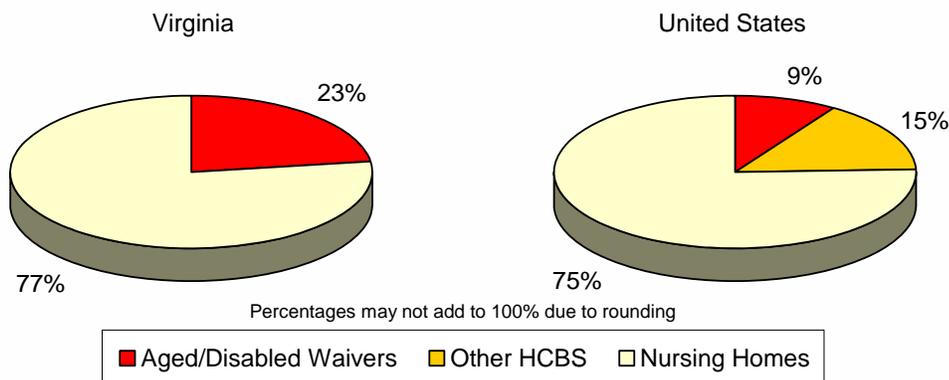


State Long-Term Care Reform in
VIRGINIA

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



Similar to the U.S. average, Virginia allocates a greater percentage (77 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, Virginia spent 23% on waiver services.

Type of Service	Medicaid Participants ¹			Expenditures (millions)		
	1999	2004	Change	2001	2006	Change
HCBS	12,070	11,439	-631	\$107	\$208	+\$101
Nursing Homes	27,746	27,902	+156	\$528	\$709	+\$181

Recent Medicaid trends indicate that Virginia still has an unbalanced LTC system for older people and adults with physical disabilities. Many more Medicaid participants received nursing home services than received home and community-based services (HCBS) in 2004. While the number of participants receiving nursing home services remained relatively constant from 1999 to 2004, the number of participants receiving HCBS decreased slightly. From FY 2001 to FY 2006, Medicaid spending on HCBS increased by \$101 million, while spending on nursing homes increased by \$181 million (specifically, the expenditures on HCBS waivers increased from FY 2003 to FY 2005).

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

Virginia Governor Tim Kaine took two major actions early in his administration affecting the state's LTC system: 1) In January 2006, he directed the Department of Medical Services (DMS), the state's Medicaid agency, "to develop a plan which will serve as the blueprint for moving towards an integrated acute and LTC delivery system for elderly and disabled Medicaid recipients," and 2) in July 2006, he created the Health Reform Commission (Executive Order 31), charged with improving access to competent, affordable health care. The Commission was also directed to address LTC and affordability.

While engaged in long-term planning for integration of acute and LTC services, DMS planned to develop two different model delivery systems more immediately. DMS was to develop a local "community model" with an Area Agency on Aging, and the other model would be developed by an existing Medicaid managed care organization ("regional model"). The legislature appropriated \$1.5 million in start-up funds in 2006 for six potential Program of All-Inclusive Care for the Elderly (PACE) sites.

"Managed Long-Term Care"

Virginia is designing and implementing a Medicaid integrated acute and LTC delivery system for older people and adults with disabilities. The system will use two models: one based on a community model and the other based on an existing Medicaid managed care organization.

A draft report issued in September 2007 included the following recommendations for the state's LTC system:

- Obtain funding to implement a Money Follows the Person program.
- Continue support of integration of Medicaid acute and LTC services through the PACE program and managed care models.
- Add assisted living as a service under the Medicaid Elderly and Disabled waiver program.
- By 2010, expand the "No Wrong Door" (see below) access to LTC services model statewide.

Other Developments

No Wrong Door. In June 2007, the American Council for Technology (ACT) named the Virginia Department of Aging's "No Wrong Door" initiative a national winner of the 2007 ACT Intergovernmental Solutions Award. "No Wrong Door" is a Web-based initiative using a one-stop service approach to simplify and improve service delivery for the state's older population and adults with disabilities.

Legislative Activity. The 2005 General Assembly gave the Department of Social Services (DSS) new enforcement authority for assisted living facilities (ALFs); directed the Department of Health Professions to license facility administrators and medication aides; and increased the auxiliary grant rate, a financial subsidy to ALF residents with low-incomes. DSS regulations detailing ALF minimum standards became effective in December 2006; the Board of Nursing regulations for medication aides took effect July 1, 2007.