

Report of Medicaid Services for Persons who are Medically Fragile, Technology Dependent

**Presented Pursuant To
*Public Act 095-0622***



Illinois Department of HealthCare and Family Services

**Bruce Rauner, Governor
Felicia F. Norwood, Director**

January 2016





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Governor Rauner and Honorable Members of the General Assembly:

In compliance with Public Act 095-0622, I present this bi-annual report of the status of existing services offered children who are medically fragile and technology dependent children under section 5-2b of the Public Aid Code.

The report was prepared in collaboration with the University of Illinois at Chicago, Division of Specialized Care for Children.

Sincerely,

Felicia F. Norwood
Director

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INTRODUCTION

Effective September 17, 2007, [Public Act 95-0622](#) amended the Illinois Public Aid Code to require the Department of Healthcare and Family Services to submit this bi-annual report to the Governor and the General Assembly outlining Medicaid services offered to children and young adults with disabilities who are medically fragile and technology dependent.

Under section 5/5-2b of the Public Aid Code, the Department is required to ensure that medical assistance be available to children who qualify as persons with a disability, as defined under the federal Supplemental Security Income program, and who are medically fragile and technology dependent (MFTD). The statute requires that eligible children be afforded medical assistance under Article V of the Public Aid Code in the community. The Department administers medical assistance to this population through a home- and community-based Medicaid waiver authorized under section 1915(c) of the Social Security Act. Through the MFTD Waiver, and with the involvement of the University of Illinois' Division of Specialized Care for Children, Illinois provides care coordination, regular Medicaid State Plan services, and additional waiver-only services to the MFTD population as required under the Public Aid Code. The MFTD waiver was last renewed effective September 1, 2012, and last amended October 21, 2015.

In compliance with Public Act 095-0622, this report includes the following information concerning the MFTD waiver program:

1. The number of persons who currently receive waiver services;
2. The nature, scope, and cost of services;
3. The comparative cost of providing those services in a hospital, skilled nursing facility, or intermediate care facility;
4. The funding source for the provision of services, including federal financial participation;
5. The qualifications, skills, and availability of caregivers for children receiving services; and
6. The number of children who have aged out of the services offered under paragraph 7 of the section 5-2 and 5/5-2b during the two years preceding the report (since July 2013).

1. Number of Persons Who Currently Receive Waiver Services

The number of children served in the MFTD Waiver fluctuates regularly. On July 1, 2013--the beginning of State Fiscal Year 2014—545 children were eligible to receive services in the MFTD Waiver. On June 30, 2014—the end of State Fiscal Year 2014—533 children were eligible for the waiver. As of September 1, 2015, 663 children were eligible to receive services in the MFTD waiver.

2. Nature, Scope, and Cost of Waiver Services

MFTD Waiver clients receive regular State Plan Medicaid services as well as special services available only to waiver participants. Because the claims for these services are normally submitted and reconciled a year or more after actual delivery of services, data for State Fiscal Year 2015 utilization are incomplete as of the date of this report. For that reason, this report details the nature, scope, and cost of waiver services for State Fiscal Year 2014.

Of the 659 children who received waiver services during State Fiscal Year 2014, 657 received other covered Medicaid services, while 486 received waiver-only services.

Of all these services, MFTD waiver children most frequently used nursing services, hospital care, prescription drugs, and durable medical equipment and supplies—all services provided under the regular Medicaid State Plan. Medicaid State Plan service expenditures for MFTD Waiver participants are shown in Figure 1 below.

Figure 1. Regular Medicaid State Plan Services Provided to MFTD Waiver Children State Fiscal Year 2014 Total Waiver Children: 659			
<i>Basic Medicaid Service</i>	<i>Unduplicated Participants Receiving Services</i>	<i>Total Service Expenditures</i>	<i>Average Service Expenditures Per Participant</i>
Nursing	632	\$59,552,905	\$93,675
Inpatient Hospital	229	\$12,207,233	\$53,307
Prescription Drugs	619	\$5,989,046	\$9,675
Medical Supplies	591	\$4,850,458	\$8,207
Medical Equipment	456	\$2,864,495	\$6,282

Fiscal Year 2014 expenditures for waiver-only services are significantly lower than costs for the regular State Plan Medicaid services detailed in Figure 1. Waiver-only service expenditures for MFTD Waiver participants are shown in Figure 2 below.

Figure 2. MFTD Waiver-only Services State Fiscal Year 2014 Total Children: 659			
<i>Basic Medicaid Service</i>	<i>Unduplicated Participants Receiving Service</i>	<i>Total Service Expenditures</i>	<i>Average Service Expenditures Per Participant</i>
Respite Care	429	\$1,811,413	\$4,222
Environmental Modification	190	\$296,244	\$1,559
Special Equipment*	0	\$0	\$0
Nurse Training	12	4,777	\$398
Placement Counseling	0	0	0
Family Training	0	\$0	\$0
Medically Supervised Day Care	0	\$0	\$0

Figure 3 below details the five largest categories of regular State Plan Medicaid services, and all other expenditures, by cost and percent of total costs in State Fiscal Year 2014, for children enrolled in the MFTD waiver.

Figure 3. MFTD Basic Medicaid Services Detailed Expenditures (Continued) State Fiscal Year 2014 Total Children: 659		
<i>Service Breakdown</i>	<i>Total Cost</i>	<i>Percent</i>
Nursing Services	\$59,552,905	66.02%
Inpatient Hospital Services	\$12,207,233	13.53%
Prescription Drugs	\$5,989,046	6.64%
Medical Supplies	\$4,850,458	5.38%
Medical Equipment/Prosthetic Devices	\$2,864,495	3.18%
All Other Total (Broken Down Below)	\$4,738,346	5.25%
Total Expenditures	\$90,202,765	100.0%
Breakdown of All Other	\$2,200,633	2.44%
Physician Services		
Outpatient Services	\$521,268	0.58%
Therapies (Physical, occupational & speech; includes EI therapies)	\$390,663	0.43%
Early Intervention Services (Excludes therapies)	\$280,485	0.31%
Home Health Services	\$30,644	0.03%
All Other Medical Services (Lab, x-ray, optical, dental, audiology, podiatry, healthy kids services, mental health, transportation, & others, including school-based)	\$1,314,936	1.46%

3. Comparative Cost of Providing Services in a Hospital, Skilled Nursing Facility, or Intermediate Care Facility

Figure 4 compares the service costs for MFTD Waiver clients to average annual costs, including ancillary costs, of providing services to a similar population in an institution such as a hospital or nursing facility.

Figure 4. Comparison of Costs Per Client for Services Provided in the MFTD Waiver and Services Provided in an Institution				
<i>Level of Care</i>	<i>Number of MFTD Waiver Clients with Level of Care</i>	<i>Total MFTD Waiver Expenditures</i>	<i>Average Expenditure Per Waiver Client</i>	<i>Average Expenditure Per Institutional Client</i>
Hospital	618	\$86,424,704	\$139,846	\$228,897
Nursing Facility	35	\$1,766,324	\$50,466	\$127,086

4. Funding Sources for the Provision of Services, Including Federal Financial Participation

Funding for MFTD waiver services is appropriated to HFS from the General Revenue Fund. Through an interagency agreement, DSCC has authority to pay home health and nursing agency providers for nursing and waiver services out of the HFS appropriation. Other medical services for children enrolled in the waiver are paid directly by HFS from its appropriations for hospital, physician, home health, and other services.

Illinois submits its claim expenditures to the federal government, which reimburses the state for a portion of those costs. During the reporting period of July 1, 2013, through September 30, 2014, the state received reimbursement from the federal government at a rate of 50.00%; on October 1, 2014, the matching rate rose to 50.76%.

5. Qualifications, Skills, and Availability of Caregivers for Children Receiving Services

Home Health Agencies

Although Illinois has 301 Medicaid home health agencies, only a specialized group of 54 nursing agencies serve the technology-dependent pediatric population with shift nursing care. There are also three alternative child care models enrolled with HFS and approved by DSCC to provide respite services in the waiver program. These are licensed as community-based health care centers.

DSCC has specific guidelines for approving providers of private duty nursing services under the waiver. Once approved, and annually thereafter, agencies sign an agreement with DSCC to comply with the program requirements, including qualifications, experience, and training for administrative and nursing staff.

Appropriately qualified staff—registered nurses (RNs), licensed practical nurses (LPNs) and certified nurse aides (CNAs), who are licensed or certified in Illinois--provide respite

care services for children in the MFTD Waiver. The same qualifications apply to State Plan private duty nursing services. Nurses and CNAs must be employed by a DSCC-approved nursing agency, unless they provide services in a children's community-based health center who are employed directly by the health center.

DSCC has some difficulty finding nurses or nursing agencies to serve some areas of the State. However, through various outreach activities over the past 12 – 18 months, four new nursing agencies have enrolled with DSCC and have begun providing shift-nursing services to this population.

Medically Supervised Day Care

Medically supervised day care provides skilled nursing care in a daycare setting as an alternative to in-home nursing care. There is no medically supervised day care providers currently certified in Illinois. However, Public Act 93-0402 amended the Alternative Health Care Delivery Act to include medical day care as a service that may be provided in a children's community-based health center licensed under that act by the Department of Public Health. DCFS certifies medical day care.

Environmental Modifications and Specialized Medical Equipment and Supplies

Providers environmental modifications and specialized medical equipment and supplies, like all Medicaid waiver providers, are subject to applicable requirements regarding licensure, qualifications, and experience. In addition to HFS enrollment requirements, DSCC approves MFTD Waiver home medical equipment and infusion providers, and requires annual signed agreements. There are 1599 home medical equipment providers enrolled in the Medicaid Medical Assistance Program. Of that number, 49 meet the additional DSCC requirements for serving waiver children.

Placement Maintenance Counseling

Placement maintenance counseling provides short-term, issue-specific family counseling or individual counseling for the purpose of maintaining the child in the home. Placement maintenance counseling is provided by a licensed social worker, licensed clinical psychologist, or an agency certified by DHS Division of Mental Health or DCFS to provide clinical or rehabilitation services. To receive payment for these services, medical providers must be enrolled with HFS.

6. Number of Children Who Aged Out of Services Offered under the Waiver During the Two Years Preceding This Report

For the period of July 1, 2013, through December 15, 2015, 27 waiver clients reached their 21st birthdays and became ineligible for the MFTD Waiver.