

# PROMISING PRACTICES IN HOME AND COMMUNITY-BASED SERVICES

## *Alaska – Program Changes based on System Principles*

### **Issue: Consumer-Directed Personal Care Program**

#### Summary

Alaska changed its Medicaid personal care program based on principles and recommendations from a 75-person Personal Care Summit that involved program participants, personal assistance providers, advocates, and state policy makers. The changes created consumer-directed personal care agencies that train participants to direct their own services and perform fiscal responsibilities for people who employ their own personal assistants through the CDPCP. The number of participants who hired their own provider increased 36% within the first four months of implementation of the CDPCP.

#### Introduction

In November of 1998, Alaska's Division of Senior Services sponsored a Personal Care Summit of stakeholders to solicit views and opinions on the future direction of Alaska's personal assistance services. That summit started a process in which Alaska changed its Medicaid personal care benefit to give program participants more choice and control. As a result, Alaska established a Consumer-Directed Personal Care Program (CDPCP), in which agencies provide fiscal intermediary services and training to participants who select and manage their personal assistance services.

This report briefly describes the creation and implementation process of the CDPCP, the consumer-directed agencies, and the services provided under the program. This document is based on information provided by Alaska's Department of Administration, Division of Senior Services and consumer-directed agencies.

#### Background

Prior to the implementation of the CDPCP, Alaskans could receive Medicaid personal care from traditional personal care provider agencies or from independent providers. The independent provider option presented challenges for both participants and providers. Program participants

received no support or guidance from the state regarding how to select and manage their providers. The providers needed to enroll directly with Medicaid and were responsible for their own Medicaid billing. As self-employed independent contractors, independent providers did not receive common employee benefits like workers' compensation insurance, unemployment insurance, and medical benefits.

**Prior to the Consumer-Directed Personal Care Program, participants did not receive support when hiring their own provider.**

#### Intervention

Under the CDPCP, consumer-directed agencies provide training and fiscal intermediary services to participants. During the training session, participants receive a training manual that provides ideas on how to develop job descriptions, checklists, and back-up plans as well as suggestions on how to recruit, interview, train, manage, resolve conflict, evaluate, and keep records. Participants also receive training on developing back-up plans, which Alaska requires in each participant's service plan. Consumer-directed agencies also offer additional voluntary training to participants and providers.

In addition to the training and fiscal intermediary services, CDPCP participants have more flexibility in the services they can receive than under the previous independent provider option. Under CDPCP, participants can receive additional services including routine health maintenance activities such as urinary system management, medication administration, stand-by assistance with specific tasks, and increased time for shopping assistance. Services that participants often request but are not approved include chore services, pet care, companion care, respite care, and babysitting.

CDPCP participants and consumer-directed agencies file as joint employers under the federal Fair Labor Standards Act. Under joint-employment, participants are responsible for the supervision and training of their providers while the consumer-directed agencies are responsible for the providers' payment, billing Medicaid, and providing other fiscal intermediary services. The agencies pay the provider's wages, workers' compensation insurance, and payroll taxes. Agencies also provide assessments to determine people's eligibility for services and determine whether providers meet state eligibility guidelines. Agencies currently pay providers \$10 to \$13 per hour out of the \$21 per hour reimbursement. Some of the consumer-directed agencies also provide medical benefits for providers.

Consumer-directed agencies market personal assistance services through several means, including phone book advertisements and

**Consumer-directed agencies provide training to participants and fiscal intermediary services.**

making information available at senior meal sites. Some consumer-directed agencies provide services across the state and some serve local areas, so participants have choice among consumer-directed agencies. While the agencies are able to recruit more participants in Alaska's cities, the agencies also serve people in the rural areas of Alaska.

When a participant first requests CDPCP, consumer-directed agency staff assess the participant's strengths and needs. In more remote settings, agency staff may not be able to assess the individual promptly due to travel conditions. For example, staff may need to board a ferry for several hours to meet a participant who lives on an island. If assistance is urgent, a local health service agency (e.g., home health agency) can provide the assessment. After eligibility is determined, the participant directs the service planning process, which is reviewed annually by the consumer-directed agency and the participant.

Supervision of tasks by Registered Nurses is not required in the CDPCP. Alaska's Nurse Practice Act does not apply to attendants who provide supports that are incidental to their person's health care needs. Participants can supervise their services in place of a registered nurse.

### Implementation

Alaska developed CDPCP after state staff held a Personal Care Summit to discuss the future direction of Alaska's personal assistance services in November 1998. Summit participants were recruited using the Division's mailing list. Seventy-five providers, service participants, and state agency staff attended the summit. Summit participants selected a Personal Care Attendant (PCA) Design Team to facilitate the design process for changing Medicaid personal care, consisting of service participants, advocates, providers, and representatives from five state agencies with a role in home and community-based services.

The PCA Design Team summarized the results of the meeting into two documents. The first document, a one-page "Guiding Principles for Personal Care Attendant Services," emphasized the need for participant controlled, community-based services available to all eligible Alaskans 24 hours a day as needed, and allowing communities to develop services meeting the communities' unique needs. The second document, a two-page "Recommended Ideas for Improvement," supported equal Medicaid reimbursement for agency-based and consumer-

directed services, expanding Medicaid-reimbursable services, allowing participants to choose not to have supervision by registered nurses, and other changes to support the "Guiding Principles".

The PCA Design Team sent the documents to state department commissioners, division directors, and other Summit participants. After reviewing the documents, the commissioners gave the PCA Design Team permission to move forward. The team created draft regulations using the two documents and feedback from September 2000 surveys of participants and providers. The surveys evaluated satisfaction with PCA services and training, the assessment process, nurse supervision, criminal background checks, and back-up services. The survey also asked people to identify general strengths and weaknesses of the agency-based and independent provider programs. The regulations were adopted in August of 2001. The Division of Senior Services allocated one .33 FTE for the two year planning of the CDPCP and two employees totaling .60 FTE for the implementation of the CDPCP.

### Impact

Through October of 2001 and May of 2002, 743 individuals used the CDPCP program while

utilizing 19 different consumer-directed agencies. Unlike the 187 participants that hired their own independent providers in fiscal year 2001, the 743 individuals using the CDPCP receive fiscal intermediary services and training on how to hire and manage their own provider.

A formal evaluation of CDPCP has yet to be conducted. The Division of Senior Services will survey participants and providers one year after implementation of the CDPCP. The division will then compare results with surveys from participants and providers of agency and independent services completed in September 2000. The Division of Senior Services allocates one FTE staff and \$190,000 annually for CDPCP.

### Contact Information

For more information about Alaska's Consumer-Directed Personal Care Program (CDPCP), please contact Susan Cook by calling 907-269-3653 or email her at [Susan\\_cook@admin.state.ak.us](mailto:Susan_cook@admin.state.ak.us). Tools, reports, and general information about Alaska's CDPCP can be found online at [www.state.ak.us/local/akpages/ADMIN/dss/pca/home.htm](http://www.state.ak.us/local/akpages/ADMIN/dss/pca/home.htm).

#### **Key Questions:**

**What process changes would be necessary to establish principles and develop program changes in more populated states?**

**What are the advantages and disadvantages of using consumer-directed agencies to support participants who hire their own providers, rather than allowing participants to hire independent providers?**

This report was written by Erin Barrett, M.S.W. It is one of a series of reports by The MEDSTAT Group for the U.S. Centers for Medicare & Medicaid Services (CMS) highlighting promising practices in home and community-based services. The entire series will be available online at CMS' web site, <http://www.cms.gov>. This report is intended to share information about different approaches to offering home and community-based services. This report is not an endorsement of any practice.