

# Report to the Office of the Legislative Fiscal Analyst

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## High Cost Individuals

Prepared by:

Utah Department of Health

Department of Human Services

Department of Workforce Services

Utah State Office of Rehabilitation

September 1, 2015

## EXECUTIVE SUMMARY

In Senate Bill 2 from the 2015 General Session, the Legislature passed the following intent language –

*"The Legislature intends the Departments of Workforce Services, Health, Human Services, and the Utah State Office of Rehabilitation provide a report regarding each agency's highest cost individuals and possible efficiencies through coordination, early intervention, and prevention. The Legislature further intends these agencies provide a report to the Office of the Legislative Fiscal Analyst by September 1, 2015. The report shall include the following regarding high cost individuals: 1) a summary, by program, of individuals receiving services in excess of \$100,000 total fund annually in any given agency, what percentage of total costs is spent on these individuals, and what the agency is doing to manage these costs in an efficient manner, 2) an assessment of these high cost individuals receiving services from multiple agencies, 3) a description of agency coordination regarding high cost individuals accompanied by a list of areas where agencies specifically coordinate on these high cost individuals, 4) recommendations regarding how best to serve these high cost individuals in least restrictive settings where appropriate and consistent with choice, and 5) recommendation on how agency efforts might better be coordinated across programs."*

This report contains the responses of the Department of Workforce Services (DWS), the Utah Department of Health (UDOH), the Department of Human Services (DHS), and the Utah State Office of Rehabilitation (USOR). The following tables show high cost individuals by agency. Each column shows how many high cost individuals each agency had and the cost of the services provided to these individuals. The other agency rows show whether or not other agencies provided services to the high cost individuals and the cost of these services.

		Agency that Provided More than \$100,000 in Services			
		UDOH	DHS	DWS	USOR
Number of Individuals		1,658	760	0	1
Services Provided by Other Agencies	UDOH	NA	65	0	*
	DHS (non-Medicaid)	59	NA	0	*
	DWS (non-Medicaid)	629	136	NA	0
	USOR (non-Medicaid)	156	39	0	NA

		Agency that Provided More than \$100,000 in Services			
		UDOH	DHS	DWS	USOR
Cost of Services (in millions)		\$291.8	\$104.3	\$0.0	\$0.1
Services Provided by Other Agencies	UDOH	NA	\$0.6	\$0.0	*
	DHS (non-Medicaid)	\$0.6	NA	\$0.0	*
	DWS (non-Medicaid)	\$1.5	\$0.1	NA	\$0.0
	USOR (non-Medicaid)	\$0.5	\$0.2	\$0.0	NA
<b>Total Cost of Services Provided</b>		<b>\$294.4</b>	<b>\$105.2</b>	<b>\$0.0</b>	<b>\$0.1</b>

Notes – NA = Not Applicable, \* = Unknown because client did not authorize release of information

The primary interaction between agencies regarding services for high cost individuals occurs between DHS and UDOH. While DHS provided 760 individuals with more than \$100,000 in services in a year, 502 of these individuals were Medicaid members receiving Medicaid services. Within UDOH, no division outside of the Medicaid division provided more than \$100,000 in services to an individual in a year. DWS provided no single individual with more than \$100,000 in services in a year. USOR provided 1 individual with more than \$100,000 in services in a year.

In the following sections, each agency has responded to the five items listed in the intent language.

## Utah Department of Health

*1) A summary, by program, of individuals receiving services in excess of \$100,000 total fund annually in any given agency, what percentage of total costs is spent on these individuals, and what the agency is doing to manage these costs in an efficient manner*

In FY 2015, the Utah Department of Health (UDOH) provided services to 1,658 individuals in excess of \$100,000. All were Medicaid members. The service totals included fee for service claims made directly to UDOH and encounter claims submitted by Medicaid accountable care organizations (ACOs) and prepaid mental health plans. One member had \$7,000 in Ryan White services in addition to the Medicaid services provided.

Services to these individuals totaled \$292 million, which was approximately 15% of services provided to Medicaid members in FY 2015.

One of the primary ways that UDOH manages costs for these members is by enrolling Medicaid members in ACOs and PMHPs and then paying these organizations a capitated rate to manage all of the member's care covered by their contract. ACOs and PMHPs then have a financial incentive to best manage the member's care and provide care in an efficient manner.

*2) An assessment of these high cost individuals receiving services from multiple agencies*

The top 20 most expensive Medicaid members had various medical issues; however, some of the more common cost drivers were preterm birth, cancer, and renal failure. None of these members received significant services from multiple agencies.

The majority of individuals who received significant Medicaid services from another agency are individuals with disabilities, individuals at the developmental center, and youth in the state hospital.

*3) A description of agency coordination regarding high cost individuals accompanied by a list of areas where agencies specifically coordinate on these high cost individuals*

Utah Medicaid administers seven 1915(c) Home and Community Based Service waivers to provide services to individuals with special health care needs. Operating a program of services under the authority of Section 1915(c) of the Social Security Act permits a state to waive certain Medicaid requirements in order to furnish an array of home and community-based services that promote community living for Medicaid beneficiaries and, thereby, avoid institutionalization.

Medicaid contracts with the Department of Human Services to manage the day to day operation activities of the majority of these waivers. The Division of Services for people with Disabilities operates the Community Supports, Acquired Brain Injury, Physical Disabilities and Autism waiver. While the Division of Aging and Adult services operated the Medicaid Aging Waiver. As a result the Division of

Medicaid and Health Financing and the Department of Human Services work closely to properly administer these waivers to assure they meet their intended goal. This includes care coordination for individuals who are enrolled in waivers.

Within UDOH, Utah Medicaid contracts with the Bureau for Children with Special Health Care Needs to operate the Technology Dependent Waiver. The Bureau of Authorizations and Community Base Services administers and operates the New Choices Waiver. In addition to the coordination among agencies, the Medicaid Accountable Care Organizations (ACO) care management staff also coordinate with waiver care managers to assure there are no gaps or duplication of services.

*4) Recommendations regarding how best to serve these high cost individuals in least restrictive settings where appropriate and consistent with choice*

Utah Medicaid administers seven 1915(c) Home and Community Based Service waivers that promote community living for Medicaid members and, thereby, avoid institutionalization. To the extent the State seeks to serve these members in the least restrictive setting and consistent with choice, it should continue to fund these waivers.

*5) Recommendation on how agency efforts might better be coordinated across programs*

A few of the highest cost individuals for Medicaid also had behavioral health issues. UDOH is interested in better coordinating physical and behavioral health. If Medicaid coverage is expanded to additional adults, UDOH and Salt Lake County have recommended a pilot project where newly eligible individuals would receive physical and behavioral health services from an ACO. This pilot would allow the State to determine the benefits of combining services under one contract where currently they are provided through two contracts (physical health = ACOs, behavioral health = local authorities). It is hoped that by combining these services there will be better coordination between the physical and behavioral services.

## Department of Human Services

*1) A summary, by program, of individuals receiving services in excess of \$100,000 total fund annually in any given agency, what percentage of total costs is spent on these individuals, and what the agency is doing to manage these costs in an efficient manner*

The Department of Human Services (DHS) had 760 clients who had individual costs exceeding \$100,000 totaling \$103,328,900, which represents 14% of the DHS fiscal year 2015 expenditures.

Coordination happens at many different levels. On a monthly basis, multiple child-serving agencies meet to discuss individual and system needs and how each agency can contribute and engage in finding solutions. At the local, regional and state level, professionals meet regularly to review high-cost placements, challenging cases, coordination of services and alternative services and supports to ensure clients are provided the appropriate level of care at the right time with the clinically indicated intensity of service.

*2) An assessment of these high cost individuals receiving services from multiple agencies*

The DHS high-cost clients are generally clients who are in residential type settings where their basic life needs for safe housing, supervision, daily care, health and well-being are supported; therefore, the comprehensive on-site services reduce the need for individuals to receive additional government services. While these settings may be costly, they are efficient in serving individuals requiring intensive services. DHS works with individuals to ensure that we are fully leveraging the expertise of home- and community-based levels of care with less intensive settings. When community safety requires a higher level of care or a judge orders placement in the more intensive setting, we are fortunate to have a continuum of services. DHS staff members review these placements to ensure clients are in the least restrictive setting appropriate for their needs. There is still improvement that can be made in coordination among DHS divisions and other state agencies to maximize efficiencies.

*3) A description of agency coordination regarding high cost individuals accompanied by a list of areas where agencies specifically coordinate on these high cost individuals*

Coordination happens at many different levels. On a monthly basis, multiple child-serving agencies meet to discuss individual and system needs and how each agency can contribute and engage in finding solutions.

At the state level, the Directors of DHS child-serving agencies, DHS leadership, and key representatives from Juvenile Courts, DWS, Education, Local Mental Health Authorities and Medicaid meet every other month to discuss the needs of individuals and families and determine ways in which collaboration and coordination could be increased.

DHS is in the process of implementing a department-wide Model of Care where at the individual level, Care Managers assist families in identifying needs within the family. Care Managers work closely with Service Providers, DWS, Probation Officers, DCFS, the Courts and DJJS Case Managers to ensure services are delivered in a coordinated manner. Other states have demonstrated that this evidenced-based approach to coordinated assessment planning and service delivery is cost-efficient. This approach leverages multiple funding sources and reduces the risk of overlap and/or duplication. Utah's implementation is underway and practices are evolving to be more about family independence and individual self-sufficiency with less government intervention long-term.

*4) Recommendations regarding how best to serve these high cost individuals in least restrictive settings where appropriate and consistent with choice*

The Department of Human Services is already in the process of implementing our approach for this known as our "Model of Care." In this model, our goal is to serve clients in the least restrictive setting that is clinically indicated. Clients will be staffed regularly to ensure this is the case. We will work with the family and the participating agencies to develop safety plans and provide services and supports to serve the youth home or in a community setting as quickly as possible.

Care Managers will advocate with allied agencies to allow the youth to remain in the home with additional services and supports delivered to the youth and the family in the home or in the community.

When youth are placed into settings other than the home, Care Managers will work with those agencies supporting the out of home placement to ensure it is for the shortest duration possible.

*5) Recommendation on how agency efforts might better be coordinated across programs*

There is significant coordination happening already and we are constantly identifying opportunities to improve. For example, DHS is evaluating the need for infrastructure support, a shared data platform to better track outcomes, evaluation of programs and quality assurance methods so that our coordinated care is achieving the intended outcomes. The next step in coordinating is to get policies and procedures in place across all agencies that support a Model of Care approach to all service delivery. When coordination doesn't occur, it generally is due to policy and regulation preventing this from happening or making it difficult to coordinate efforts.

## Department of Workforce Services

The Department of Workforce Services (DWS) has no individual customers receiving \$100,000 or more per year. In FY 2015, the largest amount of total DWS funds provided to an individual was about \$60,000. This is due to the nature of the programs offered by the department. Some DWS programs provide relatively small monthly benefits to help meet day-to-day living expenses as individuals and families try to improve their financial situation (i.e. Food Stamps, TANF, Child Care, General Assistance, Unemployment Insurance payments). Other DWS programs are designed to help pay for training to improve the employment opportunities of individuals (i.e. English as a Second Language for refugees, Workforce Investment Act funds for certifications or degrees) and likewise provide relatively small funding per individual served.

Below are the points the agencies have been directed to address by the intent language regarding the high-cost individuals. These may not apply to DWS because the agency has no high-cost individuals served as defined in the intent language. However, DWS has made efficiency improvements and coordinates with other agencies in ways that the Legislature may find relevant. DWS's responses to these intent language items is listed below.

*1) A summary, by program, of individuals receiving services in excess of \$100,000 total fund annually in any given agency, what percentage of total costs is spent on these individuals, and what the agency is doing to manage these costs in an efficient manner*

This item does not seem to apply to DWS because the agency has no high-cost individuals served as defined in the intent language.

*2) An assessment of these high cost individuals receiving services from multiple agencies*

DWS and other agencies should continue to explore how to best serve these customers in ways that most effectively help them achieve long-term individual and family self-sustainability. The department does not have any individuals who exceed the \$100,000 high-cost threshold, however, DWS does have various touch points with many of these high cost clients. For DHS Provider Payments High Cost individuals, DWS also provided \$3,700 in training payments and \$134,300 in Food Stamp payments. The match of Utah State Hospital (USH) clients to DWS data was incomplete because some USH clients do not have Medicaid cases that would allow DWS to match to its customer information. For UDOH, DWS provided funds for 39.6% of their high cost clients. "Payments" includes SNAP benefits issued, Financial benefits issued, Child Care benefits issued, Training funds issued, and UI Claims paid. Although DWS provides eligibility for Medicaid programs, these were not included as funds issued as the Department of Health handles Medicaid payments.

*3) A description of agency coordination regarding high cost individuals accompanied by a list of areas where agencies specifically coordinate on these high cost individuals*

Where DWS determines eligibility for programs provided by other agencies, the department works with these other agencies not only to ensure mandates of the programs are met, but also to ensure efficiency through a process of continuous improvement. This is best demonstrated in the reduction of FTEs in eligibility in spite of increasing caseloads during the great recession.

*4) Recommendations regarding how best to serve these high cost individuals in least restrictive settings where appropriate and consistent with choice*

DWS' mission is to help its customers find sustainable employment and financial self-sufficiency. We take great efforts to help our customers achieve these goals. We regularly refer customers to sister agencies or other government/community programs that may be of assistance to our customers. DWS and other agencies, however, should continue to explore how to best serve these customers in ways that most effectively help them achieve long-term individual and family self-sustainability. We should also make greater efforts to reach across the aisle to sister agencies and ensure there is not a duplication of effort and that we are referring our customers to other government programs that may be of assistance to helping them achieve self-sustainability.

*5) Recommendation on how agency efforts might better be coordinated across programs*

We can always strive to improve communications and coordinating efforts across agencies. We can make greater efforts to be as up to date as possible on what other agencies are doing, what programs they are offering and how those programs can complement our efforts with our customers.

## Utah State Office of Rehabilitation

*1) A summary, by program, of individuals receiving services in excess of \$100,000 total fund annually in any given agency, what percentage of total costs is spent on these individuals, and what the agency is doing to manage these costs in an efficient manner*

- a. For SY15 the Utah State Office of Rehabilitation provided paid client service in excess of \$100,000 to only one eligible individual. Further fiscal review has determined USOR has not provided an excess of \$100,000 to an individual for at least eight state fiscal years, prior to SY15.
- b. The percentage of total costs expended on this individual was 0.63% of the Vocational Rehabilitation program's client service budget. Provision of paid services to an individual in excess of \$100,000 is rare for USOR. However, the services provided to this individual were necessary, appropriate and required in order to remediate the specific disability-related employment barriers. The outcome of the services and interventions provided by USOR resulted in the individual successfully obtaining employment.
- c. All paid goods and services provided to eligible clients must be necessary and appropriate and procured at a reasonable cost in accordance with federal regulation, agency policies and state purchasing policies and procedures. Prior to the approval and provision of services, eligible individuals are required to work with their Rehabilitation Counselors to seek out, apply for and utilize available comparable benefits and services through other programs and agencies in order to share or offset costs. In addition, USOR Administrative review and approval is required for all client service expenditures in excess of \$12,000. USOR utilizes an internal purchasing agent to ensure goods and services are obtained in accordance with the State of Utah purchasing procedures and policies.

*2) An assessment of these high cost individuals receiving services from multiple agencies*

- a. The individual receiving services from USOR in excess of \$100,000 refused to sign a release of information. Therefore, due to confidentiality restrictions that govern USOR's vocational rehabilitation program, an assessment of the one high cost individual receiving an excess of \$100,000 from other agencies was limited to the Department of Workforce Services, as there is a data-share agreement in place with USOR. Our assessment determined the high cost individual was not receiving services from DWS.

*3) A description of agency coordination regarding high cost individuals accompanied by a list of areas where agencies specifically coordinate on these high cost individuals*

- a. Instances of the Utah State Office of Rehabilitation providing in excess of \$100,000 in paid services annually to an eligible individual are exceedingly rare for the vocational rehabilitation program. When authorizing necessary and appropriate services, USOR works directly with eligible individuals to identify comparable benefits and services available through other organizations and agencies. This serves to coordinate services, avoid duplication and identify opportunities for cost-sharing. While not limited solely to high cost individuals, USOR

coordinates with the Department of Workforce Services for training and job placement services for common clients. When available in the client's area, USOR counselors will seek comparable benefits and additional supports from allied agencies such as UTA and Independent Living centers. USOR also coordinates with The Department of Human Services' Division of Services for People with Disabilities (DSPD) in the provision of Supported Employment services. Supported Employment refers to the provision of long-term, extended services for individuals with the most significant disabilities who are eligible for and require intensive job coaching in order to obtain and maintain integrated employment within their communities. While typically not reaching the threshold of 100K annually, these individuals typically are higher cost, due to the type and duration of services. In regards to the Department of Workforce Services, the Utah State Office of Rehabilitation refers eligible individuals to apply for Health Insurance Coverage as a comparable benefit to meet their specific medical needs.

*4) Recommendations regarding how best to serve these high cost individuals in least restrictive settings where appropriate and consistent with choice*

- a. The Vocational Rehabilitation program functions to support independence and community inclusion of individuals with disabilities through competitive and integrated employment. USOR provides and coordinates the provision of services to eligible individuals in the least restrictive environments, consistent with informed choice. USOR does not provide services to individuals who are not available to actively participate in the Vocational Rehabilitation Program due to hospitalization, institutionalization or incarceration.

*5) Recommendation on how agency efforts might better be coordinated across programs*

- a. The Utah State Office of Rehabilitation recommends the listed agencies explore establishing data-share agreements, similar to the agreement in place between USOR and DWS. USOR believes this will enhance interagency coordination and collaboration in order to meet the needs of common consumers and high cost individuals and help avoid duplication of services.