

LONG TERM CARE AGING AND DISABILITY SERVICES ADMINISTRATION CASELOAD FORECASTS YEAR IN REVIEW

FISCAL YEAR 2008: JULY 2007 THROUGH JUNE 2008



STATE OF WASHINGTON - CASELOAD FORECAST COUNCIL

P.O. Box 40962
Olympia, WA 98504-0962
(360) 586-0300

This publication is available electronically at <http://www.cfc.wa.gov>. To obtain this publication in an alternative format, please contact the Caseload Forecast Council at (360) 586-0300.

CFC FORECAST YEAR IN REVIEW: Long Term Care

November 2007 through
June 2008 forecasts

The Year in Review provides a broad overview of the major forecast changes that have occurred over the past three forecast cycles. This report details changes from the November 2007 forecast through the June 2008 forecast.

CFC staff produces forecasts for Nursing Home full-time equivalents (FTEs) and Home and Community Services caseloads three times a year for presentation to the Caseload Forecast Council.

The Nursing Homes (NH) program provides services for Medicaid eligible clients who receive care in state licensed nursing facilities. Nursing facilities provide care to eligible persons who require short post-hospital recuperative care, are no longer capable of independent living and require nursing services, or are patients with chronic disabilities needing long-term rehabilitation and/or medical services.

The Home and Community Services (HCS) program provides services to clients in community-based settings, such as in their own homes, or in residential placements, such as Adult Family Homes.

Nursing Homes

November 2007 to February 2008 Forecast Changes

The February 2008 forecast remained unchanged from the November forecast. The 4-month average variance from the November forecast was -0.8 percent.

The workgroup believed the reason for the lower FTE counts in recent months was partially due to an April 2006 change in the way third party billing was processed. The change no longer allowed a “pay and chase” for third party liability. This new rule required providers to pursue third party liability prior to submitting a claim. Prior to April 2006 the provider submitted the claim and the department pursued any third party liability.

This change was phased in from April through December 2006. The DSHS Adult and Disabilities Services Administration (ADSA) felt that a delay in the processing of third party liability claims had resulted from this change. The lag factor process had not fully adjusted to the billing change and was producing counts for recent months that were too low.

February 2008 to June 2008 Forecast Changes

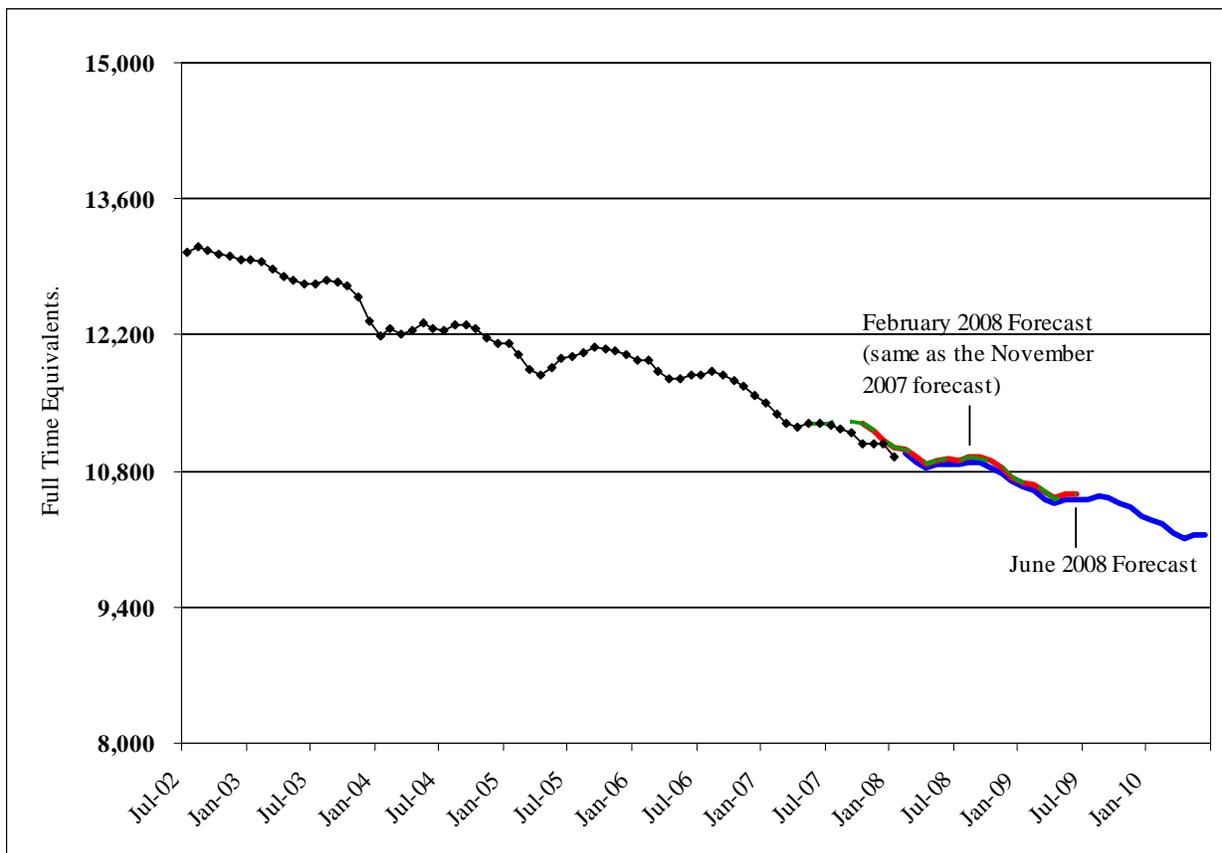
The June 2008 forecast was lower than the February forecast. The lower forecast reflected lower FTE counts in recent months. The Nursing Homes caseload and the lag factor process had been negatively impacted by the April 2006 change in the way third party liability claims were processed. Indications were that the processing of those claims was settling into a stable pattern allowing the lag factor process to do a better job at predicting completion of MOS counts.

The workgroup chose to lower the forecast for June, but not as low as recent MOS counts suggested. The assumption was that the MOS counts would continue to rise as the slower third party claims were processed.

**Nursing Homes:
Tracking the February 2008 Forecast**

	Feb-08			Percent
	Forecast	Actual	Variance	Variance
Oct-07	11,285	11,081	-204	-1.8%
Nov-07	11,210	11,073	-137	-1.2%
Dec-07	11,113	11,079	-34	-0.3%
Jan-08	11,045	10,954	-91	-0.8%

**Nursing Homes:
June 2008 Forecast compared to November 2007 and February 2008 Forecast**



Home and Community Services

The Home and Community Services forecast is the sum of three component forecasts for In-Home, Residential and Managed Care. The In-Home forecast is the sum of the Individual Provider (IP), Agency Provider (AP) and CHORE forecasts. The Residential forecast is the sum of the Adult Family Homes (AFH), Adult Residential Care (ARC), and Assisted Living (AL) forecasts. The Managed Care forecast is the sum of the Program of All-Inclusive Care for the Elderly (PACE), Medicare/Medicaid Integration Project (MMIP), and Washington Medicare Integration Project (WMIP) forecasts.

November 2007 to February 2008 Forecast Changes

In-Home

The February 2008 forecast was higher than the November forecast. The higher forecast reflected an unusual increase in the Individual Provider (IP) caseload over recent months. The IP caseload had been relatively flat for the thirty months prior to the increase.

ADSA suggested the rise in the IP caseload was due to a couple of initiatives undertaken over the prior six months. Headquarters staff conducted field training in August through October 2007 emphasizing the client's choice of provider. The purpose of the training was for staff to better understand their responsibility to offer clients a choice of provider type. The training also provided valuable tips and best practices on performing contracting functions for individual providers.

The sessions were held in partnership with the Home Care Quality Authority (HCQA) who presented information on how to best use the IP Registry. HCQA also improved their registry search function to make it easier for case managers to query the system for individual providers to serve their clients.

Residential

The February 2008 forecast was lower than the November forecast. The lower forecast reflected a continued decline in the Assisted Living (AL) caseload. ADSA was concerned that AL providers would continue to contract for Medicaid beds, but choose not to fill those beds with Medicaid clients. This would result in fewer beds available for Medicaid clients in AL facilities.

Managed Care

The February 2008 forecast was lower than the November forecast. The lower forecast reflected a discontinuation of the Medicaid/Medicare Integration Project (MMIP) in April 2008. The Program of All-Inclusive Care for the Elderly (PACE) forecast was raised slightly and the Washington Medicare Integration Project (WMIP) forecast was unchanged.

February 2008 to June 2008 Forecast Changes

In-Home

The June 2008 forecast was higher than the February forecast. The higher forecast reflected an unusual rise in the IP caseload since September 2007. The IP caseload had been relatively flat for the thirty months prior to the increase.

Residential

The June 2008 forecast was slightly lower than the June forecast. The Adult Family Homes (AFH) forecast was raised slightly, Adult Residential Care (ARC) forecast was unchanged, and AL forecast was lowered slightly for June.

Managed Care

An upward revision was made to the February 2008 forecast for June. The higher forecast reflected an upward revision to the WMIP forecast.

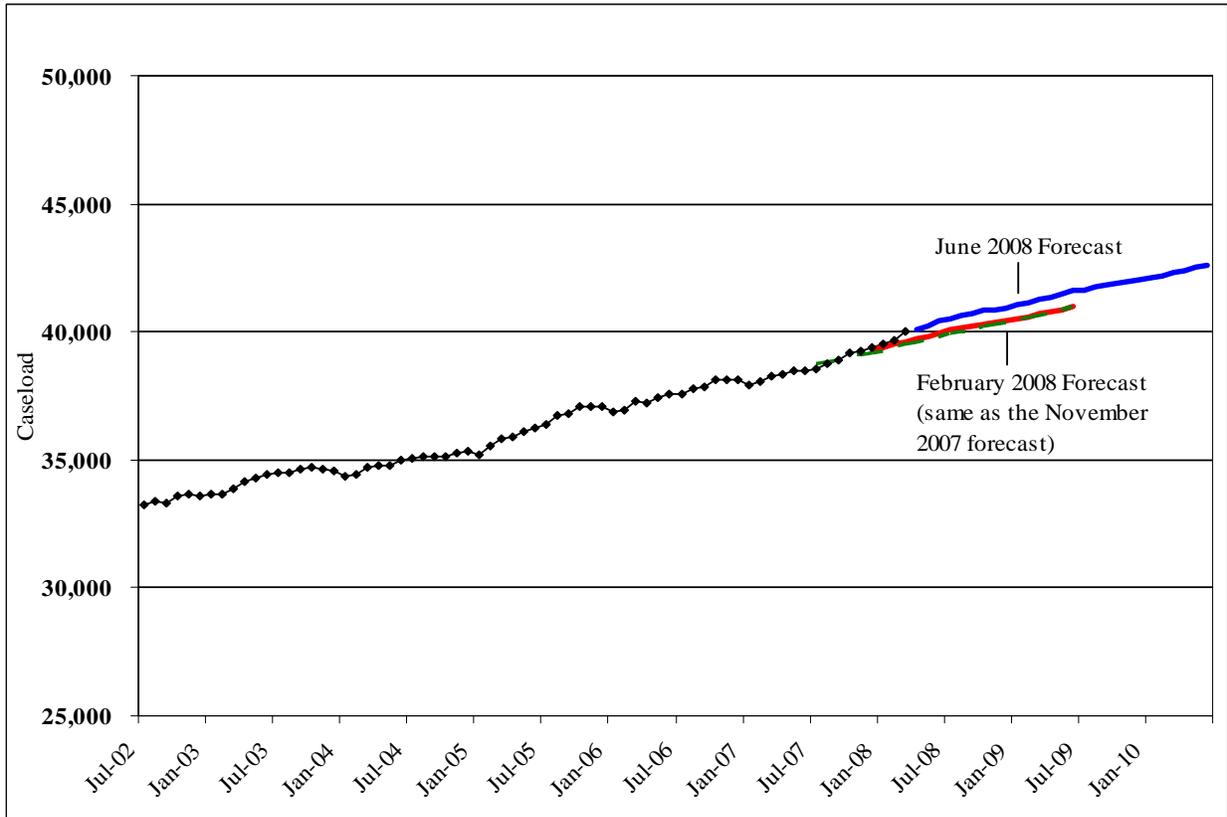
Total HCS

The total HCS forecast was raised, on average, by 0.5 percent from the February 2008 forecast for June.

Home and Community Services: Tracking the February 2008 Forecast

	Feb-08			Percent
	Forecast	Actual	Variance	Variance
Dec-07	39,332	39,373	41	0.1%
Jan-08	39,419	39,554	135	0.3%
Feb-08	39,513	39,686	173	0.4%
Mar-08	39,628	40,012	384	1.0%

Home and Community Services: June 2008 Forecast compared to November 2007 and February 2008 Forecast



**Long Term Care:
June 2008 Forecast compared to November 2007 and February 2008 Forecast**

Forecast Comparisons										Caseload Change		
		Actual	Nov-07	Feb-08	Jun-08	Change From Feb-08	% Change	Change From Nov-07	% Change	Fiscal Year	Annual Change	% Change
Nursing Homes	FY06	11,928								11,928	(157)	-1.3%
	FY07	11,532								11,532	(396)	-3.3%
	FY08	11,028	11,103	11,087	11,028	(59)	-0.5%	(75)	-0.7%	11,028	(505)	-4.4%
	FY09		10,732	10,735	10,683	(52)	-0.5%	(49)	-0.5%	10,683	(345)	-3.1%
	FY10				10,325					10,325	(358)	-3.4%
	FY11				9,967					9,967	(358)	-3.5%
Home and Community Services Total	FY06	37,041								37,041	1,560	4.4%
	FY07	38,094								38,094	1,053	2.8%
	FY08	39,502	39,243	39,334	39,502	168	0.4%	259	0.7%	39,502	1,408	3.7%
	FY09		40,432	40,491	41,029	538	1.3%	597	1.5%	41,029	1,527	3.9%
	FY10				42,114					42,114	1,084	2.6%
	FY11				43,132					43,132	1,019	2.4%
In-Home Services Total	FY06	26,608								26,608	1,189	4.7%
	FY07	27,379								27,379	771	2.9%
	FY08	28,668	28,302	28,503	28,668	166	0.6%	367	1.3%	28,668	1,289	4.7%
	FY09		29,252	29,491	30,031	540	1.8%	779	2.7%	30,031	1,362	4.8%
	FY10				30,969					30,969	939	3.1%
	FY11				31,839					31,839	870	2.8%
Residential Services Total	FY06	10,162								10,162	325	3.3%
	FY07	10,285								10,285	123	1.2%
	FY08	10,272	10,382	10,286	10,272	(15)	-0.1%	(111)	-1.1%	10,272	(13)	-0.1%
	FY09		10,566	10,466	10,442	(24)	-0.2%	(124)	-1.2%	10,442	170	1.7%
	FY10				10,545					10,545	103	1.0%
	FY11				10,652					10,652	107	1.0%
Managed Care Total	FY06	272								272	46	16.9%
	FY07	430								430	158	36.8%
	FY08	562	559	545	562	17	3.2%	3	0.5%	562	132	23.4%
	FY09		615	534	558	23	4.3%	(57)	-9.3%	558	(5)	-0.8%
	FY10				600					600	42	7.0%
	FY11				642					642	42	6.5%