CLASS Technical Assistance Brief Series

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Determining Need for Medicaid Personal Care Services

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The Community Living Assistance Services and Supports (CLASS) Plan – a groundbreaking component of the Affordable Care Act – creates a voluntary federally-administered insurance program to help individuals pay for needed assistance in a place they call home if they become functionally limited. Implementation will require knowledge translation from various sectors, including research and existing public and private programs. This Technical Assistance Brief Series seeks to answer questions pertinent to developing and implementing the program.

This brief focuses on the ranking and scoring criteria and mechanisms that state Medicaid programs use to determine functional need and the level of services provided for Medicaid-funded personal care services programs. Because CLASS requires a determination of need and must identify a benefit level for which regulations must be promulgated, this information can be very useful for the development of the CLASS Plan.

Introduction and Overview for Determination of Need for Personal Care Services

Every state Medicaid program has a unique design and utilizes different mechanisms for determining an individual's need for services. For personal care services (PCS) and home and community-based services (HCBS), states will often provide specific criteria to assist the assessor when determining who is eligible for services, what type of services are needed and how much service may be needed. States may use predefined ranking levels, such as high, medium, or low, to indicate the level of frailty or impairment. Additionally, states may define a scoring methodology for which an individual is identified with a numerical score to indicate if services are needed and even what type or level of services are needed.

This is the second of three issue briefs[i] on states' experience with Medicaid personal care and home and community-based services and the relevance of that experience to the development of CLASS.[1]

To evaluate how states determine need for Medicaid PCS, we first conducted a review of the fifty states' and the District of Columbia's Medicaid programs to capture information on PCS offered through the state plan or through an HCBS waiver for the elderly or persons with physical disabilities. This review yielded a basic understanding of the size and design of each state's program so that the authors could select states for a more thorough analysis. It was primarily conducted through internet-based research which captured high level information on the number of enrollees, expenditures, type of PCS programs offered, policies, instruments used, functional eligibility criteria, prior authorization criteria, and related data on consumer involvement and direction of services.

[i] The other two briefs are: The SCAN Foundation's CLASS Technical Assistance Series Brief #5: ("Elements of a Functional Assessment for Medicaid Personal Care Services") and The SCAN Foundation's CLASS Technical Assistance Series Brief # 7: ("Functional Assessment Processes for Medicaid Personal Care Services"). These briefs discuss the actual elements of a functional assessment, instruments used for the assessment and the assessment process states follow.

Based on the review, ten states, representing a cross section of the various program design characteristics, were selected for further examination: Arkansas,[2-3] California,[4-10] Florida,[11-14] Georgia,[15] Maine,[16-17] Maryland,[18-19] Massachusetts,[20-23] Michigan,[24-26] Nebraska,[27-29] and Oregon.[30-34] Further analysis of these states included interviews with state officials who administer the PCS and/or HCBS programs, as well as an examination of policy manuals, forms and assessment instruments to better understand and describe how these states conduct their functional assessments for eligibility determination in their respective personal care services programs. This information was gathered with the express intent of providing information that may support the development of related CLASS regulations.

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The initial review of 50 states and the District of Columbia, specific to determining need in Medicaid programs providing personal care services, found that:

- Each state has developed its own unique threshold criteria for determination of functional eligibility, resulting in wide variation and complexity of how states determine need for services in their state Medicaid plan and the HCBS waiver programs.
- Two states have implemented more rigorous level of care thresholds to be eligible for services in a nursing facility as compared to the level of care needed to be eligible for HCBS waiver services.

Methods for Determining Need

CLASS does not specifically define in statute the level of functional ability that an individual will require to be eligible for benefits. Legislation for CLASS states that individuals are eligible if they are unable to perform a minimum number of ADLs; however, it does not further define the level of "inability," such as, "without some assistance" or "without total assistance." Therefore, a review of states' approaches for determining need can provide such details for the CLASS Plan.

Some state Medicaid programs have developed ways to assess an individual by ranking the level of need for certain functional activities (e.g., from "independent" to "totally dependent" with interim functional rankings). Assessment forms with predefined ranking levels provide the assessors a decision-support tool and can produce a more consistent and reliable eligibility determination. During the assessment process, the assessor will indicate the level of need, i.e., rank, for functional or cognitive impairments. States may also incorporate a methodology that scores the ranking levels in which an individual is identified with a numerical score. These ranks and/or scores are used to determine eligibility for services and may assist with the determination of the type, frequency, and time estimates for services to be provided.

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Ranking

Most states use a ranking system for assessing specified functional areas in order to determine functional eligibility and identify the level of impairment. The ranking methods and criteria used by states generally measure the level of ability and assistance needed of the assessed individual to perform specific ADLs or IADLs, but these rankings vary as to how the information is captured. The examples in Table 1 below illustrate methods that states use.

These are only a few examples of how states provide guidance to determine the need for personal care services. The ranking by ADL and IADL allows the assessor to determine functional levels by area and can help to determine what type of assistance is needed for the individual to remain in the community.

Scoring

In addition to the ranking levels provided in state assessment forms, states have also developed different scoring methodologies that incorporate ranking information to develop a numerical score for each potential beneficiary. These scores are then used to determine eligibility for services (i.e., meeting a minimum threshold) and may also be used to identify the type and/or frequency of services needed. These methodologies may involve an algorithm that assigns a point value to the ranking levels and weights rankings by type of impairment.

A specific state example of how sensitive the issue of scoring thresholds can be is California. A 1-5 ranking (Example #3 from Table 1) is used for each ADL and IADL, but it is a highly individualized ranking. Each rank has an ADL/IADL-

TABLE 1 Examples of Ranking Criteria for Medicaid PCS programs

Example #1	Yes or no responses to very specific and focused questions for need and level of support.
Example #2	Five-Point Ranking: independent, supervision, limited assistance, extensive assistance, and total dependence, with each rank including a standard definition or description.
Example #3	A 1-5 General Ranking System: independent, verbal assistance, some human assistance, much human assistance, dependent.
Example #4	Three-Level Ranking: independent, physical assistance required, dependent.
Example #5	Six-Level Ranking: independent, verbal assistance, some human help, a lot of human help, dependent and paramedical (activities requiring judgment based on training given by a licensed health care professional).

specific definition used to assist the assessor. An individual is ranked in ADL- or IADL-related functions which then produce a numerical Functional Index Score (FIS), ranging from 1 to 5. As a result of the 2009-2010 budget, the state planned to eliminate services for beneficiaries with a FIS less than or equal to 1.99 and eliminate domestic and related services for beneficiaries ranked at 1, 2, or 3. However, due to legal actions, a temporary restraining order prevents the state from implementing the changes.[4-5] A key argument in this case was that the scores were inadequate to measure the impairment or risk of institutionalization and would result in the arbitrary withdrawal of services. Some of these same cuts that have been proposed in the 2011-2012 budget proposal are currently being considered.

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Another state's assessment tool includes assessment of functional limitations based on ranking, and provides a mechanism for scoring the limitations to produce eligibility determination for specific services and levels of services. For example, the scoring of certain limitations can identify eligibility for a certain service such as "day health" or "home based care" at a specified level.

One state's HCBS waiver program prioritizes individuals based on 18 levels of service need. The 18 defined levels are related to the level of need for certain ADLs and IADLs. For example, level 1 represents the need for full assistance with mobility, eating, elimination, and cognitive deficits whereas level 18 represents a level of independent functioning. Currently the waiver is serving individuals with a prioritization level of 1-13.

Pre-Screening

A pre-screening process, conducted by telephone, can be useful in reducing the number of face-to-face assessments for individuals who are not functionally eligible for PCS or waiver services. However, most states that were reviewed do not have a pre-screening process in place. There was one state where a pre-screening process is performed via a telephone screening assessment to determine a referral's potential eligibility for the HCBS waiver program; the result of this pre-screening process is used to establish priority for a face-to-face assessment for the initial care plan. The screening process includes:

- Discussing eligibility criteria with applicants;
- Using a form to determine functional eligibility (to be eligible, an applicant must obtain a specified level of impairment score and have an unmet need for care);
- Determining if the applicant likely meets the level of care;
- Assessing financial eligibility; and
- Advising applicants of all available community resources that may meet their needs.

Many states have a waiting list for their HCBS waiver programs. The waiting list, depending on how it is managed, can result in a level of "pre-screening" for HCBS waiver services. For example, one HCBS waiver program conducts an

assessment of elderly individuals seeking services that results in a prioritization score (1-5, with 5 indicating the highest need for services). This score is used for prioritization on the waiting list, not determination of program eligibility. Individuals with the highest scores will be prioritized for assessment to determine level of care before individuals with a lower score.

Threshold Requirements

Each state must have criteria for authorizing PCS through a state Medicaid plan or through a HCBS waiver program and sets unique threshold levels for determining functional eligibility. The determinations of need and authorization procedures generally include:

- A threshold level for the number of ADL and IADL deficits and the extent of assistance needed to meet ADL or IADL deficits;
- Authorization by a physician (required for Medicaid state plan PCS); and
- Other factors established by the state.

The criteria and threshold requirements for determining need for individuals to be served in an HCBS waiver differ from Medicaid state plan PCS because a "level of care" determination is required to be eligible or waiver services. HCBS waivers provide services to support persons in home and community-based settings as an alternative to care in a nursing home, intermediate care facility for the mentally retarded (ICF/MR), or hospital. Waivers that target persons who would otherwise reside in a nursing home require that a person be determined as needing nursing home-level services within a short period of time absent access to HCBS waiver services. This requirement is generally referred to as meeting a nursing home level of care, which each state individually defines along with functional eligibility for their HCBS waiver(s). As a result, there are variations from state to state, with no common definition used.

In general, states require that a person need nursing care or supervision to meet the Medicaid-defined nursing home level of care and may include the requirement that the individual need assistance with a certain number of ADLs. For example, one state that was reviewed requires daily skilled nursing need, extensive assistance need in three ADLs, or a combination of some assistance in at least one ADL and nursing, cognitive, or behavioral need. Most states have prescribed methods for making this determination requiring completion of specific assessment instruments while others require certification by a physician and review by a state entity for "medical necessity" purposes. Table 2 below provides examples of state threshold levels to meet the functional eligibility for HCBS waiver programs and state plan PCS.

There are clear differences in the threshold requirements states use to determine eligibility for Medicaid-funded PCS. Some states may only require needed assistance in at least one ADL and a medical certification, while other states require extensive assistance with specified ADLs.

TABLE 2 Examples of State Threshold Levels for Functional Eligibility

Example #1	Need help with at least 1 ADL.
Example #2	Must have some need for assistance which results in a specified score.
Example #3	Direct physical assistance with 2 or more ADLs.
Example #4	Identified need based on nine different specifically defined levels of care designations.
Example #5	At least some human assistance with certain identified ADLs or IADLs.
Example #6	Needs PCS to live in the community identified by a personal service need in categories: grooming, nutrition, mobility, toileting, medications, special procedures, or supportive services.
Example #7	Need intermediate or skilled level of nursing home care.
Example #8	A medical condition and one of either a cognitive impairment or ADL need.
Example #9	Daily skilled nursing or therapy need or assistance with at least 3 ADLs or nursing services based on list of 6 ADLs and 8 nursing services.
Example #10	Daily skilled nursing need, extensive assistance need in 3 ADLs, or combination of some assistance in at least 1 ADL and nursing, cognitive or behavioral need.
Example #11	At least limited assistance in one or more of 7 identified domains: ADLs, cognitive, physician involvement, physical conditions, skilled rehab needs, behavioral, or service dependency.

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States generally determine the need for services by identifying necessary assistance with both ADLs and IADLs, and may also include needs resulting from behavioral or cognitive limitations. An important distinction is the identification of a need for assistance as opposed to only the identification of functional impairments.

Some states have targeted persons at lower "levels of care" (intermediate or custodial care) for transition out of nursing homes but only a few states have imposed more rigorous requirements for nursing home level of care. Although not included in the specific state research, two states have implemented more rigorous requirements that trigger the need for nursing home care. One state has replaced the institutional level of care criteria used in most HCBS waiver programs with a needs-based level of care based upon three levels: highest, high, or preventive need for services. Services in a nursing facility and a full array of home and community-based services are available to those individuals with an assessed need at the highest level. A limited set of home and community based services is available to those identified at the preventive needs level.[34]

Considerations for CLASS Plan Design and Implementation

A separate issue brief describes elements and definitions of ADLs, IADLs, and cognitive functioning,[ii] while this issue brief expands on how states use those data elements to determine eligibility. Each state has developed its own assessment methodology to capture necessary functional elements with specific threshold criteria for determining eligibility and necessary level of services, which may also include ranking and scoring mechanisms. These rankings may be generically applied to all functional elements assessed or specific to the condition being assessed. A score may be produced from the rankings which then trigger the identification of services and service levels.

"Each state has developed its own assessment methodology to capture necessary functional elements with specific threshold criteria for determining eligibility and necessary level of services, which may also include ranking and scoring mechanisms."

While the CLASS Plan provides some specification as to what functional limitations will trigger access to benefits, there is great variability as to how those limitations can be defined and how they will be measured for the determination of need for services. Additionally, the CLASS Plan will scale the benefit amount to functional ability. Thus the degree and type of functional limitations will factor into the determination that an eligible enrollee may be entitled to receive. State Medicaid programs offer many examples of how a state assesses and measures the need for personal care services. Approaches that states use include:

- A pre-defined ranking system to assist assessors in the determination of an individual's level of ability to perform and assistance needed with ADLs and IADLs;
- A methodology to score the ranked functional criteria in order to determine if the individual has functional limitations that would trigger the need for benefits in the CLASS Plan; and
- A methodology to score the ranked functional criteria in order to determine the level of need so that the benefit amount is scaled to the individual's functional ability.

No one state provides a definitive model that can be applied to CLASS, but the design of the CLASS eligibility assessment system can clearly benefit from states' approaches in order to provide a more consistent and standardized method of determining need.

[ii] See The SCAN Foundation's CLASS Technical Assistance Series Brief #7: ("Elements of a Functional Assessment for Medicaid Personal Care Services") that discusses the actual elements of a functional assessment, and instruments used for the assessment.

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