

Response to Questions on the FY 2005 Advertised Budget Plan

Request By: Chairman Connolly

Question: Please provide additional clarification on Medicaid waiver process for providing state and federal funding for Mental Retardation (MR) clients of the Community Services Board. What is the current waiting list for service? What percent of the County costs are the waivers funding? What percent of the total cost of the MR program is borne locally?

Response: The Medical Assistance Program, or Medicaid, is a joint federal and state program established in 1965 to provide health care to eligible indigent persons including the disabled. For persons with mental retardation, Medicaid-funded long-term care services were originally provided only in institutional settings. In 1981 Congress authorized Medicaid Home and Community Based Waiver Services as an alternative to facility or institutional placement for targeted groups of individuals. Medicaid Waiver programs developed by the states must be approved by the federal Centers for Medicaid and Medicare Services (CMS) and must demonstrate cost effectiveness, i.e. that it will not cost more to provide home and community based services than it would to provide institutional services.

In 1991 Virginia initiated the Mental Retardation Medicaid Waiver program for individuals with mental retardation as an alternative to placement in a state institution, licensed as an ICF-MR (Intermediate Care Facility for the Mentally Retarded). Persons with mental retardation who meet the same Medicaid financial, diagnostic and functional criteria for admission to a state institution are eligible for Medicaid Waiver services, which include residential support, day support, prevocational services, and supported employment. Services are provided via the assignment of Medicaid Waiver "slots" to eligible persons. Virginia and CMS agree to the number of slots that will be available, and Virginia cannot exceed the statewide slot total without approval from CMS. Medicaid Waiver funding is a combination of federal and state matched funds, with federal funding based on state per capita income. Only state funding, not County, can be used as match. The Virginia Department of Medical Assistance Services (DMAS) is the state agency that administers this program, oversees compliance with all federal regulations, and makes payments to approved public and private service providers. The Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS) is assigned pre-authorization functions, licenses the Medicaid Waiver service providers, and manages the allocation of slots among Virginia's forty Community Services Boards (CSB). CSB case managers are responsible for determining diagnostic and functional eligibility for Medicaid Waiver services, assigning available slots to individuals based on DMAS directed criteria, developing individual service plans, coordinating and monitoring services, and ensuring reimbursement from DMAS.

As of February 2004 there are 424 MR Waiver slots allocated to the Fairfax-Falls Church CSB. Another 439 persons who meet eligibility are on the waiting list and of this number, 272 are school-aged. Of the remaining 167 adults, 155 are receiving day support services supported by local funding and 12 are receiving minimal or no services. Of the 439 waiting, 151 are prioritized for slots when they become available as they meet DMAS' urgent needs criteria. Slots become available when current slot holders die,

move out of Virginia, or move into Medicaid-funded nursing homes, institutions or non-licensed programs.

Community-based services for Fairfax citizens with mental retardation are provided by the CSB directly and by some 25 private service providers. Since the beginning of Virginia's Medicaid Waiver program in 1991, the CSB has maximized participation, converted all available state general funds for match dollars, and has been responsible for increasing Medicaid revenue to \$24 million system-wide. In FY 2003, DMAS paid private providers over \$21 million for services delivered to Fairfax citizens with mental retardation. Since DMAS pays private providers directly, only a small portion of Medicaid revenue for CSB MR Services is captured in Fairfax County budget documents.

Using *FY 2004 Revised Budget Plan (pre-FY 2004 Third Quarter Review)* figures, the total County expenditures for MR Services is \$36,205,063. Medicaid revenue is \$3,243,104 or 9.0 percent of this total. In addition to County and Medicaid funds, there are some miscellaneous funds which include the cities of Fairfax and Falls Church and consumer fees. As shown in the table below, total funding for community-based mental retardation services is \$57,256,493. Fairfax County funds \$30,136,744 or 52.6 percent of this total.

Funding for Community Mental Retardation Services

Service Provider and Funding Source	FY 2004 Funding	Distribution
Fairfax County		
Fairfax County	\$30,136,744	52.6%
DMAS (to the CSB)	\$3,243,104	5.7%
Other	\$2,825,215	4.9%
Subtotal	\$36,205,063	63.2%
Private Providers		
DMAS	\$21,051,430	36.8%
Total	\$57,256,493	100.0%