

Community Care: Hospital Medicaid Level of Care Waiver

Position Statement approved by One Voice: February 13, 2009

Issue/Concern: Many illnesses previously confined to childhood, must now be thought of as diseases that begin in childhood and continue into adult life. Today 90 percent of children afflicted with these illnesses are now living beyond 20 years of age, primarily due to advancements in medical science. Most of these young adults are able to remain in the community because the amount of Medicaid waiver services has increased under Rider 45. However, there is a small group of individuals (150-200 statewide) who have significant medically complex health care needs. For this group, the increased service levels under Rider 45 are insufficient to meet their health care needs and they will lose children's Medicaid benefits when they become 21 years old. For example, virtually all of these medically fragile individuals require significant amounts of private duty nursing. Losing Medicaid benefits means that these young adults will not be able to continue to live at home. Without a new Medicaid waiver to address this population's care needs, they will be forced to leave their homes, where many of them have received services since birth, and move to institutional settings that are not designed to meet their individualized care needs.

Specific Policy Recommendation(s): The Texas Legislature should direct Texas Health and Human Services Commission to pursue a needed Medicaid Hospital Level of Care (HLOC) Waiver to allow for benefits that are lost to those with serious chronic illnesses or disabilities when they age out of pediatric Medicaid benefits at age 21.

How does this issue/recommendation relate to prevention and early intervention or maximizing federal funds for health and human services?

- ★ Currently, Texas can only use un-reimbursed state general revenue dollars to provide the level of care persons with serious chronic illness require. An HLOC Waiver enables Texas to access federal Medicaid funds in order for young medically fragile adults to receive the level of care they have typically received at home since birth.
- ★ Under the current system, Texas is forcing significantly disabled and medically fragile individuals to leave their homes and to receive services in institutions including state schools and nursing facilities.
- ★ Frequently, persons institutionalized are hospitalized, resulting in much greater cost to the state than the care costs associated with family/community-based care.
- ★ An HLOC Waiver will not only reduce the need of persons with disabilities to be hospitalized but will also limit the use of hospitals as short-term care facilities for these individuals. The HLOC will ensure medically fragile persons with disabilities continue to receive the level of care that has kept them at home and out of hospitals.

Supporting Facts/Research/Resources:

- ★ As a result of improvements in medical care in the last 20 years, we have an increased population of young adults who are surviving pediatric, medically-complex conditions, and still need care.
- ★ The HLOC Waiver program has been proposed by the Texas Dept. of Aging and Disability Services (DADS) in its FY 2010-2011 budget as exceptional item 7.
- ★ The HLOC Waiver program will provide services to 150 individuals over the next two years.
- ★ Under the HLOC Waiver program, approximately 69 cents out of every dollar of care Texas provides would come from federal Medicaid funds requiring Texas to pay only 31 cents for every dollar of care. Currently, Texas pays all of the cost of care for high need, medically fragile Texans when care costs exceed program limits.

Contact: Leah Mueller at 713.667.9336 ext. 111 or lmuller@jfhouston.org