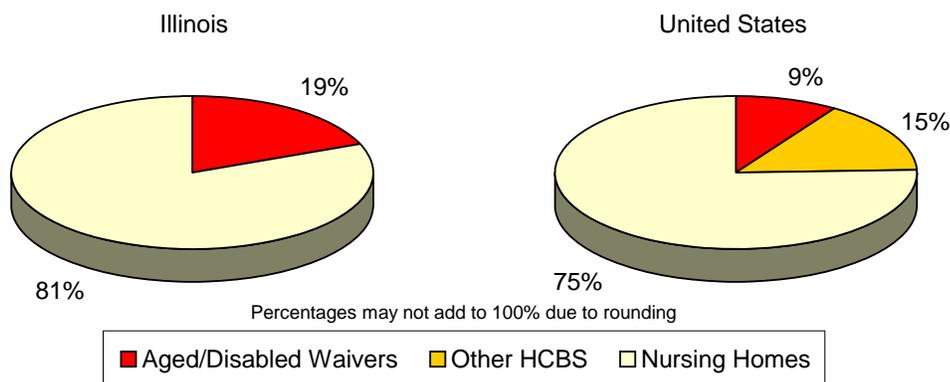


State Long-Term Care Reform in  
**ILLINOIS**

**Medicaid Long-Term Care Spending for Older People and Adults with Physical Disabilities in Illinois and the U.S., 2006**



Compared to the U.S. average, Illinois allocates a greater percentage (81 percent) of its Medicaid long-term care (LTC) spending for older people and adults with physical disabilities to nursing homes, even though most people prefer to remain in their own homes and communities. In FY 2006, Illinois spent 19 percent on waiver services.

Type of Service	Medicaid Participants <sup>1</sup>			Expenditures (millions)		
	1999	2004	Change	2001	2006	Change
HCBS	29,783	50,279	+20,496	\$170	\$350	+\$180
Nursing Homes	81,791	77,370	-4,421	\$1,500	\$1,502	+\$3

Although Illinois has yet to achieve an overall balance between HCBS and nursing home spending, recent Medicaid trends indicate that significant progress has occurred in recent years. Many more Medicaid participants received home and community-based services (HCBS) than those who received nursing home services. The number of participants receiving HCBS increased significantly from 1999 to 2004, while the number in nursing homes decreased. From FY 2001 to FY 2006, Medicaid spending on HCBS doubled, while spending on nursing homes stayed constant.

<sup>1</sup> This analysis separates Medicaid participation and spending data for older people and adults with physical disabilities from the population with mental retardation/development disabilities (MR/DD) and other LTC populations. Participants and expenditures for HCBS include all 1915(c) waivers for older people and adults with physical disabilities, and the personal care services option, if the state offers it. All participants and expenditures for nursing homes are included, regardless of the participants' type of disability or reason for admission. Excluded are participants and expenditures for intermediate care facilities for mental retardation (ICF/MR), HCBS waivers for other populations such as MR/DD, home health, and individuals receiving LTC services through managed care programs. Participant numbers include all persons receiving services during the year, not the average number on a given day; the number of nursing home participants is greater than the number of nursing home beds in each state. The average number of Medicaid nursing home residents on any given day for each state appears in the *Tables* tab at the end of the full report *A Balancing Act: State Long-Term Care Reform (#2008-10)*.

Medicaid is not the only source of LTC funding in Illinois. The Community Care Program (CCP) is projected to provide average monthly services to approximately 46,200 persons age 60 and older in FY 2008. Total funding for the program in FY 2008 is \$374.1 million, about half of which is state general revenue. Homemaker services are the core component of the program. In FY 2007, the Department on Aging added emergency home response services to homemaker services and implemented a flexible services demonstration project. In November 2007, the department began enrolling CCP clients in a Cash and Counseling demonstration program that gives participants substantial control over their care plans.

## Major Initiative

The Illinois Older Adult Services Act (P.A. 093-1031 / SB 2880) was enacted in 2004, calling for a “transformation of [the state’s] comprehensive system of older adult services from funding a primarily facility-based service delivery system to primarily a home-based and community-based system.” The restructuring, the legislation added, should encompass housing, health, financial, and supportive older adult services. The bill also created a 32-member advisory committee to guide the restructuring process.

### *“Older Adult Services Act”*

*State legislation enabled Illinois to restructure its case management system by requiring the use of a single comprehensive assessment tool as one of its reforms.*

To make eligibility determinations and care planning more coherent and coordinated, the Older Adult Services Act called for comprehensive care coordination. In 2006, the Illinois Department on Aging began restructuring the existing case management system by requiring the use of a single comprehensive care assessment tool. The system was to be implemented statewide in three phases, with the first Care Coordination Units (CCUs) in 2006 and the remaining ones in 2007. The new system permits customized care plans, client follow-up, flexible services such as respite and assistive technologies, and enhanced training for case managers.

The legislature provided an additional \$1.5 million in 2006 for the CCP to raise the asset limits from \$12,500 to \$17,500, which the state estimated would allow an additional 400 people to be eligible for services.

## Other Developments

**Assisted Living.** The state has been encouraging the development of Supportive Living Facilities (SLFs), a Medicaid-model of assisted living. The concept is affordable apartment-like housing with personal care and health-related services. In 2007, 70 SLFs containing more than 5,500 apartments were in operation. The service rates paid by the department are based on 60 percent of the amount that would be spent on nursing facility care in the same geographic area. (CCP participants are not eligible to participate in the SLP program.)

**Money Follows the Person.** Illinois was awarded a \$55.7 million, five-year federal Money Follows the Person Demonstration grant in 2007 to transition 3,357 persons from nursing homes to community settings. In their grant proposal, state officials said that Illinois would increase the percentage of spending on community services each year of the project.