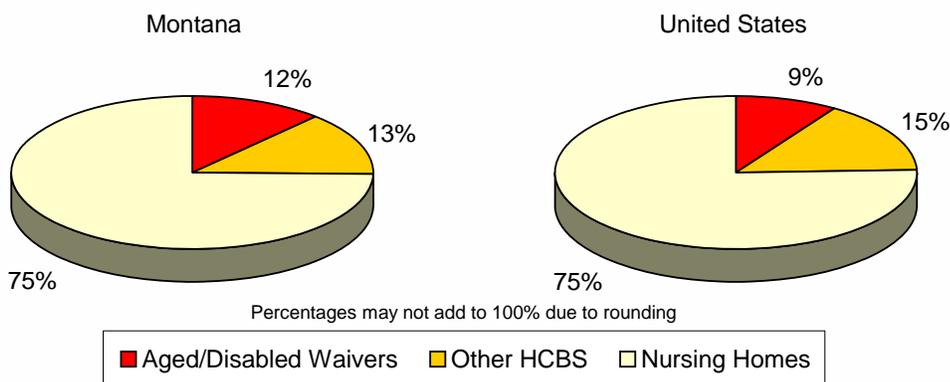


State Long-Term Care Reform in
MONTANA

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



Similar to the U.S. average, Montana allocates a greater percentage (75 percent) of its Medicaid long-term care (LTC) spending for older people and adults with disabilities to nursing homes, even though most people prefer to remain in their own homes and communities. In FY 2006, Montana spent 12 percent on waiver services and 13 percent on personal care services (PCS).

Type of Service	Medicaid Participants ¹			Expenditures (millions)		
	1999	2004	Change	2001	2006	Change
HCBS	4,279	4,805	+526	\$44	\$49	+\$5
Nursing Homes	5,549	5,204	-345	\$111	\$147	+\$36

Although Montana still has an unbalanced LTC system for older people and adults with physical disabilities, Medicaid trends indicate that slight progress has occurred in recent years. The number of Medicaid participants receiving home and community-based services (HCBS) increased slightly, while the number of participants in nursing homes declined slightly from 1999 to 2004. From FY 2001 to FY 2006, the increase in Medicaid spending on nursing homes was more than seven times as much as the increase in spending on HCBS.

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)*.

Major Initiative

Montana is aging at a faster rate than most other states, according to the State Plan on Aging. “Providing long-term care choices for Montana’s high-risk individuals in rural/frontier communities is going to be a challenge in the future as the population ages,” says the 2008–2011 State Plan on Aging. Consumers in these areas are “faced with the dilemma of finding any available services in their area.”

To address these issues, the State Plan on Aging recommended an increase in the number of people served by the Medicaid Home and Community-Based Waiver program by at least 100 slots over the biennium. The Montana legislature followed through on this recommendation by providing additional funding for another 102 slots for the program.

The legislature also created an Older Montanans Trust Fund (Senate Bill 155) in 2007 that will expand HCBS and develop new and innovative approaches to home-based services for persons age 60 and older. The program will be implemented using \$5 million of unspent Big Sky RX, a prescription drug program for Medicare beneficiaries.

Another bill passed in 2007 (Senate Bill 206) authorizes the Department of Public Health and Human Services to study the feasibility of increasing Medicaid payments to employers of personal care attendants and other direct-care employees so those employers can provide health insurance for their workers. SB 206 also authorizes the department to create a pilot program to test the effects of the plan. The legislature also provided a \$1.00 an hour increase for direct-care workers in state-funded LTC programs, bringing the minimum wage for these workers to \$8.50 an hour.

“Older Montanans Trust Fund”

The Older Montanans Trust Fund encourages innovations in home and community-based services for persons age 60 and older.

Other Developments

Self-Direction. In January 2006, the federal government approved a 1915(c) Independence Plus (IP) waiver for older persons and adults with disabilities in Montana, and provided a grant of almost a half-million dollars. The new HCBS-IP program, called Big Sky Bonanza, allows participants to purchase personal assistant services and other supplies and services using an individual-budget approach. This option is offered to persons receiving personal assistance services under Medicaid and to persons in the existing Elderly and Physically Disabled waiver program, which has had a more limited self-direction option.

Before receiving the IP grant, the state had offered self-directed personal care services that allowed participants to hire and dismiss workers but not to control an individual budget. The state applied for the IP grant to expand consumer-directed services and to increase consumer control. Participants can now be responsible, if they choose, for hiring, managing, and dismissing workers, setting payment rates (within certain limits), and scheduling services. A number of community agencies act as support brokers to provide assistance and support to participants.