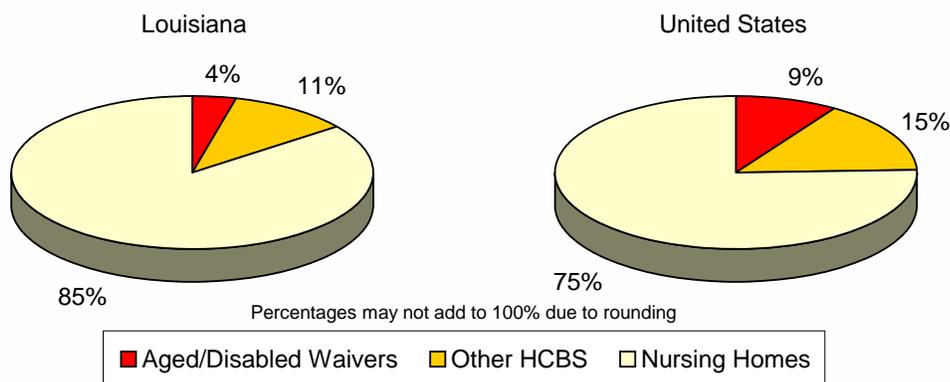


State Long-Term Care Reform in
LOUISIANA

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



Compared to the U.S. average, Louisiana allocates a greater percentage (85 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, Louisiana spent 4 percent on waiver services and 11 percent on personal care services (PCS).

Type of Service	Medicaid Participants ¹			Expenditures (millions)		
	1999	2004	Change	2001	2006	Change
HCBS	872	3,210	+2,338	\$10	\$109*	+\$100
Nursing Homes	35,508	32,306	-3,202	\$515**	\$637	+\$122

Although Louisiana has not achieved an overall balanced LTC system for older people and adults with disabilities, the state has made progress in recent years. Medicaid participants in nursing homes far outnumber those who received home and community-based services (HCBS) in 2004. However, the number of participants receiving HCBS increased from 1999 to 2004, while the number in nursing homes decreased. From FY 2001 to FY 2006, both Medicaid spending on nursing homes and on HCBS increased, but the *increase* in spending

¹ 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)*.

* The state reported a significant portion of 2006 waiver expenditures under 1115 waivers, whose reports do not include target population information; therefore, the HCBS numbers may be underreported.

** Expenditures for nursing homes were used from FY 2000—instead of FY 2001—because of state reporting irregularities.

on nursing homes was larger than the *total* HCBS spending for older people and adults with disabilities.

The state's Medicaid Elderly and Disabled Adults waiver program served about 2,750 persons in 2007, but the program also had a waiting list of approximately 7,500 people. The Louisiana legislature provided additional funding in 2007 to increase the number of people served by 1,500.

“Executive Order for Choice in Long-Term Care”

The governor issued an executive order, which, along with several federal grants, has promoted affordable and accessible housing for people with disabilities.

Major Initiative

The governor issued Executive Order 43, “Louisiana’s Plan for Choice in Long-Term Care,” in October 2004. In the first phase, an interagency team developed a Plan for Immediate Action, which was approved by the governor in March 2005. The Department of Health and Hospitals issued a report on October 1, 2007, that included work plans for accessible transportation, affordable and accessible housing, information technology, and aging and adult services. Under the last category, for example, the Office of Aging and Adult Services proposed focusing its review on assisted living, self-directed service options, a single point of entry for aging services, and chronic disease management, in addition to proposing recommendations by July 2008. The state received a \$3.2 million Real Choice Systems Transformation grant in 2005, which state officials said would help support “the larger long-term care reform plan called for in the Governor’s Executive Order.” In their grant proposal, state officials said the focus was on three areas: long-term supports coordinated with affordable and accessible housing; a comprehensive quality management system; and transformation of information technology to support systems change. One of the housing strategies undertaken with the Systems Transformation grant is a 3,000-unit Permanent Supportive Housing Initiative for people with various disabilities, including older persons. Low Income Housing Tax Credits and Community Development Block Grant funds also finance this project, in which many public agencies are involved. The federal grant has also supported development of a housing resource website, www.LAHousingSearch.org.

Other Developments

Money Follows the Person. Louisiana was awarded a five-year, \$31 million dollar grant in 2007 to relocate about 760 people from nursing homes to the community and to continue to build on the projects underway from previous federal Systems Change grants.

Lawsuit. In April 2000, *Barthelemy v. Louisiana Department of Health and Hospitals* alleged that the Louisiana Department of Health and Hospitals (DHH) failed to provide significant home care options for the state’s older persons and persons with disabilities, and that the state was not providing sufficient funding for community-based care. The state settled the lawsuit in 2001 and again in 2002 through an agreement to develop an additional 1,500 waiver program slots and \$118 million in additional funds. DHH then submitted an amendment to the Medicaid State Plan to add personal care, which the federal government approved in 2004. State officials expect to provide PCS to about 2,300 people.