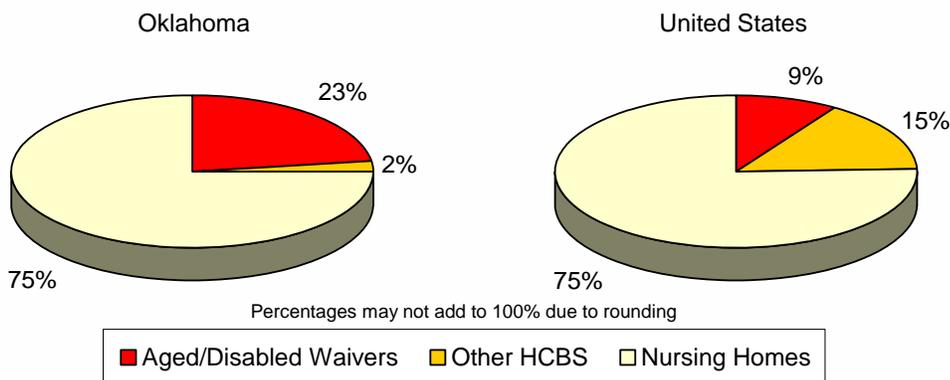


State Long-Term Care Reform in
OKLAHOMA

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



Similar to the U.S. average, Oklahoma allocates a greater percentage (75 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, Oklahoma spent 23 percent on waiver services and 2 percent on personal care services (PCS).

Type of Service	Medicaid Participants ¹			Expenditures (millions)		
	1999	2004	Change	2001	2006	Change
HCBS	15,201	21,154	+5,953	\$75	\$152	+\$76
Nursing Homes	25,758	22,917	-2,841	\$426	\$455	+\$29

Although Oklahoma has yet to achieve a balanced LTC system for older people and adults with disabilities, the state has made significant progress in increasing the number of Medicaid home and community-based services (HCBS) participants and expenditures and decreasing the number of participants in nursing homes in recent years. In 1999, many more participants received nursing home services than received HCBS, but during the next five years, the number of Medicaid HCBS participants increased by 28 percent, while the number of participants in nursing homes decreased by more than 10 percent. From FY 2001 to FY

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)*.

2006, the increase in Medicaid spending on HCBS was about 2.5 times the increase in spending on nursing homes.

Major Initiative

The Medicaid Reform Act of 2006 (House Bill 2842), signed into law on June 9, 2006, is primarily a new form of health insurance for Medicaid beneficiaries that allows the participants to own a “personal health account” to pay for medical expenses.

“The Medicaid Reform Act of 2006”

This Act requires the state to create community-based LTC options and provides incentives for LTC planning.

However, HB 2842 also provides authority for the Oklahoma Health Care Authority (OHCA) to develop LTC alternatives such as community-based options and a model of consumer-directed care. The legislation also provides incentives for LTC planning, such as purchasing private LTC insurance and creating a Long-Term Care Insurance Partnership program. (Senate Bill 1547, approved by the Oklahoma legislature in 2007, authorized the Partnership program.)

Other Developments

LTC Administration. The Oklahoma Health Care Authority created a new office in 2005, called Opportunities for Living Life (OLL), charged with developing, operating, and administering new initiatives that now include a Money Follows the Person grant and an LTC Insurance Partnership program with the Oklahoma Insurance Department.

Money Follows the Person. Oklahoma was awarded a \$41.8 million Money Follows the Person Demonstration grant in 2007, called the Oklahoma Long-Term Living Choice Project. The state plans to transition 2,100 persons from nursing homes to community settings, to identify barriers to community living, and to improve community-integrated services.