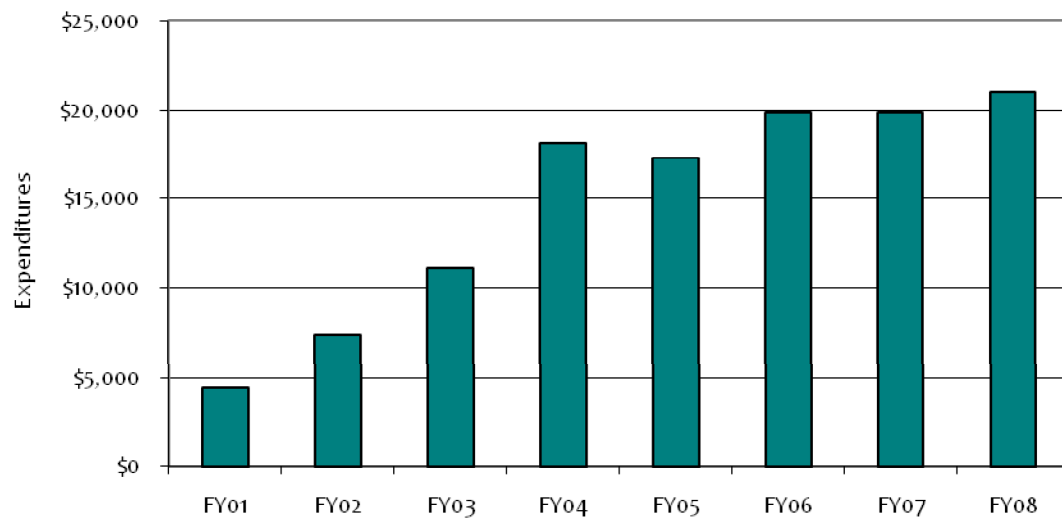
Figure 21. Total Medicaid Expenditures for Older Adults Waiver Services, by Fiscal Year



Source: DSS

Waiver expenditures stabilized somewhat over the last three years of the study period at just over \$70 million annually. Expenditures generally reflect the number of participants enrolled in the waiver each year.

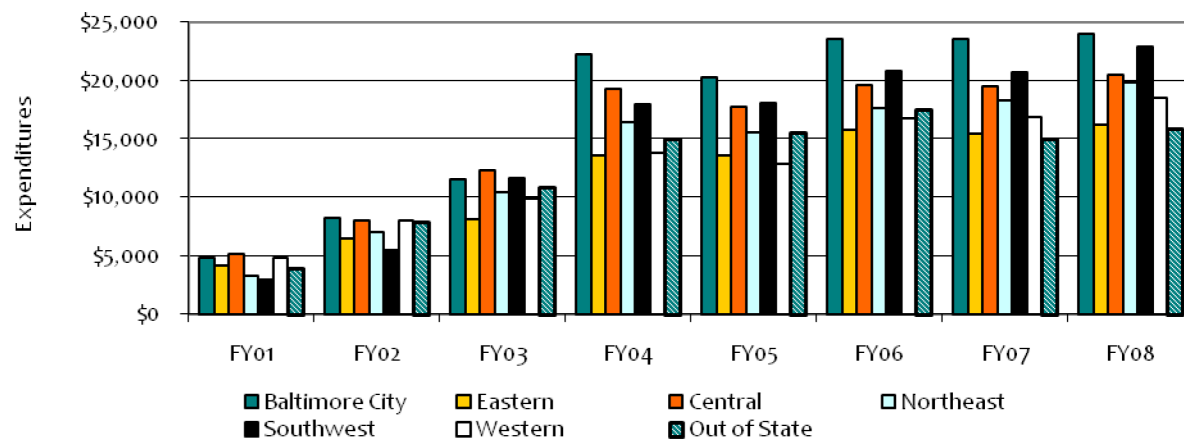
Figure 22. Average Annual Older Adults Waiver Expenditures per Person



Source: DSS

At \$20,000 in FY 2006 and just over \$21,000 in FY 2008, average annual waiver expenditures per person were relatively stable.

Figure 23. Average Annual Older Adults Waiver Expenditures per Person, by Region



In FY 2008, Baltimore City and the Central and Southwest regions had higher per person waiver expenditures than other regions, at \$24,032, \$20,467, and \$22,906, respectively.

At \$16,210, the Eastern region had the lowest per person expenditures in FY 2008.

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

Figure 24. Medicaid Expenditures for Older Adults Waiver Services

Service	Total Waiver Expenditures by Fiscal Year		Percent Change in Expenditures
	FY 2007	FY 2008	
Agency Personal Care Aide without Medications	\$29,167,820	\$31,567,210	8%
Agency Personal Care Aide with Medications	\$5,931,088	\$7,340,240	24%
Agency Nurse	\$1,375,650	\$1,462,434	6%
Assisted Living 2	\$5,926,723	\$4,812,379	-19%
Assisted Living 3	\$18,849,595	\$19,262,771	2%
Assistive Devices	\$160,064	\$242,496	51%
Behavior Consultation	\$184,983	\$172,123	-7%
Dietitian/Nutritionist Services	\$4,815	\$2,133	-56%
Environmental Accessibility Adaptations	\$322,347	\$257,919	-20%
Environmental Assessments	\$77,100	\$54,662	-29%
Family or Consumer Training	\$1,402	\$610	-57%
Home Delivered Meals	\$518,443	\$550,197	6%
Monitor/Maintenance Personal Emergency Response Systems	\$353,427	\$369,879	5%

The three largest Medicaid waiver expenditures in FY 2008 were \$38.9 million for agency personal care aides, \$24.1 million for assisted living services, and \$8.5 million for personal care aides employed by the consumer (see next page).

Great variability in spending from FY 2007 to FY 2008 was noted in family or consumer training, which decreased by 57%, and in assistive devices, which increased by 51%.

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Figure 24. Medicaid Expenditures for Older Adults Waiver Services continued

Service	Total Waiver Expenditures by Fiscal Year		Percent Change in Expenditures
	FY 2007	FY 2008	
Purchase/Install Personal Emergency Response System	\$14,446	\$12,384	-14%
Respite Care - Agency	\$260,814	\$286,939	10%
Respite Care - Assisted Living	\$21,782	\$20,133	-8%
Respite Care - Nursing Facility	\$2,925	\$0	-100%
Respite Care – Consumer-Employed	\$6,700	\$6,869	3%
Consumer-Employed Personal Care Aide w/out Meds	\$8,048,884	\$7,440,441	-8%
Consumer-Employed Personal Care Aide w/ Meds	\$775,403	\$1,068,732	38%
Senior Center Plus	\$254,687	\$305,545	20%
Other Waiver Services*	\$12,031	\$3,686	-69%
Total Older Adults Waiver Services	\$72,271,129	\$75,239,782	4%

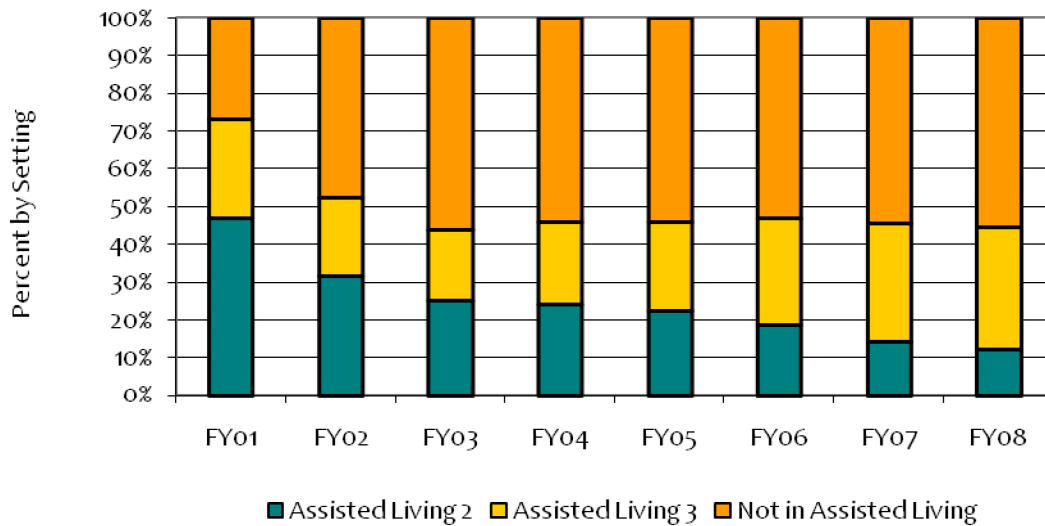
Increasing the most rapidly from FY 2007 to FY 2008 were expenditures for agency personal care aides providing medications (a 24% increase—see prior page) and consumer-employed personal care aides providing medications (a 38% increase).

Note: Assisted Living is a residential or facility-based facility that provides housing and supportive services, supervision, personalized assistance, health-related services, or a combination of these services to meet the needs of residents who are unable to perform, or who need assistance in performing, the activities of daily living or instrumental activities of daily living. The assisted living levels are determined by the amount of assistance provided. Assisted Living 1 providers are authorized to care for residents with low care needs. Assisted Living 2 providers care for residents with moderate care needs. Assisted Living 3 providers care for residents with high-level care needs. The Older Adults Waiver does not provide Assisted Living 1 services.

* “Other waiver services” are Medicaid waiver services that are provided during an individual’s Older Adults Waiver span but are authorized under a different home and community-based waiver.

Source: DSS

Figure 25. Distribution of Assisted Living Services, by Assisted Living Setting



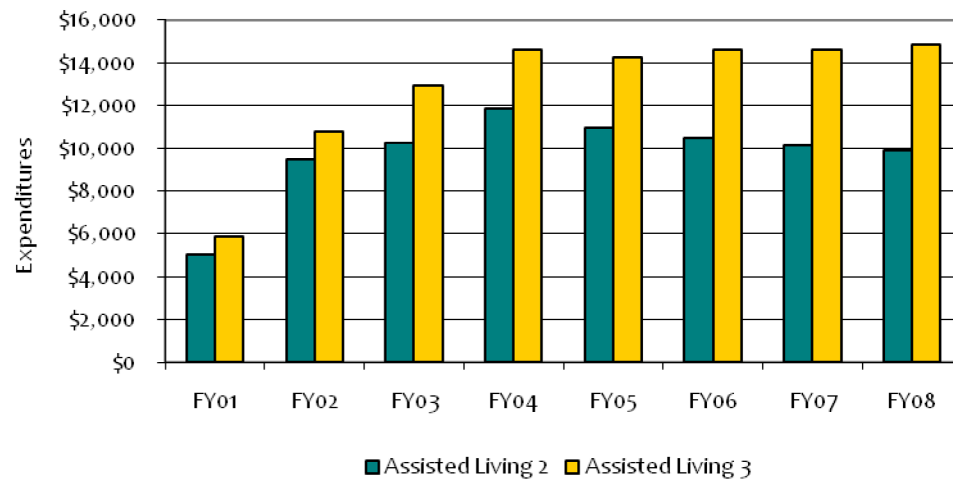
The percentage of waiver participants utilizing assisted living services was relatively stable from FY 2004 to FY 2008. Between FY 2005 and FY 2008, the proportion using Assisted Living 2 (moderate-level care needs) declined to 12%; the proportion using Assisted Living 3 (high-level care needs) increased to 32%.

Note: Assisted Living is a residential or facility-based facility that provides housing and supportive services, supervision, personalized assistance, health-related services, or a combination of these services to meet the needs of residents who are unable to perform, or who need assistance in performing, the activities of daily living or instrumental activities of daily living. The assisted living levels are determined by the amount of assistance provided. Assisted Living 1 providers are authorized to care for residents with low care needs. Assisted Living 2 providers care for residents with moderate care needs. Assisted Living 3 providers care for residents with high-level care needs. The Older Adults Waiver does not provide Assisted Living 1 services.

Assisted Living in Maryland, What You Need to Know, 2002, available at http://www.mdoa.state.md.us/documents/ALGuide_002.pdf

Source: DSS

Figure 26. Average Annual Assisted Living Services Expenditures per Person, by Setting



Note: FY 2008 Older Adults Waiver Assisted Living reimbursement rates: Assisted Living 2 – no Medical Day Care - \$55.74 per day; Assisted Living 2 – with Medical Day Care - \$41.81 per day; Assisted Living 3 – no Medical Day Care - \$70.31 per day; Assisted Living 3 – with Medical Day Care - \$52.73 per day.

Source: DSS

Average annual Assisted Living 2 expenditures per waiver participant were consistently lower than Assisted Living 3 expenditures.

The gap in per person expenditures continued to widen. In FY 2008, the average annual per person expenditures for Assisted Living 3 services (\$14,875) were more than \$5,000 greater than for Assisted Living 2 services (\$9,861). In FY 2005, the difference was about \$3,200.

Figure 27. Assisted Living Expenditures, by Assisted Living Setting

Assisted Living Setting	FY07	FY08
Assisted Living 2*	\$5,486,622	\$0
Assisted Living 2, No Medical Day Care**	\$357,860	\$3,921,890
Assisted Living 2, With Medical Day Care**	\$82,241	\$890,489
Total Assisted Living Level 2 Expenditures	\$5,926,723	\$4,812,379
Assisted Living 3*	\$17,310,649	\$0
Assisted Living 3, No Medical Daycare**	\$1,254,363	\$15,764,211
Assisted Living 3, With Medical Day Care**	\$284,583	\$3,498,560
Total Assisted Living Level 3 Expenditures	\$18,849,595	\$19,262,771

From FY 2007 to FY 2008, total expenditures for Assisted Living 3 increased by 2%, while expenditures for Assisted Living 2 declined by 19%.

Note: On September 1, 2006, a new waiver policy was implemented by DHMH for payment of Medicaid Older Adults Waiver assisted living services. Assisted living facilities providers were required to reduce their Medicaid claims by 25 percent on days that waiver participants living in their facilities received both medical day care services and assisted living services. Assisted living billing codes were also changed to reflect this policy change. Services provided on or after June 1, 2007, were billed using one of four new codes that indicate whether the assisted living service included medical day care.

* Expenditure data from claims with billing code used prior to June 1, 2007.

** Expenditure data from claims with billing code used beginning June 1, 2007.

Source: DSS

Figure 28. Use of Older Adults Waiver Services

Service	Number of Users		Percent Change in Users	Average Units of Service Per User		Percent Change in Average Units
	FY07	FY08		FY07+	FY08++	
Agency Nurse	1,767	1,767	0%	13	14	8%
Agency Personal Care Aide without Meds	1,331	1,339	<1%	1,719	1,849	8%
Agency Personal Care Aide with Meds	294	322	10%	1,214	1,372	13%
Assist Living 2*	566	0	***	172	0	***
Assist Living 3*	1,244	0	***	195	0	***
Assisted Living 2, no medical day care**	371	483	***	17	146	***
Assisted Living 2, with medical day care**	138	173	***	14	123	***
Assisted Living 3, no medical day care**	975	1,292	***	18	174	***
Assisted Living 3, with medical day care**	416	580	***	13	114	***
Assistive devices at home for waiver	712	943	32%	†	†	†
Behavior Consultation	316	293	-7%	10	10	0%
Dietitian/Nutritionist Services	36	30	-17%	2	1	-50%
Environmental Accessibility Adaptations	128	105	-18%	†	†	†
Environmental Assessments	197	142	-28%	1	1	0%
Family or Consumer Training	6	1	-83%	4	10	150%

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From FY 2007 to FY 2008, there was a notable increase in the use of personal care services with medication administration. During this time, the use of agency personal care with medication administration increased by 13%; consumer-employed personal care with medication administration increased by 19% (see next page).

In FY 2008, over one-third (36%) of the waiver participants received Assisted Living 3 with no medical day care. The fewest number (173) of assisted living residents used Assisted Living 2 with medical day care.

Figure 28. Use of Older Adults Waiver Services continued

Service	Number of Users		Percent Change in Users	Average Units of Service Per User		Percent Change in Average Units
	FY07	FY08		FY07+	FY08++	
Home Delivered Meals	354	346	-2%	264	287	9%
Monitor/Maintenance Personal Emergency Response System	941	958	2%	8	9	13%
Purchase/Install Personal Emergency Response System	206	187	-9%	†	†	†
Respite Care – Agency	271	263	-3%	75	86	15%
Respite Care – Consumer-Employed	13	13	0%	52	53	2%
Respite care assisted living	36	34	-6%	9	8	-11%
Respite care nursing facility	2	0	-100%	11	0	-100%
Consumer-Employed Personal Care Aide w/o Meds	407	374	-8%	1,984	1,995	1%
Consumer-Employed Personal Care Aide w/ Meds	44	51	16%	1,355	1,611	19%
Senior Center Plus	79	77	-3%	73	90	23%

* Data derived from claims for services billed from July 1, 2006, to May 31, 2007, using old billing codes.

** Data derived from claims for services billed beginning June 1, 2007, using new billing codes.

*** Percent change not applicable because of billing code changes.

+ FY 2007 Older Adults Waiver Medicaid payment rates were used to calculate the average units of service used.

++ FY 2008 Older Adults Waiver Medicaid payment rates were used to calculate the average units of service used.

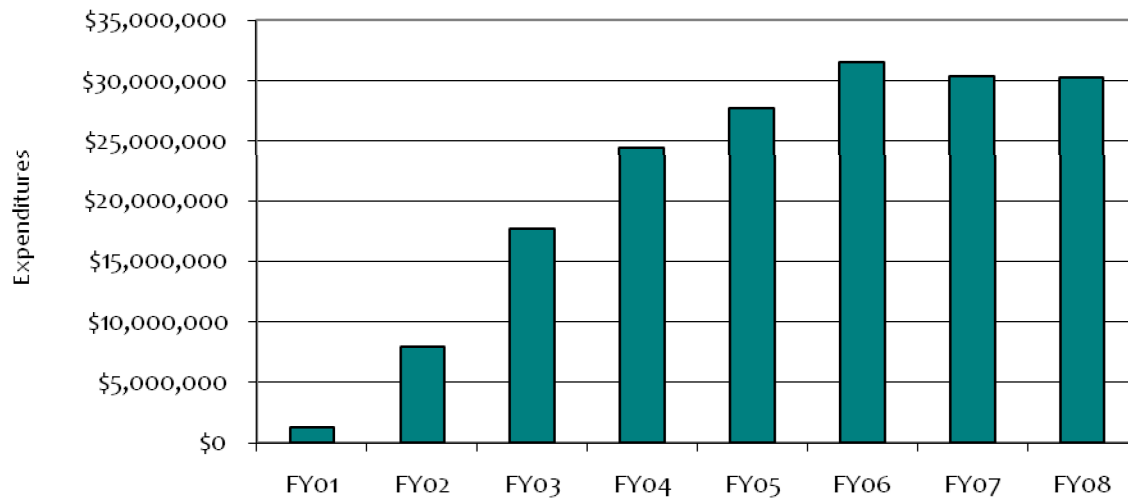
† Average units of service cannot be calculated due to the unit of measure for these services (i.e., per year, per modification).

Source: DSS, MMIS2

Although the number of Older Adults Waiver participants using agency-based respite care decreased by 3% from FY 2007 to FY 2008, the average number of units used increased by 15%.

Medicaid Non-Waiver Services and Expenditures

Figure 29. Medicaid Non-Waiver Expenditures for Older Adults Waiver Participants



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

Source: DSS

Medicaid non-waiver expenditures rose steadily from \$1.3 million in FY 2001 to over \$31.6 million in FY 2006 before decreasing slightly to \$30.2 million in FY 2008.

The decrease from FY 2006 to FY 2007 is largely due to the implementation of Medicare Part D and the related reduction in Medicaid pharmacy expenditures for dual eligibles. The slight decrease in non-waiver expenditures from FY 2007 to FY 2008 reflects a decline in the number of waiver participants from 3,638 in FY 2007 to 3,581 in FY 2008.

Figure 30. Medicaid Non-Waiver Expenditures for Older Adults Waiver Participants, by Service Category

Service Category	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
DMS/DME*	\$35,441	\$514,791	\$1,717,444	\$3,144,191	\$3,928,302	\$4,864,475	\$5,102,507	\$5,687,806
Medical Day Care	\$757,293	\$4,103,212	\$8,069,131	\$11,440,898	\$12,663,014	\$14,558,136	\$13,630,433	\$12,557,047
Medicare Cost Share	\$208,448	\$1,202,614	\$3,174,644	\$4,263,722	\$4,722,457	\$5,358,723	\$5,315,243	\$5,268,367
Nursing Facility	\$21,357	\$302,799	\$481,045	\$1,111,827	\$1,517,733	\$1,375,069	\$1,054,770	\$1,489,820
MCO Capitation Payments**	\$55,117	\$347,186	\$1,252,770	\$2,275,315	\$2,132,229	\$2,139,572	\$2,017,193	\$2,025,525
State Plan Personal Care	\$83,770	\$642,795	\$1,201,645	\$387,715	\$451,420	\$419,345	\$402,123	\$286,892
Other Non-Waiver Services***	\$116,565	\$859,708	\$1,812,498	\$1,834,376	\$2,341,420	\$2,865,442	\$2,859,741	\$2,919,267
Total	\$1,277,991	\$7,973,105	\$17,709,177	\$24,458,044	\$27,756,575	\$31,580,762	\$30,382,010	\$30,234,724

* DMS is disposable medical supplies. DME is durable medical equipment.

** “MCO Capitation Payments” are fixed monthly amounts paid to managed care organizations (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.

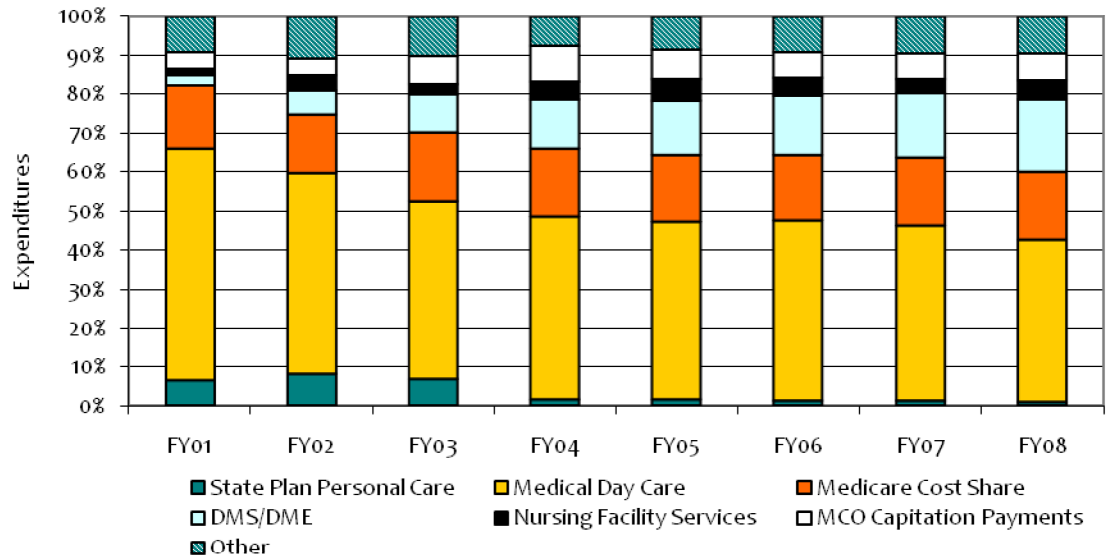
*** “Other Non-Waiver Services” are services other than those listed above and those provided under the waiver that are paid for by Medicaid on behalf of Older Adults Waiver participants.

Source: DSS

Non-waiver expenditures for medical day care peaked at \$14.6 million (46% of total non-waiver expenditures) in FY 2006 before declining to \$12.6 million (42% of total non-waiver expenditures) in FY 2008.

Expenditures for DMS/DME totaled \$5.7 million (19% of total non-waiver expenditures) in FY 2008. In that same year, Medicare Cost Share expenditures were just under that amount at \$5.3 million.

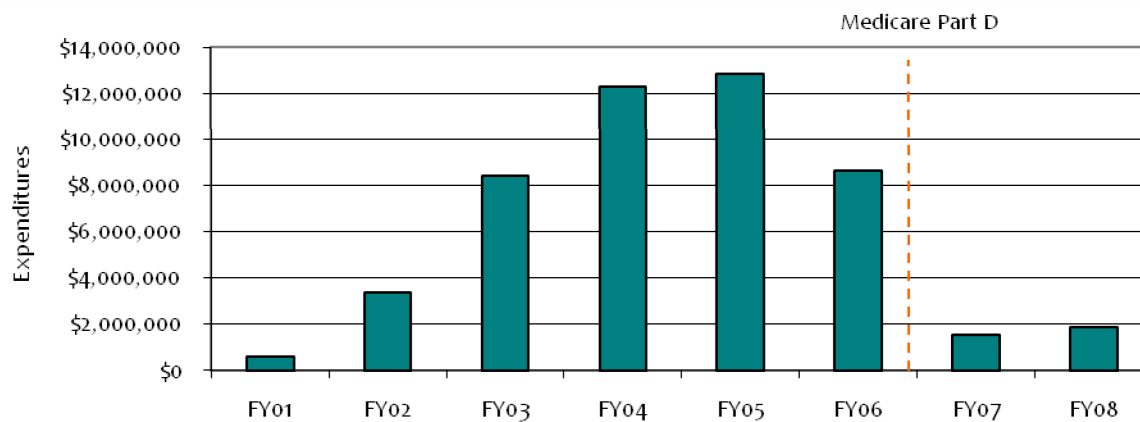
Figure 31. Distribution of Medicaid Non-Waiver Expenditures, by Service Category



Although the share has decreased slightly in recent years, medical day care accounted for the largest percentage of Medicaid non-waiver expenditures throughout the entire study period.

Source: DSS

Figure 32. Pharmacy Expenditures for Older Adults Waiver Participants



Medicaid pharmacy expenditures decreased significantly following the implementation of Medicare Part D on January 1, 2006.

From FY 2005 (pre-Part D) to FY 2007 (post-Part D), expenditures decreased by 98% (from \$12.8 million to \$1.57 million, respectively).

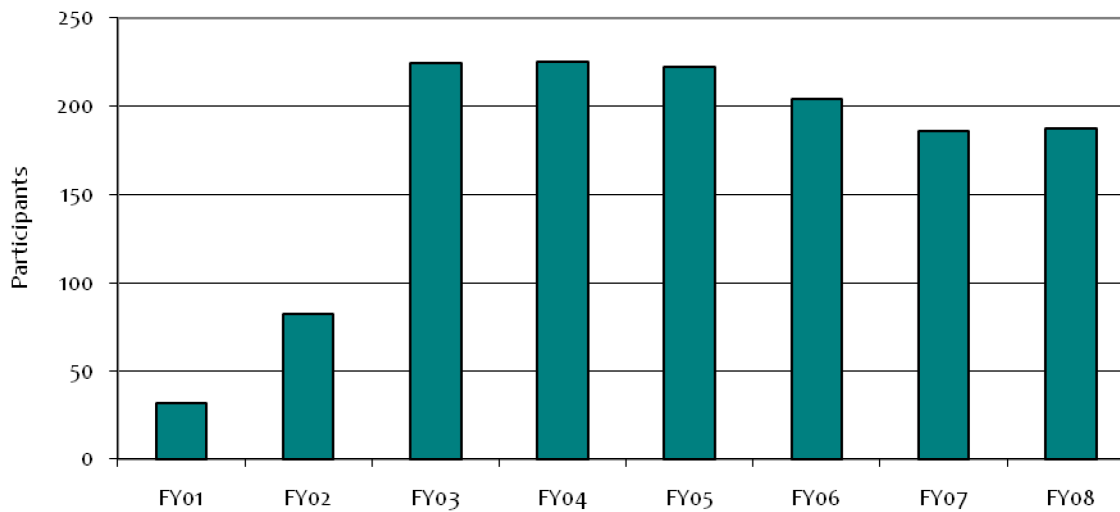
Pharmacy expenditures rose by 20% from FY 2007 to FY 2008.

Note: Medicare Part D is a federally funded program designed to help Medicare beneficiaries defray the cost 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

HealthChoice Utilization and Capitation Payments

Figure 33. Number of Older Adults Waiver Participants Enrolled in a HealthChoice MCO

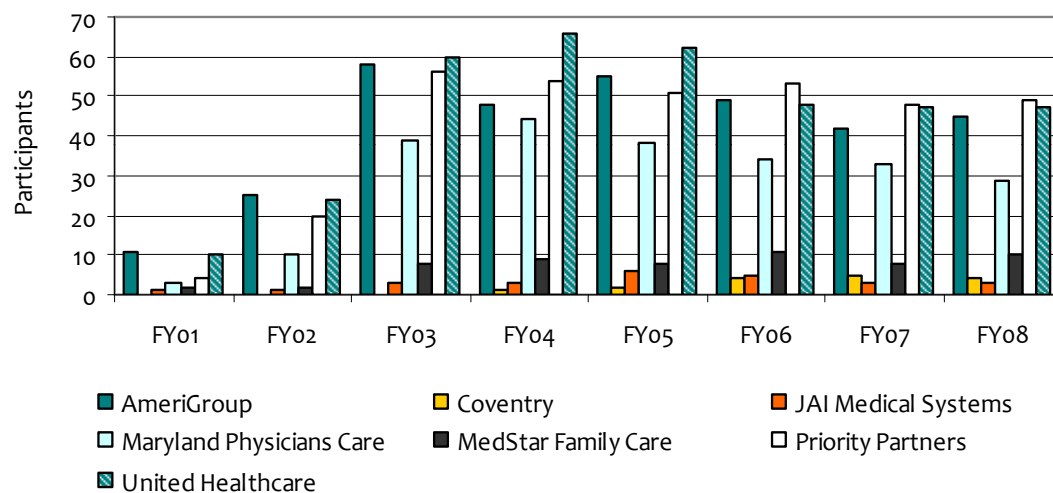


Note: HealthChoice MCOs are health care organizations that provide services on a capitated basis to Maryland Medicaid beneficiaries participating in the HealthChoice managed care program.

Source: DSS

The small number of Older Adults Waiver participants enrolled in an MCO is reflective of the large number of individuals that the waiver excluded from HealthChoice as a result of their dual eligible status.

Figure 34. Number of Older Adults Waiver Participants Enrolled in HealthChoice, by MCO Enrollment



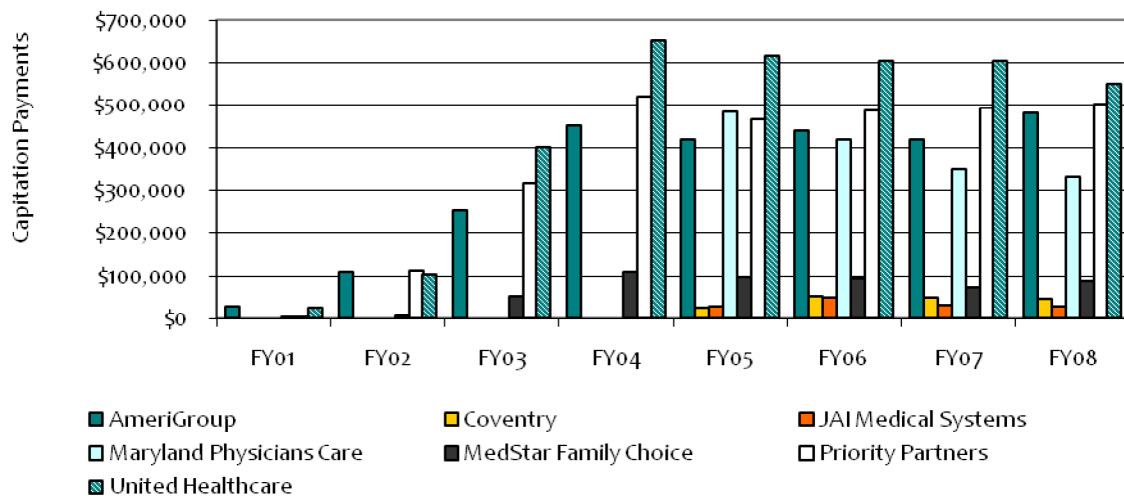
Maryland’s seven HealthChoice MCOs provide services to Older Adults Waiver participants who are also enrolled in HealthChoice. In FY 2008, just 5% of waiver participants were enrolled in HealthChoice.

The number of participants enrolled in each of the MCOs varied annually.

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

Figure 35. Annual Capitation Payments for Older Adults Waiver Participants, by HealthChoice MCO

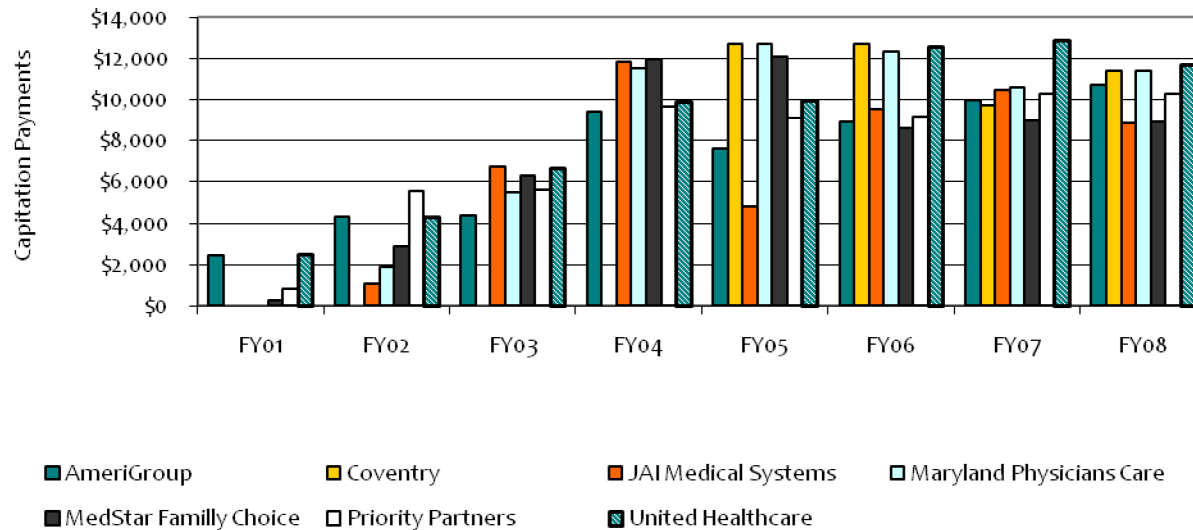


With the exception of one MCO, the state’s annual payments to MCOs for Older Adults Waiver participants enrolled in HealthChoice remained relatively stable.

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

Source: DSS

Figure 36. Average Annual MCO Capitation Payments for Older Adults Waiver Participants, by HealthChoice MCO



Average annual per person capitation payments for waiver participants varied greatly across the Maryland HealthChoice MCOs, suggesting that the risk profile of waiver participants enrolled in each MCO varied from year to year.

Source: DSS



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