
Report on Consumer Directed Services and Service Responsibility Option

**Fulfilling the Requirements of the
2008-09 General Appropriations Act
(Article II, Special Provisions, Section 48,
H.B. 1, 80th Legislature, Regular Session, 2007)**

**Submitted by the
Health and Human Services Commission**

and the

Department of Aging and Disability Services

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Introduction

Charge

The 2008-09 General Appropriations Act (Article II, Special Provisions, Section 48, H.B. 1, 80th Legislature, Regular Session, 2007) requires the Department of Aging and Disability Services (DADS) and the Health and Human Services Commission (HHSC) to submit the following consumer directed services (CDS) and Service Responsibility Option (SRO) information to the Legislative Budget Board and the Governor no later than November 1, 2007:

- DADS, in coordination with HHSC and the Consumer Direction Workgroup, shall report barriers the agency has identified to be obstructing the use of CDS and SRO, and strategies the agency will employ to reduce or eliminate those barriers.
- HHSC, in coordination with the DADS and the Consumer Direction Workgroup, shall report a plan for the continuing evaluation and reporting of the cost-effectiveness of CDS and SRO.

Definitions

Consumer direction is a long-term services and supports (LTSS) delivery model under which consumers, parents, or guardians exercise control over the development and implementation of the consumer's individual service plan or over the persons delivering the services directly to the consumer. The term includes the consumer directed service (CDS) option and the service responsibility option (SRO).

CDS is an LTSS delivery option in which consumers, parents, or guardians have increased choice and control over the delivery of services. The CDS option allows these persons (instead of a traditional provider agency) to directly hire, train, manage, and, when necessary, terminate workers such as attendants and respite care providers. In some cases, the CDS option allows these persons to select other service providers, such as nurses and therapists.

SRO is an LTSS delivery option in which consumers, parents, or guardians manage the day-to-day work of their attendants, but are not responsible for other functions. Business and employment processes are managed by the provider agency chosen by the consumer. The SRO option is designed for those who want some say in how their services are managed but do not want the full employer responsibilities that come with using the CDS option.

CDS Implementation Status

CDS is currently an option for at least one service in each of the following six programs:

- The Community-Based Alternatives Program (CBA)
- The Community Living Assistance and Support Services Program (CLASS)

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- The Consumer Managed Personal Assistance Services Program (CMPAS)
- The Deaf-Blind-Multiple Disability Program (DBMD)
- The Medically-Dependent Children's Program (MDCP)
- The Personal Care Service Program (PCS)
- The Primary Home Care Program (PHC)

CDS will become an option in Home and Community-based Services (HCS) and in Texas Home Living (TxHmL) in 2008.

SRO is currently an option in primary home care in Lubbock and Bexar counties as part of a pilot program. SRO will be offered statewide in primary home care and other long-term services and supports programs in 2008.

Barriers to Consumer Directed Services (CDS) Participation

Background

The 2008-09 General Appropriations Act (Article II, Special Provisions, Section 48, H.B. 1, 80th Legislature, Regular Session, 2007) requires DADS, in coordination with HHSC and the Consumer Direction Workgroup, to report barriers the agency has identified to be obstructing the use of CDS and SRO, and strategies the agency will employ to reduce or eliminate those barriers.

DADS staff used several sources to identify potential barriers and strategies for addressing them. The majority of information came from consumer focus groups held in the spring of 2006 by the DADS Center for Policy and Innovation (CPI) to fulfill the S.B. 1188, 79th Legislature, Regular Session, 2005, requirement to examine the feasibility of expanding the types of agencies that can serve as Consumer Directed Services agencies (CDSAs). In addition, DADS staff presented the information compiled for S.B. 1188 to the HHSC Consumer Direction Workgroup. Overall, the workgroup's comments echoed the barriers that had been identified in the focus group meetings.

Identified Barriers and Corresponding Strategies

Stakeholders, including case managers, consumers and their families, and providers, need additional information to better understand the options available for self-direction.

Strategies

To help stakeholders gain a better understanding of self direction options, DADS staff will do the following during fiscal year 2008.

- Update and distribute CDS educational material to all stakeholders, including consumers, and provide ongoing training to case managers/service coordinators and providers when:
 - the CDS option is added to additional services in existing programs currently offering the CDS option;
 - the CDS option becomes available in programs offering the CDS option for the first time; or
 - major CDS policy changes occur.
- Conduct four to six town hall meetings to educate stakeholders in the community about options available for self-direction in all community-based programs.
- Develop and distribute outreach material regarding consumer direction in all community-based programs, including a multimedia consumer direction toolkit compact disc.
- Improve the DADS website so that information about consumer direction will be easy to find.

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- Conduct regular training for CDSAs regarding current best practices on employer-related activities and emergency back-up planning to share with consumers.
- Explore opportunities to encourage consumer direction outreach by local entities, such as area agencies on aging, centers for independent living, and volunteers.

Stakeholders have expressed the need for support services, in addition to those provided by the CDSAs.

Strategies

To address the need for additional support services, DADS staff will do the following during fiscal years 2008 and 2009.

- Implement support consultation services, beginning in January 2008, in Home and Community-based Services (HCS) and Texas Home Living (TxHmL). This service will assist consumers with practical skills training regarding employer-related responsibilities.
- Expand support consultation services to the other 1915(c) waiver programs and primary home care services.
- Offer support advisor training annually. Initial certification training for support advisors is scheduled for October and November 2007.
- Post and maintain a list of certified Support Advisors on the DADS website.

Consumers want more education about potential liability issues related to CDS employees. For example, as the employer, what liability does the consumer have if the attendant is injured while lifting the consumer, or if the attendant's car is damaged in a crash while driving the consumer to an appointment?

Strategies

To educate consumers about potential liability issues, DADS staff will do the following during fiscal years 2008 and 2009.

- Review existing policy and rules to determine if revisions are needed to adequately inform consumers about potential liability or reduce their liability.
- Notify case managers and consumers of any policy clarifications or revisions.
- Create a layperson's guide to understanding potential liability issues related to being an employer.

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- Explore options in collaboration with the Direct Services Workforce Technical Assistance Initiative, a DADS technical assistance grant from the Centers for Medicare and Medicaid Services (CMS), to improve the recruitment and retention of direct service workers.

Some consumers want to be able to select, train, and evaluate their attendant without assuming the financial responsibility of being the employer.

Strategies

To provide consumers with this option, DADS staff will do the following during fiscal years 2008 and 2009.

- Complete the infrastructure needed to implement the service responsibility option (SRO) beyond the pilot phase for primary home care services by adding the SRO to rules, determining a rate for support consultation services, and recruiting home health providers.
- Provide training on SRO to consumers, case managers, providers, and managed care health plan staff.
- Begin adding SRO as an option for consumer direction of attendant and/or habilitation services in the 1915(c) waivers.

Some consumers have expressed interest in assessing and expanding the current CDS model.

Strategies

During fiscal years 2008 and 2009, DADS staff, in conjunction with the Consumer Direction Workgroup, will continue to consider stakeholder input on ways to adapt and improve the CDS model.

Cost Analysis and Reporting Plan for the Consumer Directed Services Option and the Service Responsibility Option

Introduction

The 2008-09 General Appropriations Act (Article II, Special Provisions, Section 48, H.B. 1, 80th Legislature, Regular Session, 2007) requires HHSC, in coordination with DADS and the Consumer Direction Workgroup, to present to the Legislature a plan for continuing evaluation and reporting of CDS and SRO cost effectiveness. The plan is to include:

- analysis of programs, other than the Community Living Assistance and Support Services (CLASS) program, in which CDS and SRO are an option, if utilization is of a quantity to produce statistically significant analysis;
- comparative analysis of start-up years versus later years;
- comparative analysis of different functional eligibility groups and program populations;
- modification of data systems and use of alternative data if necessary;
- consideration of acute and long-term care costs, such as deferring uptake into institutional settings; and
- estimates of savings.

General Strategy for Analysis

To meet legislative direction, agency staff have developed a plan for future analyses that includes the following components.

- For consumers who are in fee-for-service programs, staff will report the number and proportion of consumers in each program using CDS and SRO. Consistent with the cost analysis methodology used in previous reports to the Legislature, the analysis will determine the average cost per participant month for CDS, SRO, and the agency service delivery option. Three types of costs will be included in the analysis: the cost of waiver services delivered through CDS or SRO, acute care costs, and prescription drug costs. The report will present differences in these costs between CDS or SRO and the agency service delivery option.
- For consumers in capitated managed care (STAR+PLUS), staff will report the number and proportion of consumers using CDS and SRO.
- Staff will use available data to report CDS and SRO consumer satisfaction.
- HHSC will submit a report to the Office of the Governor and the Legislative Budget Board no later than September 1, 2008. The report will present information for four reporting

periods: three previous biennia (fiscal year 2002-fiscal year 2003, fiscal year 2004-fiscal year 2005, and fiscal year 2006-fiscal year 2007) and a period comprised of the first two quarters of fiscal year 2008 (September 2007 through February 2008). A follow-up report will be provided no later than September 1, 2010.

Limitations and Constraints

While the report will provide valid cost data for CDS, SRO, and the agency service delivery options, it is important to note that the Texas CDS and SRO delivery options are cost neutral by design. No individual is eligible to receive any additional level of benefit authorization under the CDS or SRO service delivery options beyond what that individual would be eligible to receive under the agency service delivery option. The state's maximum potential expenditures under each of the three options are the same.

Individuals select their service delivery option, and this selection is influenced by the services that the individual is authorized to receive and the individual's outcomes. Contributing factors may include level of ability, whether the individual's impairments are likely to increase or decrease over time, progression of care needs, and characteristics of natural supports available to that individual.

Detailed Design

Two types of information will be reported for CDS and SRO services provided in non-STAR+PLUS programs. The report will include the CDS and SRO participation rate and costs for the following programs.¹

- Community-Based Alternatives (CBA)
- Community Living Assistance and Support Services (CLASS)
- Consumer Managed Personal Assistance Services (CMPAS)
- Deaf/Blind with Multiple Disabilities (DBMD)
- Medically Dependent Children Program (MDCP)
- Personal Care Services (PCS)
- Primary Home Care (PHC)

Participation Rate

CDS and SRO participation rates for each non-STAR+PLUS program will include the number and proportion of consumers in each program using CDS and SRO at the end of each reporting period.

Cost Analysis

HHSC previously reported the average amount paid per participant month for CDS consumers and non-CDS consumers in the Community Living Assistance and Support Services (CLASS)

¹ The Home and Community-based Services (HCS) and Texas Home Living programs are expected to begin offering CDS in fiscal year 2008. SRO is expected to be implemented more widely in fiscal year 2008.

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program.² Costs were reported for waiver services delivered through CDS, acute care services, and prescription drugs. The same cost analysis methodology will be used for this report.

Specifically, the cost analysis will provide the average cost per participant month (with and without an adjustment for differences in service utilization rates) for CDS and non-CDS consumers in each program that has a minimum of 25 CDS consumers for six consecutive months during a reporting period. Differences between CDS and non-CDS consumers in average cost per participant month will reflect actual differences in cost per participant month for the two groups. The same methodology will be used to analyze the SRO costs.³

The cost differences cannot be attributed to CDS or SRO alone. Consumers who seek out the level of control and the responsibility associated with CDS or SRO are likely to be different from agency option consumers in ways that would be expected to affect costs and outcomes.

The cost analysis will address each of the legislative reporting requirements as described in the table below.

<p>Requirement 1. Include an analysis of programs other than the CLASS program, in which CDS and SRO are an option, if utilization is of a sufficient quantity to produce statistically significant analysis.</p>	<p>The report will include the average cost per participant month for CDS and non-CDS consumers by program for each program that has a minimum of 25 CDS consumers for six consecutive months during the reporting period. The report will also include the average cost per participant month for SRO and non-SRO consumers for each program that has a minimum of 25 SRO consumers for six consecutive months during the reporting period.</p>
<p>Requirement 2. Include a comparative analysis of start-up years versus later years.</p>	<p>The report will include cost analysis results by reporting period for each program that has a minimum of 25 CDS or 25 SRO consumers for six consecutive months during that reporting period. Including historic and recent reporting periods will facilitate comparisons between the start-up years and recent reporting periods for each program.</p>
<p>Requirement 3. Include a comparative analysis of different functional eligibility groups and program populations.</p>	<p>For the most recent reporting period only, cost analysis results will be presented by program for functional eligibility groups (e.g., individuals with developmental disabilities and individuals with physical disabilities) and program populations (e.g., adults and children) with a minimum of 25 CDS or 25 SRO consumers for six consecutive months during the reporting period.</p>

² Health and Human Services Commission, *Effectiveness of Consumer-Directed Services: Fourth Annual Report to the Texas Legislature*, February 2007.

³ SRO consumers will be excluded from the CDS analysis and CDS consumers will be excluded from the SRO analysis.

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Requirement 4. Include modification of data systems and use of alternative data if necessary.	Modification of data systems is not anticipated at this time. National Core Indicators Consumer Survey and the Participant Experience Survey data about experiences with CDS and SRO will be presented if valid data are available.
Requirement 5. Include consideration of acute and other long-term care costs, such as deferring uptake into institutional settings.	Acute care cost will be included in the cost analysis, as in previous reports. For each program with minimum of 25 CDS consumers enrolled for at least 24 months, a CDS and non-CDS cohort will be followed to determine the uptake rate for nursing facilities and intermediate care facilities for individuals with mental retardation during the following twelve months. Differences in uptake rates will reflect actual differences between the two cohorts. The differences in uptake rates cannot be attributed to CDS alone. CDS consumers are likely to be different from non-CDS consumers in ways that would be expected to affect costs and outcomes. The same analysis will be done for each program with a minimum of 25 SRO consumers enrolled for at least 24 months.
Requirement 6. Include estimates of savings.	Previous reports calculated cost or savings as the difference between the average amount paid per participant month for CDS consumers and non-CDS consumers (adjusted for differences in service utilization rates). This difference will be reported for each program, and will reflect the actual difference between the two groups. As explained above, cost or savings cannot be attributed to CDS alone. The same analysis will be done for SRO.

Medicaid Managed Care Analysis

The STAR+PLUS managed care system currently offers CDS and is expected to offer SRO in the future. For STAR+PLUS, the participation rate for CDS and SRO will be reported as the number and proportion of consumers in each system using CDS and the number and proportion using SRO at the end of each reporting period. These data will be comparable across reporting periods.

Conclusion

HHSC, with assistance from DADS and the Consumer Direction Workgroup, will carry out this plan and submit a report to the Office of the Governor and the Legislative Budget Board on the cost-effectiveness of consumer direction by September 1, 2008, and an update to the report will be provided by September 1, 2010.