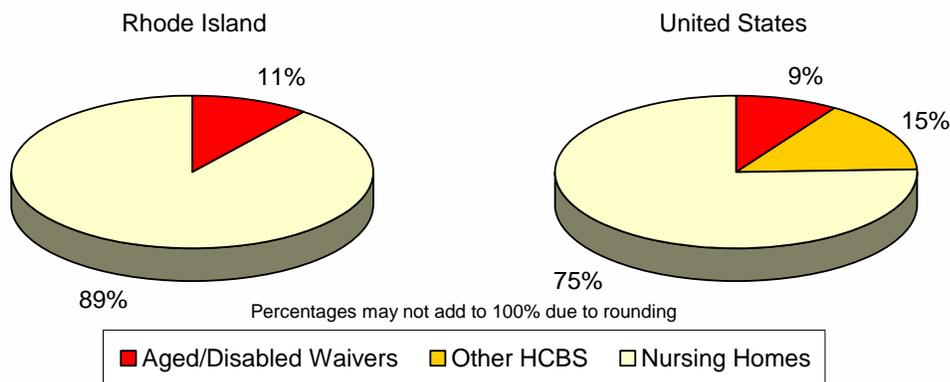


State Long-Term Care Reform in
RHODE ISLAND

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



Compared to the U.S. average, Rhode Island allocates a greater percentage (89 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, Rhode Island spent 11 percent on waiver services.

| Type of Service | Medicaid Participants ¹ | | | Expenditures (millions) | | |
|-----------------|------------------------------------|--------|--------|-------------------------|-------|--------|
| | 1999 | 2004 | Change | 2001 | 2006 | Change |
| HCBS | 2,362 | 2,705 | +343 | \$27 | \$35 | +\$8 |
| Nursing Homes | 13,297 | 11,754 | -1,543 | \$244 | \$298 | +\$54 |

Recent Medicaid trends indicate that Rhode Island still has an unbalanced LTC system for older people and adults with physical disabilities. In 2004, the number of Medicaid participants in nursing homes was more than four times the number of participants receiving home and community-based services (HCBS). However, the number of Medicaid participants in nursing homes decreased, while the number of participants receiving HCBS increased slightly from 1999 to 2004. From FY 2001 to FY 2006, the increase in Medicaid spending on nursing homes was nearly seven times 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

Major issues of resident safety in Rhode Island's assisted living facilities and nursing homes were the focus of legislative and executive action in 2004 and 2005, leading to passage of the Long-Term Care Reform Act of 2005. The legislation, enacted after the disclosure of poor care and financial problems at an insolvent nursing home, gives the state stronger authority to protect patient safety and to assure facilities are financially solvent.

“Long-Term Care Reform Act”

As a result of safety concerns for residents in nursing and assisted living facilities, the state legislature and the governor's office created the Long-Term Care Reform Act to address issues with poorly performing nursing homes as well as methods for ensuring the safety and quality of care of residents.

The death of an assisted living resident in 2005, allegedly at the hands of another resident, led to a study of the industry in Rhode Island, the appointment of an interagency Assisted Living Task Force, and steps to improve state oversight of the facilities. Health and Human Services announced plans to adopt 23 recommendations resulting from a four-month study, including requiring licensed assisted living facilities to use a standardized comprehensive screening instrument before admission, improving consumer information, and providing service coordination at six-month intervals.

Other Developments

Long-Term Care Administration. By executive order, Governor Donald Carcieri established the Executive Office of Health and Human Services in 2004 to facilitate coordination and collaboration among five state departments administering health and social services, including the Department of Elderly Affairs. Statute subsequently established the office as part of the FY 2007 state budget.

Systems Reform. The Long-Term Care Service and Finance Reform Act (House Bill 7686), signed by the governor on July 3, 2006, directs the Department of Human Services (DHS) to develop a new model for provision and delivery of LTC that supports consumer choice and independence. The legislation specifically directs the state to fund care “in the least restrictive setting” appropriate to individual needs and preferences, and provides for “global budgeting” by requiring DHS to use the savings from reducing nursing home days to strengthen community-based alternatives.

Aging and Disability Resource Centers. The state received a \$749,000 grant in 2003 to implement the Elder and Adult Disabled Resource Center. With these funds, state officials are creating up to three satellite mini-centers to provide consumers with information and assistance regarding LTC options. An Executive Order by the governor created a Long-Term Care Cabinet to ensure that services in the LTC system were provided in an efficient, cost-effective, and consumer-centered manner.