

THE DISABILITY COALITION
A Coalition of Persons with Disabilities, Family Members, and Advocates

Personal Care Option (PCO)

October 2011

- PCO provides attendant care services that allow elders and persons with disabilities to remain in their homes and communities rather than go into nursing homes or other facilities. Personal attendants provide assistance with bathing, dressing, meals, and other activities of daily living. PCO recipients must qualify for Medicaid and meet the nursing home level of care. PCO services are provided through the CoLTS managed long-term services program.
- PCO has grown significantly over the years because it meets an increasing and otherwise unmet need for these services on the part of a growing population of seniors and persons with disabilities. PCO is the only Medicaid program providing in-home and community services for which there is no waiting list; those who qualify for assistance receive the needed services as a state plan benefit. By contrast, the CoLTS-C waiver program (formerly called the Disabled and Elderly or D&E waiver), which provides a variety of home and community based services, now has a waiting list of over 16,000 people and over 5,200 are on the waitlist for the Developmental Disabilities waiver.
- Other factors also have contributed to enrollment growth in the PCO program. Waiver recipients who used to receive attendant care as a waiver service now receive those services through the state plan PCO. And when CoLTS was implemented, many individuals who were not receiving long-term services were found to need those services and were enrolled in PCO in the first year of the CoLTS program. In spite of these upward pressures, enrollment growth in PCO has been very modest in the past two years. HSD reports that the number of PCO recipients actually fell from 2009 to 2010.
- Per capita spending on PCO recipients has fallen over the years - in 2008, it was less than half the amount in 2003. **PCO is NOT "out of control".**
- The PCO program has been a target for cost containment almost since its inception. Payment rates for PCO services have been reduced repeatedly, and hours of service have been reduced. Over the years, HSD has moved to improve administration of the program by such measures as contracting with an independent third-party assessor to make level-of-care eligibility determinations and placing responsibility for direct administration of the program with managed care organizations that are charged with proper management of benefits. Services have been reduced through a series of state regulatory or policy changes that have steadily decreased the number of hours of service available to recipients. ***The latest effort in this regard is a recent change to the assessment process that will lead to service reductions of 25 - 40% for most recipients.***
- The need for PCO services will continue to grow, particularly as the state's population ages significantly¹. PCO meets a critical need for elders and persons with disabilities and it deserves strong support from the state.

¹ By 2030, New Mexico will rank fourth in the country for the percentage of the population aged 65 and older, up from 39th in 2009. From 2000 to 2030, our population of persons aged 65 and up will double. NM Aging & Long-Term Services Department, "New Mexico State Plan for Aging & Long-Term Services October 1, 2009- September 30, 2013, p.17.

- The Disability Coalition is concerned about potential changes to the program that could deprive frail elders and persons with disabilities of the services necessary for their independence and dignity. We believe there are reasonable steps the state can take to limit the growth of expenditures, but we oppose changes that would either reduce essential benefits or restrict access to the program.

The Disability Coalition Supports:

- Improvements in the management and oversight of PCO. Cases of individual participants or providers receiving or providing unnecessary services, or instances of overly broad or lax application of eligibility criteria, should be addressed and corrected on an individual basis.
- Strengthening the eligibility and assessment processes as needed to make them more objective, and to correlate more closely the individual's level of disability and personal situation with the level of services that will be provided. We believe that it is appropriate to consider natural supports that are readily available and voluntarily provided as a substitute for paid services. However, family members and other informal caregivers already provide a significant percentage of the care furnished to frail seniors and people with disabilities who require assistance²; increased reliance on this source of services is unrealistic and avoids the issue rather than addressing it.
- Administrative cost savings that are also consumer-friendly. For instance, the state should explore alternative approaches to assessments of individuals whose condition is very unlikely to change from year to year, saving staff time with less inconvenience to the consumer.
- Encouraging greater utilization of the "self-directed" option in PCO. This provides more consumer control over these critical personal services and costs the state less. The PCO payment system should provide an incentive for this option.
- Implementing the new Community First Choice program. This program, authorized by federal health care reform, provides a higher federal Medicaid match for personal care services. The Community First Choice program could replace the current PCO program.

The Disability Coalition Opposes:

- Converting PCO into a waiver program that would cap enrollment and create yet another waiting list for critical long-term services.
- Excluding individuals from PCO whose service costs would exceed the cost of nursing home care. This would discriminate against those with higher levels of need, including in particular those with more severe disabilities and those with limited natural supports in the community.
- Incentives or requirements to serve persons with higher levels of need in nursing homes rather than through PCO. State policy should favor community placement rather than institutional placement.
- Across-the-board reductions in services. Adjustments based on individual needs and circumstances are far preferable to arbitrary reductions that may jeopardize the health and safety of PCO recipients who need their current level of services.

² A recent study estimates that 85% of the hours of care provided at home are unpaid services. (Feder, et al., "Long-Term Care Financing: Policy Options for the Future", Georgetown University Long-Term Care Financing Project, June 2007)