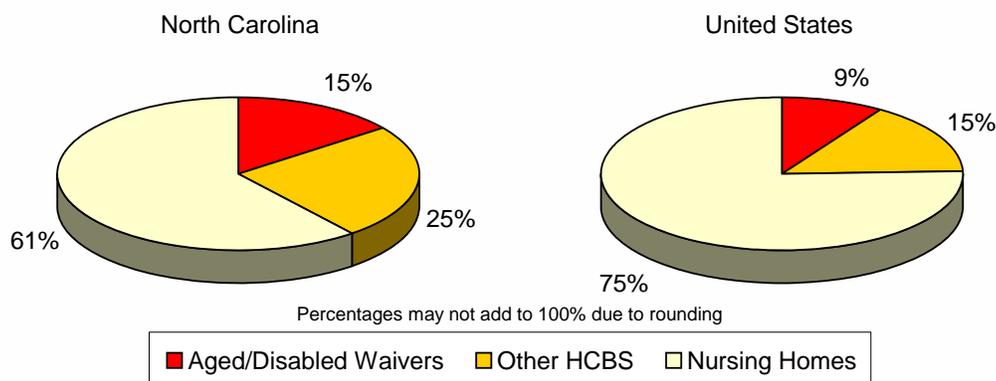


State Long-Term Care Reform in

# NORTH CAROLINA

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



Compared to the U.S. average, North Carolina allocates a much greater percentage (40 percent) of its Medicaid long-term care (LTC) spending for older people and adults with physical disabilities to home and community-based services (HCBS). In FY 2006, North Carolina spent 15 percent on waiver services and 25 percent on personal care services (PCS).

Type of Service	Medicaid Participants <sup>1</sup>			Expenditures (millions)		
	1999	2004	Change	2001	2006	Change
HCBS	20,244	53,425	+33,181	\$423	\$717	+\$294
Nursing Homes	42,382	43,182	+800	\$876	\$1,108	+\$231

Recent Medicaid trends indicate that North Carolina has made significant progress in increasing the number of Medicaid HCBS participants and expenditures while holding the number of Medicaid participants in nursing homes fairly constant. More Medicaid participants received HCBS than received nursing home services in 2004. In fact, the number of participants receiving HCBS more than doubled from 1999 to 2004, while the number of participants in nursing homes increased only slightly. From FY 2001 to FY 2006, Medicaid spending on HCBS increased by \$294 million, compared to a \$231 million increase for nursing homes.

<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)*.

## Major Initiative

In July 2006, the North Carolina General Assembly created the first-in-the-nation voluntary state licensure program for LTC providers who help develop high-quality direct-care workers through training and other incentive programs. Senate Bill 1277 established the North Carolina New Organizational Vision Award (NC NOVA) for home care agencies, assisted living facilities, and nursing homes.

### ***“Voluntary State Licensure Program”***

*The voluntary state licensure program rewards LTC providers for developing the skill sets of direct care workers.*

The Better Jobs/Better Care North Carolina project, in conjunction with the state’s Division of Health Service Regulation, developed the licensure program, which set standards in four areas: supportive workplace, training, career development, and balanced workload. As of June 2008, two home care agencies and three nursing homes have received the special licensure.

A federal Real Choice Systems Change grant for \$1.6 million has helped the state to address direct-care workforce issues. North Carolina has used the funds to help launch a public education campaign to help consumers understand the vital role direct-care workers play in LTC, and to establish a training institute for workers. The funds also helped with the establishment of a Direct-Care Workers Association.

## Other Developments

**Coordination of Services.** The state Department of Health and Human Services has a Communications and Coordination Initiative in local communities to develop and coordinate core LTC services and streamline access to such services for older persons and people with disabilities. Two pilot communities were selected to assess and evaluate their LTC systems and services with regard to how they enhance the quality of life of older adults, and then to identify and initiate strategies to strengthen those systems. Those communities developed and published their plans. The state agency also developed 22 tools to assist other North Carolina communities in developing this model.

**Systems Transformation.** The state received a \$2.3 million federal grant in 2006, which state officials said would help North Carolina to achieve “streamlined, integrated, and easy access” to LTC services and supports, to expand consumer self-direction and self-determination, to expand Aging and Disability Resource Centers, and to fully implement the state’s new information and assistance Web portal, NC Care Link.

**Money Follows the Person.** In 2007, the state was awarded a five-year, \$17 million Money Follows the Person Demonstration grant. Goals for the project include expanding the home and community-based waiver, developing optional state services, and creating regional case management teams.