



**Weathering the Storm: The Impact of the Great
Recession on Long-Term Services and Supports**
State Profile: MICHIGAN

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INTRODUCTION

Weathering the Storm: The Impact of the Great Recession on Long-Term Services and Supports is the most comprehensive analysis to date on the budget cuts to both Medicaid and non-Medicaid funded long-term services and supports (LTSS) in each state. It also illustrates state-by-state how LTSS are financed. In addition, this study provides a very early snapshot of the likelihood of states pursuing some of the LTSS provisions within the Affordable Care Act (ACA).

Weathering the Storm contains several components:

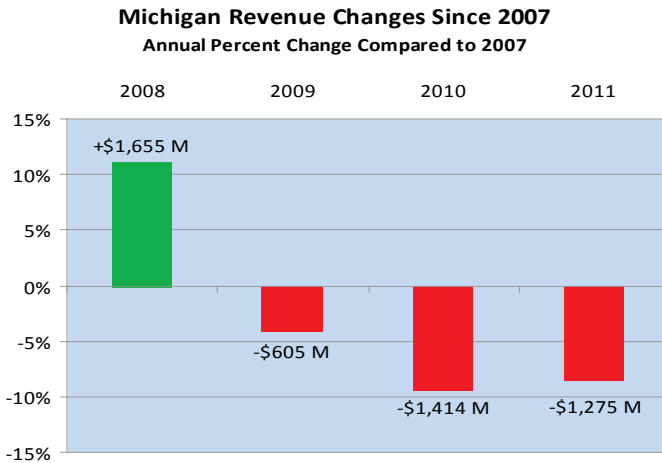
- The full report with an overview of findings and state-by-state tables;
- State profiles, which are 4 to 5 pages in length, for each state that participated in the study;
- An In Brief, which is a short synopsis; and
- A videotaped interview about the key findings.

Hard copies of *Weathering the Storm* are available free of charge. To order, please call the AARP Public Policy Institute at (202) 434-3890 or email jgasaway@aarp.org.

All of the components of *Weathering the Storm* are also available on the web and can be found at www.aarp.org/ppi, www.nasuad.org, and www.healthmanagement.com.

MICHIGAN

TAX COLLECTIONS



Source: HMA analysis of state tax collection data from the National Association of State Budget Officers (NASBO), Spring Fiscal Survey of States, 2008 (for baseline 2007 data); Spring Fiscal Survey of States, 2009 (for 2008 data) and Spring Fiscal Survey of States, 2010 (for 2009 actual, 2010 estimated, and 2011 projected). Revenue represents the following taxes if collected by the state: **Personal Income, Corporate, and Sales**. Percent change and change in amount collected (in millions) represents the divergence between the state fiscal year noted and baseline SFY 2007.

ARRA FUNDING

IMPACT OF ARRA ENHANCED MEDICAID FMAP EXPIRATION

- Expiration could lead to elimination of optional state plan services and provider rate cuts.

PREDICTED IMPACT OF THE EXPIRATION OF THE ARRA NUTRITION FUNDING

- Too soon to tell, but expect waiting lists to increase.

STATE UNIT ON AGING AND DISABILITY (NON-MEDICAID) SERVICES

STATE UNIT ON AGING NUMBER SERVED (UNDUPLICATED)

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (projected)	% Change SFY 2009–2011
131,695	None Listed	None Listed	NA

STATE UNIT ON AGING TOTAL EXPENDITURE REDUCTIONS – ACTION TAKEN

SFY 2009–2010	SFY 2010–2011
11%–15%	6%–10%

MICHIGAN

STATE UNIT ON AGING SERVICE DEMAND AND EXPENDITURE CHANGES

Program	Change in Expenditures		Change in Service Requests
	SFY 2009–2010	SFY 2010–2011	SFY 2009–2010
Adult Foster Care	NA	NA	NA
Adult Day Care			
Adult Protective Services	NA	NA	NA
Assisted Living	NA	NA	NA
Behavioral Supports	NA	NA	NA
Case Management			
Chore			
Community Transition			
Congregate Meals			
Day Habilitation	NA	NA	NA
Disease Prevention/Health Promotion			
Elder Abuse Prevention			
Environmental Modifications	NA	NA	NA
Equipment and Supplies	NA	NA	NA
Family Caregiver Support			
Food Stamps/Supplemental Nutrition Assistance Program			NA
Foreclosure Counseling	NA	NA	NA
Homemaker			
Home-Delivered Meals			
Housing Assistance	NA	NA	NA
Information and Referral			
Legal Assistance Development			
LIHEAP			NA
Long-Term Care Ombudsman	0	0	
Nutritional Supplements			
Occupational Therapy	NA	NA	NA
Personal Care/Assistance			NA
Physical Therapy	NA	NA	NA
Recreational Therapy	NA	NA	NA
Residential Habilitation	NA	NA	NA
Respite			
Senior Community Service Employment Program			
Senior Centers	NA	NA	NA
Speech Therapy	NA	NA	NA
State Adult Guardianship Program	NA	NA	NA
State Pharmaceutical Assistance	NA	NA	NA
Supported Employment			NA
Supported Living	NA	NA	NA
Transportation			
+ Expenditure/demand increase	0	No change in expenditure/demand	
- Expenditure/demand decrease	NA	Program not administered by SUA	DK Don't know

STATE UNIT ON AGING NON-MEDICAID HCBS EXPENDITURES

SFY 2009 (actual)	SFY 2010 (projected)	SFY 2011 (appropriation)	% Change SFY 2009–2010
None Listed	None Listed	None Listed	NA

MEDICAID LONG-TERM SERVICES & SUPPORTS

NUMBER OF BENEFICIARIES: WAIVERS & NURSING FACILITIES

Waiver Name	Avg. Daily Caseload			% Change SFY 2009–2010
	SFY 2009	SFY 2010	SFY 2011 (planned)	
MI Choice	9,450	9,614	9,843	2%
Nursing Facility Services	Avg. Daily Census 2010		Expected Change 2011	
NF Average Daily Census	28,000		Decrease	

LTSS EXPENDITURES (FEDERAL AND STATE)

Service	SFY 2009	SFY 2010* (Estimate)	SFY 2011* (Appropriation)	% Change SFY 2009–2010
HCBS Waivers (For Older People and Adults with Physical Disabilities)	\$138,137,129	\$176,426,800	\$205,940,500	28%
Medicaid LTSS State Plan*	\$374,000,000	\$410,319,700	\$451,830,500	10%
Nursing Facility	\$1,615,313,433	\$1,593,808,300	\$1,687,362,700	-1%

- SFY 2010 amount is the appropriation, and SFY 2011 reflects the Executive Budget.
- State Plan Long-Term Services and Supports (LTSS) expenditures attributable to older adults and adults with physical disabilities is 98.4 percent.

LTSS PROVIDER PAYMENT RATE CHANGES

Provider Type	SFY 2009–2010 % change	SFY 2010–2011 % change
Nursing Home*	0	
Home Health	0	
Personal Care Services*	+6.25%	
HCBS Waiver Services	0	
+ Provider rate increase - Provider rate decrease	0 No change in provider rate	NA Not applicable

- Unskilled personal care service providers received a legislatively appropriated increase. It is anticipated this rate change will help with provider participation.
- Nursing facilities are reimbursed on a cost basis, so some facilities may have received an increase or decrease, but any change is based solely on cost reports.

OPTIONS, OUTLOOK, AND PROMISING PRACTICES

The Medicaid agency and State Unit on Aging were asked about their intent to pursue options under health care reform, to provide their thoughts on the outlook for LTSS, and to share promising practices in their state. This section combines information from both agencies if both agencies responded.



MICHIGAN

See the Overview for descriptions of these provisions.

State's Intent to Pursue LTSS Provisions in the Affordable Care Act	Very Likely	Somewhat Likely	Not Likely	Don't Know
State Balancing Incentive Program		X		
Community First Choice Option			X	
Money Follows the Person Demonstration				
1. Apply for new program				
2. Apply for extension of existing program	X			
Medical/Health Home Initiative				
1. Agency applying for planning grant				X
2. State plan amendment to establish medical/health home services				X
3. Apply to establish community health teams				X

STATE PRIORITIES: 18–24 MONTHS

- Developing an integrated managed care initiative for dual eligibles in Michigan.
- Expanding fully functioning Aging and Disability Resource Centers (ADRC) statewide that integrate person-centered planning into service delivery.
- Integrating person-centered planning into the Michigan Department of Community Health aging disability network and ADRC network.

STATE ISSUES

- Growing waiting list for MI Choice Home and Community-Based Services (HCBS) waiver due to inadequate funding.
- Convincing the legislature that Older Americans Act in-home services should be funded because they are cost-effective and can prevent or delay Medicaid LTSS expenditures.

STATE PROMISING PRACTICES

- Collaborative work in Michigan with ADRCs, person-centered planning, nursing home diversion, and evidence-based programs.

The information in this profile represents information available to state officials at a point in time. Surveys were conducted from June through September 2010. Michigan's fiscal year begins October 1 and ends September 30.