

Health and Senior Services Commissioner Mary O'Dowd
Assembly Budget Committee
Tuesday, May 24, 2011

Good morning Chairman Greenwald and members of the Assembly Budget Committee. Thank you for this opportunity to discuss the Department of Health and Senior Services' role in the Comprehensive Medicaid Waiver.

The Department's budget includes more than \$2 billion in Medicaid funding for nursing homes, home and community-based services and medical day care and continues to serve more than 50,000 clients.

I would like to highlight the components of the waiver that affect the areas of long-term care for the elderly and disabled populations. I want to reassure our seniors that this proposal will improve access and coordination of care for our Medicaid participants.

Beginning July 1, 2011, the Department's first step toward long-term care reform will be to incorporate medical day care services into managed care. This will provide medical day care clients with the full continuum of health care services offered by managed care organizations, specifically improved care coordination—which is something that the industry has sought.

Most clients in the medical day care system do not receive case management. Those that do under our current Medicaid long-term waiver program called Global Options get the benefit of coordinated services. Providers tell us that they have seen the difference this means to their patients. Therefore, moving to one comprehensive service delivery system will ensure that all seniors participating in medical day care receive this coordinated care.

The Global Options program was created when the Department consolidated three Medicaid-supported home and community-based waivers into a single program. This improved access to a wider range of support services for a greater number of seniors and adults with physical disabilities.

The Global Options program has been a great success in providing choice to our seniors and is our lead initiative in decreasing nursing home placement by increasing access to home and community based services—also known as "rebalancing."

In the Department's FY 2012 proposed budget there are two key initiatives that support the goal of rebalancing. The first is the proposed increase of \$47.6 million in our Global Options program. This funding increase will enhance our ability to transition seniors from nursing homes back into their communities. We know that seniors prefer to be able to live independently and receive care in their own homes and other community settings.

The second is the Comprehensive Waiver, which will integrate senior health care services into the full continuum of care.

Since 2006, the Medicaid Long-Term Care Funding Advisory Council created under the Independence, Dignity and Choice in Long-Term Care Act has been providing input for the reform of our long-term care services and supports. The Council, known as the MAC, is comprised of representatives from both the public and private sectors including the AARP, county offices on aging, adult medical day care providers, home care providers and long term care facilities.

Led by co-chairs representing the New Jersey Hospital Association, and the Home Care Association of New Jersey, members of the MAC have served as strategic partners in our managed long-term care planning since 2008. To comply with budget language for the past two years, managed long term care has been a major issue reviewed by this committee. Most recently we have discussed this year's budget proposal with the MAC on March 18, May 3 and May 18 and will continue to do so throughout the summer.

We are committed to this partnership with the MAC and will continue to collaborate with providers, advocates, and community groups throughout the development and implementation process.

The MAC is not our only vehicle for stakeholder discussion. We continue to work closely with the provider and advocacy groups who will be affected by this initiative. The Department recently met with the medical day care providers, managed care plans, County Offices on Aging Directors and AARP to discuss the changes and the enrollment process.

Additionally, we have met with care managers in the Global Options program to give them an overview of the changes and information they will need to provide guidance and assistance to those enrolling in an HMO.

An important component of the discussion here today relies on the savings that can be achieved through this comprehensive waiver. This waiver will allow the Department to further its effort to reduce costs in long term care through rebalancing. It is exactly these savings that will help sustain these important programs.

In addition, under the waiver, New Jersey will be eligible for a greater federal match for home and community-based services. This is an enhanced financial benefit for the State's continued investment in rebalancing.

The waiver also will enable us to expand our efforts to promote healthy behaviors through member reward initiatives. The Department has seen great success with these types of programs that empower seniors to make healthy choices and the state will continue to support this through managed care.

In summary, the Comprehensive Waiver will give us the opportunity to better coordinate care, decrease institutionalization, increase home and community-based options and promote healthy behaviors so our seniors can remain independent as long as possible.

In closing, I want to thank you again for this opportunity to discuss the Department's role in the Medicaid program.

I look forward to working with you and I would be happy to answer your questions.