



Housing Challenges in the ICF/IID Program

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NMHCA/NMCAL: Advancing Excellence in Long Term Care

The New Mexico Health Care Association/New Mexico Center for Assisted Living (NMHCA/ NMCAL) is a professional trade association for facility-based long term care providers. Our mission is to support our members, and to promote individual quality of life for the people they serve.

Our Members

- Skilled Nursing Facilities & Nursing Facilities
- Assisted Living Facilities
- Continuing Care Retirement



Communities & Facility-based
Independent Senior Housing

- Intermediate Care Facilities
for Individuals with Intellectual Disabilities
(ICF/IID)
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ICF/IID Program Overview

Our members have the capacity to serve 263 persons within 5 ICF/IID programs in 40 separate locations. Those organizations are:

- ❑ ARCA, Albuquerque
- ❑ CARC, Inc., Carlsbad
- ❑ Casa Angelica, Albuquerque
- ❑ Easter Seals El Mirador, Santa Fe
- ❑ New Horizons, Carrizozo

Individuals served by these non-profit organizations, rely nearly 100% on Medicaid funding for the care and housing provided by ICF/IID programs.

ICF/IID Program Overview (cont.)

ICF/IID programs are comprehensive service delivery systems that provide:

- Housing (Room & Board) &
- Active Treatment that is:
 - Based on a comprehensive functional assessment & individual program plan
 - This includes program implementation, program documentation, as well as program monitoring and change

Likewise, ICF/IID programs must comply with multiple regulatory mandates governing all aspects of program operations.

Focus: ICF/IID System Housing Issues

- Housing challenges are the focus of today's discussion, but in the ICF system -- housing is bundled with psychosocial, medical, behavioral, education/habilitation, transportation, etc., and is part of room/board services such as meals, laundry, and, of course, where we live.
 - That means housing issues are tethered to Medicaid's payment system for ICF services.
 - In the past year, severe inadequacies have surfaced in that payment system that threaten sustainability of the 3 largest ICF/IID programs.
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Focus: ICF/IID System Housing Issues (cont.)

Annual Medicaid cost reports were filed by the provider organizations for each of their ICF houses for fiscal years ending in 2013. The audited costs from those reports were the basis for new 3 year cycle of ICF/IID rates effective September 1, 2014. When rates were announced, an early rate list showed 26 of 38 programs had rate reductions at a time of rapidly escalating costs. Upon analysis of the circumstances, it was clear that economic pressures affecting base year costs in 2013 were due to:

- rapidly growing labor costs in some NM locations,
 - new program costs such as the ACA health insurance costs, and
 - austerity programs required to operate within available cash flow and reserves when other allied program operations (behavioral health) were halted and payments withheld.
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Focus: ICF/IID System Housing Issues (cont.)

- At providers' request, Medicaid, their audit contractor, and the Human Services Department have worked with providers and considered individual ICF requests for rate adjustments (increases) for extraordinary costs incurred after the cost report base year, and in consideration of the potentially catastrophic financial impact to small ICF provider homes. We understand the adjustments should be in place soon by Xerox, the state's contractor who process Medicaid fee for service billings.
 - This is good news for providers struggling to keep up with operational costs they experienced after 2013 cost reporting periods. ***Today, however, we face ongoing sustainability problems in many of these small homelike settings due to rapidly increasing costs and limitations of a 3 year rebasing system for ICF house rate updates. Presently, several of these houses are operating beyond what rates will sustain in the future.***
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Focus: ICF/IID System Housing Issues (cont.)

Further exacerbating program operation challenges with ICF house payment rates that are lower than current costs are problems with ***serious payment delays*** due to:

- *inadequate preparation for transition to a new Medicaid medical eligibility contractor (from Molina to Qualis). Qualis was ill prepared to perform contract requirements and process medical eligibility requests (abstracts) in a timely manner.*
 - *inability to receive timely Medicaid eligibility determinations from the Human Services Department Income Support Division. A new centralized “institutional” care unit that was expected to speed up the process, however, has not corrected many of the delays these providers experience.*
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