

Self Direction and MFP: Key Components and Issues

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Presented by:

Susan A. Flanagan, M.P.H., Ph.D.
The Westchester Consulting Group

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I. *What are Self-directed Services?*

- ***Self-directed services (SDS)*** - home and community-based services (HCBS) that help individuals of all ages with disabilities and chronic conditions have choice and control over the services and supports they receive and the organizations and individuals who provide them and maintain their independence.
- SDS driven by the Independent Living Movement.
- Every state and the District of Columbia has either implemented or is in the process of implementing at least one self-directed service program.

I. What are Self-directed Services?

(continued)

- SDS represents a paradigm shift in the way HCBS are delivered.
 - Based on premise that the individual knows best about his/her needs and how they should be addressed.
 - Individual-driven rather than provider-driven. Individual is free to plan his/her own life.
 - Emphasizes individual choice and control while acknowledging risks.

I. What are Self-directed Services?

(continued)

- Individual designs their service and spending plans (i.e., individual budget) using a self-directed approach.
- SDS programs provide a variety of supports tailored to achieve individual's goals.
- Those who provide SDS are accountable to the individual and representative, when appropriate.

II. What are Commonly Used Terms Related to Provision of SDS?

- *SDS* sometimes referred to as (1) *consumer-directed* or (2) *participant-directed services*.
- Individuals receiving SDS sometimes referred to as (1) *consumers*, (2) *individuals*, or (3) *participants*.
- *Common law employer* sometimes referred to as *employer of record*.

II. What are Commonly Used Terms Related to Provision of SDS? (continued)

- *Information and Assistance (I&A)* supports and the individuals/organizations that provide them sometimes are referred to as (1) support brokerage/broker, (2) service or support coordination/coordinator, (3) consultant, (4) counselor, (5) care advisor, (6) skills trainer or (7) case management/manager.
- *Financial Management Service* supports and organizations that provide them sometimes are referred to as (1) fiscal intermediary, (2) fiscal agent, (3) fiscal management provider, (4) financial manager or (5) payroll agent.

III. What are the Key Components of SDS?

- In general, a program may be self-directed if the individual or his/her representative is responsible for:
 - Developing a person-centered plan and individual budget;
 - Recruiting and selecting/hiring his/her HCBS worker;
 - Orienting and training his/her HCBS worker;
 - Determining his/her support worker's duties and work schedule;
 - Supervising his/her HCBS worker(s);
 - Managing his/her HCBS worker's payroll (or having an entity to perform the task on the individual's behalf);
 - Reviewing the performance of his/her HCBS worker; and
 - Discharging his/her HCBS worker, when necessary.

III. What are the Key Components of SDS? (continued)

- CMS affords states two basic self direction opportunities that may be made available under a Medicaid HCBS waiver.
 - Employer Authority
 - Budget Authority

- Under *Employer Authority* the individual may act as the common law employer or a co-employer and is supported to recruit, hire/select, supervise and discharge their HCBS workers.

III. What are the Key Components of SDS? (continued)

- Under *Budget Authority* the individual has authority and accepts the responsibility to manage an individual-directed budget.
 - Depending on level of budget authority offered under a Medicaid HCBS waiver, individuals may make decisions about purchasing individual-directed waiver goods and services authorized in their waiver service plan and to manage the funds included in their individual-directed budget.

III. What are the Key Components of SDS? (continued)

- Two types of supports must be made available to facilitate individuals' use of SDS.
 - Information and Assistance (I&A) in Support of Self Direction
 - Financial Management Services (FMS)

III. What are the Key Components of SDS? (continued)

- *Information and Assistance in Support of Self Direction* supports are made available to assist individuals in managing their waiver services.
 - The type and extent of supports that must be available depends on nature self-directed options afforded under the HCBS waiver.

III. What are the Key Components of SDS? (continued)

- *Financial Management Services (FMS)* are provided primarily to:
 - Process HCBS workers payroll and related employment taxes and manage the receipt of worker's compensation insurance policies and premium payment for individuals; and
 - Make financial transactions on behalf on an individual who is exercising budget authority.
- However, depending on a state's SDS program, additional FMS-related supports may be available.

III. What are the Key Components of SDS? (continued)

- When an individual using SDS is the *common law employer* of his/her HCBS workers, the *Government or Vendor Fiscal/ Employer Agent FMS* is used.
- When an individual using SDS is a co-employer of his/her HCBS worker with an agency-based provider, the *Agency with Choice FMS* is used.

IV. Research Findings Related to SDS

- An independent evaluation of the *Cash & Counseling Demonstration Program* found:
 - Health and Welfare
 - Same or better health outcomes
 - Very few incidents of reported abuse, neglect or exploitation
 - Service Use
 - Modest increase in obtaining equipment
 - Individuals more likely to obtain services they need
 - Need not cost more

IV. Research Findings Related to SDS

(continued)

- Caregiver Reaction
 - More satisfied with care arrangement
 - Expressed less emotional strain
 - Most felt well-trained to perform duties
- Positive Influence on Quality of Life
 - Increased satisfaction
 - Enhanced feeling of safety
- Improves Access to Services
 - Participating individuals receive necessary services
 - Reduces unmet needs

IV. Research Findings Related to SDS

(continued)



- Promotes Life in the Community
 - Shown to reduce nursing facility placements even more than traditional services

V. Some Preliminary Findings of the NRCPPDS National Survey of Publicly-funded Participant-directed Service Programs

- From 2001 to 2010, the number of PDS programs surveyed increased from 139 to 240 (42% increase)
- In 2010:
 - All states have implemented, or are in the process of implementing, at least one PDS program; number of programs/state range from 1-10; 23 states administer 3-5 programs
 - Approximately 747,000 individuals using PDS; (65% increase over 2001)
 - Majority of programs serve 1,000 – 5,000 individuals
 - Average number of individuals served: 1,110
 - 100 percent of programs offer employer authority while 88 percent of programs offer budget authority

V. Some Preliminary Findings of the NRCPDS National Survey of Publicly-funded Participant-directed Service Programs (cont'd)

- Populations served by PDS programs in 2010
 - Elders (20%; 30 programs reporting)
 - Adults w/ physical disabilities (11%; 17 programs reporting)
 - Elders and adults w/ physical disabilities (35%; 54 programs reporting)
 - Adults with ID/DD, MH, HIV/AIDS (13%; 20 programs reporting)
 - Children (9%; 14 programs reporting)
 - All ages (12%; 19 programs reporting)

V. Some Preliminary Findings of the NRCPPDS National Survey of Publicly-funded Participant-directed Service Programs (cont'd)

- Funding Sources for Publicly-funded PDS
 - Medicaid major funding source (77% State Plan and Waiver)
 - 11% State Revenues
 - 7% Veterans Administration
 - 3% Other (i.e., tobacco funds, gaming revenue)

V. Some Preliminary Findings of the NRCPPDS National Survey of Publicly-funded Participant-directed Service Programs (cont'd)

- Use of Financial Management Services
 - 189 PDS programs (79%) reported using FMS
 - 62 percent of Medicaid PDS programs provide FMS as administrative function
 - 38 percent of Medicaid PDS programs provide FMS as service function
 - 58 percent of PDS programs (n=110) use Vendor F/EA FMS
 - 12 percent of PDS programs (n=22) use Government F/EA FMS

V. Some Preliminary Findings of the NRCPDS National Survey of Publicly-funded Participant-directed Service Programs (cont'd)

- 21 percent of PDS programs (n=40) use Agency with Choice
- 11 percent of PDS programs (n=20) use “Other Models” (i.e., Fiscal Conduit, Section 3401(d)(1) statutory employers, public authorities)
- Thirty (30) distinct FMS providers were identified in 33 states
- Estimated average Government/Vendor Fiscal/Employer Agent FMS per member per year costs: \$1,136.16 (\$94.68/month)
- Estimated average Agency with Choice FMS per member per year costs: \$1,177.35 (\$98.10/month)

VI. Self Direction and the Patient Protection and Affordable Care Act

- Provisions of Patient Protection and Affordable Care Act that Address Self Direction
 - 2401 Community First Choice Option
 - 2402a: Common Framework Supporting Self Direction
 - 2403: Money Following the Person
 - 2405 ADRC Expansion
 - Title VII: Class Act

- AoA LTSS Workforce Development Initiative

VII. MFP Demonstration's Original Intent Related to Self Direction

- Offered applicants preference
- Encouraged innovation
 - Implement SDS under new DRA of 2005 authorities
 - Implement with new target populations (i.e., mental health)
- Required Description of Self Direction Opportunities Offered in Operational Protocol
 - List programs offering self direction
 - Describe I&A and FMS offered
 - Describe procedure for voluntary and involuntary transfers to and from SDS
 - Describe monitoring/tracking process to be used for individuals

VIII. Common “Themes” Under MFP and Self Direction

- Both all about Choice and Control
 - MFP shifts control from institutions to the community
 - SDS shifts control from the provider to the individual

- Both directed by individual with the assistance of a representative when appropriate

- Both Offer Flexible Service Package
 - MFP offers an array of services and supports not previous provided
 - SDS offers greater variety of services and supports delivered in a non-traditional manner

VIII. Common “Themes” Under MFP and Self Direction *(continued)*

- Both Strengthen Responsibility and Confidence to Live in Community
 - Both offer customized supports to individuals
- Both Make Necessary Supports Available
- Both Require Individual and System Safeguards to be in Place
- Medicaid Provider Agreements Waived Under MFP

IX. Questions?

sflanagan@westchesterconsulting.com