

# **SPD Appendix D – Oregon Project Independence Report**

**DEPARTMENT OF HUMAN SERVICES**  
**REPORT TO THE STATE EMERGENCY BOARD**

**November 2004**

**OREGON PROJECT INDEPENDENCE**

During the 2003 legislative session, SPD was directed to return to the State Emergency Board Subcommittee on Human Services in November 2004 with a report on client fees collected and expended under the Oregon Project Independence (OPI) program.

*The Department of Human Services is to obtain complete documentation from Area Agencies on Aging on the amount of Oregon Project Independence (OPI) fees that are collected from clients in accordance with ORS 410.470. The documentation is to include a listing of OPI clients, their income levels, the fees the Area Agency on Aging collected, as well as a discussion of how the fee revenue was used to augment OPI General Fund. The Department of Human Services shall compile this data and report to the Emergency Board by October 2004 on OPI Fees.*

**Background**

**History of OPI:** In 1975, legislation established Oregon Project Independence. The goals of the program are to:

- Promote quality of life and independent living among older persons;
- Provide preventive and long-term care services to eligible individuals to reduce the risk for institutionalization and promote self-determination;
- Provide services to frail and vulnerable older adults who are lacking or have limited access to other long-term care services; and

- Optimize older individuals' personal and community support resources.

This program is preventive in nature: by providing needed in-home services, it allows clients to remain safely at home rather than moving into nursing facilities, which are not only more costly for the state but usually are not preferred by the senior citizen.

OPI serves seniors who have too many assets to qualify for Medicaid, but can remain in their homes if they receive the appropriate services. Since OPI clients are not eligible for Medicaid, this program is funded with State General Fund and client fees. OPI does not use an income determination to participate in the program, but does require clients to pay for services on a sliding scale, based on their income.

Since the program was implemented in 1975, the focus of OPI has been on local control in implementing the program, with program design varying around the state. The state has always provided 100 percent "pass-through" of funding to the AAAs for the program.

Over the years, the systems for reporting client and fee information to DHS have been improved and new ones developed. The 2003 –2005 contracts between the State of Oregon and the AAAs include a stipulation for reporting this data on a monthly basis. The legislature wanted to be kept informed on the outcomes of this program and the use of client contributions.

## **OPI Data Analysis**

### **I. Client Information**

- Between July 2003 and June 2004, the OPI program served 2,213 clients.
- The monthly administrative cost per client is \$10.00.
- Total monthly cost (administrative and services combined) per client was \$109.00.
- The total average monthly client fees collected was approximately \$11,000.00 (statewide).

- The average per-hour costs per client were:
  - Personal Care and Home Care\* \$12.00
  - Case Management \$ 9.25

\* *“Home care” services help maintain the place the client lives, and include cleaning, laundry and meal preparation. “Personal Care” services meet the needs of the clients themselves, such as help with moving around, grooming, medications and other personal needs.*

## **II. OPI Fee Information:**

Total OPI program income from collection of client fees from July 2003 through June 2004 was \$136,642.00.

Twenty-one percent (21%) of OPI clients have reported monthly incomes (not assets) of under \$750.00 per month. Sixty-one percent (61%) of clients have incomes between \$750 and \$1,999. Four percent (4%) of clients have incomes of \$2,000 or more. Thirteen percent (13%) have no entry for income in ACCESS.

Client fees for OPI services are calculated at the time of intake and eligibility determination and are updated at least annually at redetermination, perhaps sooner if financial circumstances change. Client fees are calculated using the clients adjusted income and a sliding fee scale. Information and documentation is gathered on gross household income.

Any out of pocket medical expenses, such as hospital bills and prescription coverage, are deducted from gross income to achieve an adjusted household income. Most OPI clients do not receive Medicaid assistance from which to cover medical expenses. Many do receive Medicare, but that does not cover prescription costs or co-pays. Because the need to cover those medical expenses still exists, OPI administrative rules have been set in place to allow clients to deduct out of pocket medical expenses before calculating the OPI client fee.

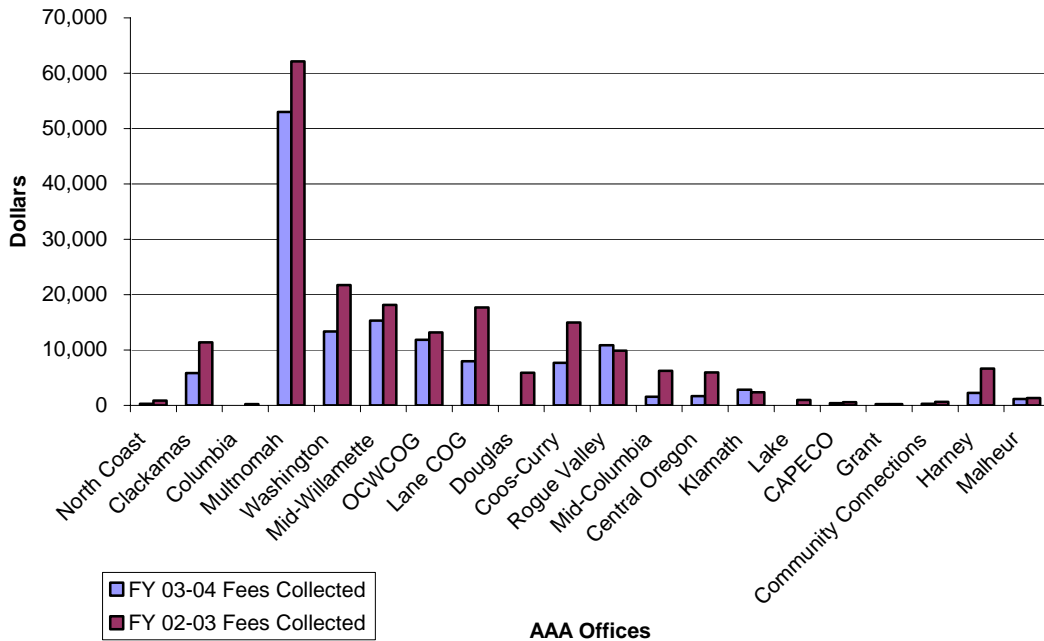
Depending on the number of people in the household and adjusted household income, a client fee per hour is determined. This hourly fee is then applied to any

hours in which a home care worker or other provider is paid to provide OPI services to the eligible OPI client.

OPI fees are expended the month in which the fees are received in 60% of the Area Agencies on Aging offices. The other offices generally expend those fees at a later date, typically in the next month. All fees expended are used on OPI client services.

When compared to FY 2003, 70% of AAA offices report experiencing a decline in the numbers of OPI clients who are required to pay OPI client fees, in part due to a restructuring of the OPI program in order to ensure that those persons who have the greatest economic need are reached. Additionally, due to budget cuts, OPI hours have been reduced and or limited in some areas which equate to less OPI client fees being generated. (OPI client fees are determined using a sliding fee scale based on the client's adjusted income. The monthly OPI client fee depends on the number of hours paid to providers. Less hours paid to providers equal less OPI client fees generated.) Additionally, some Medicaid clients who lost long-term care coverage due to the reduction in eligibility were enrolled in the OPI program. These individuals had less income than other OPI clients. A lower income usually translates to less OPI fees being generated by the program.

Comparison of OPI Client Fees Collected

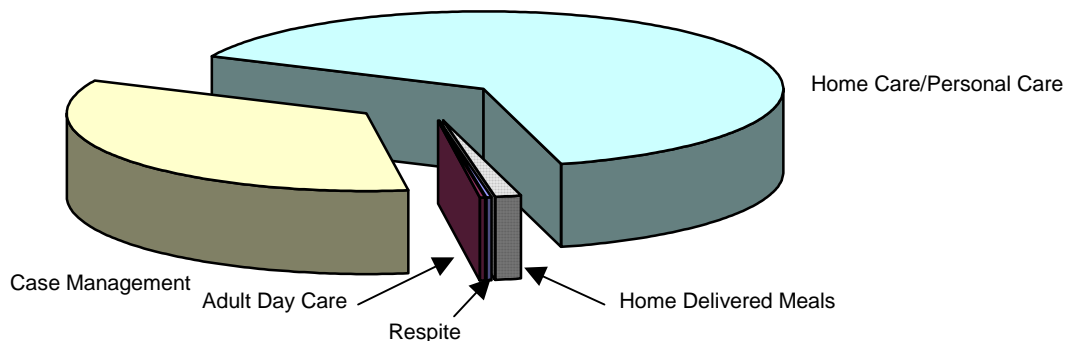


### III. Services and Expenditure Information:

The OPI program offers several forms of assistance to eligible clients, including:

- Case Management - Maximizes coordination in the service delivery system includes the following components: intake, assessment, service planning, service implementation, and evaluation.
- Home Care - In-home services, requiring minimal to substantial assistance, necessary to help clients achieve the greatest degree of independent functioning.
- Personal Care - In-home services provided to maintain, strengthen, or restore an individual's functioning at home when an individual is dependent in one or more activities of daily living, or when an individual requires substantial assistance with a medical condition.
- Assisted Transportation - Escort service that provides assistance to a person who has difficulties (physical or cognitive) using regular vehicular transportation.

### OPI Expenditures by Service



- Adult Day Care - A structured comprehensive program designed to meet the needs of functionally and/or cognitively impaired adults in a protective setting during part of a day.
- Respite - Temporary services to provide relief for families or other caregivers.
- Registered Nurse Services - Services provided by a registered nurse on a short-term or intermittent basis.
- Chore Services - Assistance with heavy housework, yard work or sidewalk maintenance for persons who need assistance with these activities to assure safety.
- Home Delivered Meals - A meal paid from OPI funds and delivered to a client who is receiving at least one additional OPI service.

OPI fees collected from clients are used to expand services in these specific areas. Expansion of service availability allows more clients to be served using the same allocation of OPI dollars because the fees are collected directly from clients and used specifically for program services.

The majority of the OPI fees collected are used to supplement personal care and homemaker services. Case management is another service in which OPI client fees are used. (See Chart below).

#### **IV. Oregon ACCESS Information**

Thirty-two percent (32%) of OPI clients have been assessed as requiring assistance in activities of daily living (ADL) requiring full assistance from another person in mobility, cognition, or eating. Many (40%) OPI clients require substantial assistance with mobility (survival priority level 10). Without these services provided through the OPI program, these clients would require admission to a nursing facility to meet ADL needs. The services authorized and provided for by the OPI program are designed to meet these ADL needs in a less costly, less restrictive environment.

Seventy-nine percent (79%) of the OPI clients are female and are between the ages of 71 and 90.

#### **V Accessing Medicaid Match**

SPD staff, Area Agencies on Aging (AAA) Directors, and advocates formed a workgroup to review potential AAA Medicaid Administrative claiming activities in general, and, in particular, the local match funded activities to which AAAs contribute dollars for programs that extend beyond those covered by the standard SPD contract allocation. Medicaid rules regarding outreach activities were reviewed and compared against current OPI case management activities. This process included the gathering of general information and visits to various local offices. At the same time as this review, the Centers for Medicaid and Medicare (CMS) issued several directives to states regarding the concern of using local funds as the matching sources to claiming Medicaid funding. Use of Medicaid funds for outreach activities would require a thorough documentation process.

The workgroup discovered that although the system for documenting OPI clients have greatly improved, it is not the same type of documentation required for accessing Medicaid. Secondly, the estimated number of clients who would be eligible to be included in Medicaid funded outreach activity would be very low. The projected costs of changing systems and outreach documentation weighed against the low number of potentially eligible clients led the group to recommend not continuing with accessing Medicaid funding for this purpose.

## Conclusion

Over the past two years, SPD and the AAAs have taken the following actions to enhance accountability:

- Improved the monthly fiscal reporting by the Area Agencies on Aging to DHS. Monthly reports now must include: the client fees billed, collected and expended; an unduplicated number of clients served; program and administrative costs; service units provided; the cost per unit; and the cost per client.
- Implemented changes to the Oregon ACCESS client database program, so it collects information about the monthly OPI fee authorized for each client.
- Required that OPI client records and assessments be entered into the Oregon ACCESS system rather than the DHS mainframe system.
- Conducted a series of Oregon ACCESS trainings for OPI case managers in the local AAAs and implemented ongoing training
- Revised the OPI administrative rules to improve accountability and reporting expectations and to clarify policy.
- Implemented field reviews of the OPI programs and technical assistance.
- Implemented quarterly reporting to AAA's on status of program.

These actions have resulted in greater accountability between the state and the AAAs. The reports have allowed SPD to track client fees collected and expended and has allowed for better sharing of local strategies and outcomes between the areas. The Department will continue to receive the reports and disseminate the information to the AAAs for ongoing review and program improvement.