Bobby Jindal
GOVERNOR

Bruce D. Greenstein
SECRETARY

State of Louisiana

Department of Health and Hospitals

Office of the Secretary

February 1, 2011

The Honorable Joel T. Chaisson, II, President
Louisiana State Senate
P.O. Box 94183, Capitol Station
Baton Rouge, LA 70804-9183

The Honorable Jim Tucker, Speaker
Louisiana State House of Representatives
P.O. Box 94062, Capitol Station
Baton Rouge, LA 70804-9062

The Honorable Jim Fannin, Chairman
Joint Legislative Committee on the Budget
P.O. Box 44486, Capitol Station
Baton Rouge, LA 70804-4486

Dear President Chaisson, Speaker Tucker, and Chairman Fannin:

In response to Senate Concurrent Resolution No. 116 (SCR 116) of the 2009 Regular Session, the Louisiana Department of Health and Hospitals (DHH) submits the enclosed reports. The resolution requires that savings generated from cost effective practices in the New Opportunities Waiver (NOW) program be maintained in the NOW program to sustain current waiver slots or apply to new slots for those on the waiting list. The resolution further requires DHH to report to the Joint Legislative Committee on the Budget the savings achieved and the number of waiver slots for people with developmental disabilities offered, filled, and served on a quarterly basis, beginning July 1, 2009. R.S. 24:772 also requires that reports be submitted to the President of the Senate and the Speaker of the House.

DHH is available to discuss the enclosed reports and recommendations with you at your convenience. Please contact Kathy Kliebert, DHH deputy secretary, at (225) 342-7092 with any questions or comments you may have.

Sincerely,

Bruce D. Greenstein
Secretary

Enclosures

Cc: David R. Poynter Legislative Research Library

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SCR NO. 116 REPORT

July 1, 2009 through June 30, 2010

In accordance with Louisiana Senate Concurrent Resolution Number 116 adopted during the Louisiana Regular Legislative Session of 2009, The Department of Health and Hospitals has prepared this report for the Joint Legislative Committee on the Budget as required.

NEW OPPORTUNITIES WAIVER

PROJECTED SAVINGS FROM PLAN REDUCTIONS SFY 2009-2010	$5,978,627
NOW SLOTS OFFERED THRU JUNE 30, 2010	1,953
NOW SLOTS FILLED THRU JUNE 30, 2010	839
UNDUPLICATED RECIPIENTS SERVED FOR SFY 2009-2010	7,278

NOTES:

1. All estimates based on data for the period July 1, 2009 to June 30, 2010.

2. The 3rd quarter SCR116 Report projected a SFY 2009-2010 savings estimate $8,163,001 based on data availableat that time. The 4th quarter projects a savings of $5,978,627 for SFY 2009-2010 or $2,184,374 less than the previous quarter projections due to the cost of plans of the 4th quarter being higher than the 3rd quarter.

3. OCDD is conducting a fiscal and programmatic quality review of the Resource Allocation Model and will adjust the model based on its findings.

4. OCDD is also doing a programmatic and fiscal review of plans submitted to the OCDD Guidelines for Planning State Office Review Committee to determine the possibility of continuing to produce quality outcomes for people with even more cost efficiency.

5. This estimate will be adjusted based on additional data as the volume of participants in the Resource Allocation Program increases. Currently, 28% of NOW slots are included in the program.

SCR NO. 116 REPORT

July 1, 2010 through September 30, 2010

In accordance with Louisiana Senate Concurrent Resolution No. 116 adopted during the Louisiana Regular Legislative Session of 2009, the Department of Health and Hospitals has prepared this report for the Joint Legislative Committee on the Budget as required.

NEW OPPORTUNITIES WAIVER

PROJECTED SAVINGS FROM PLAN REDUCTIONS SFY 2009-2010	$5,978,627
PROJECTED SAVINGS FROM PLAN REDUCTIONS SFY 2010-2011	$15,609,088
NOW SLOTS OFFERED THRU DECEMBER 31, 2010	400
NOW SLOTS FILLED THRU DECEMBER 31, 2010	169
UNDUPLICATED RECIPIENTS SERVED FOR SFY 2010-2011	7,251

Notes:

1. All estimates based on data for the period July 1, 2010 to September 30, 2010.
2. Projected savings estimate is through June 30, 2011 based on 1st SFY quarter initial and annual plans of care costs.
3. The 4th quarter, June 30, 2010, SCR116 Report projected a SFY 2009-2010 savings estimate of $5,978,627 based on data available at that time.
4. This estimate will be adjusted based on additional data as the volume of participants in the Resource Allocation Program increases. Currently, 40% of NOW slots are included in the program.
5. All savings estimates have been adjusted to rates based on August 2010 rate reduction.

SCR NO. 116 REPORT

July 1, 2010 through December 31, 2010

In accordance with Louisiana Senate Concurrent Resolution No. 116 adopted during the Louisiana Regular Legislative Session of 2009, the Department of Health and Hospitals has prepared this report for the Joint Legislative Committee on the Budget as required.

NEW OPPORTUNITIES WAIVER

PROJECTED SAVINGS FROM PLAN REDUCTIONS SFY 2009-2010	$5,978,627
PROJECTED SAVINGS FROM PLAN REDUCTIONS SFY 2010-2011	$21,002,982
NOW SLOTS OFFERED THRU DECEMBER 31, 2010	600
NOW SLOTS FILLED THRU DECEMBER 31, 2010	379
UNDUPLICATED RECIPIENTS SERVED FOR SFY 2010-2011	7,508

Notes:

1. All estimates based on data for the period July 1, 2010 to December 31, 2010, the 1st and 2nd quarter of SFY 2010/11.
2. The $21 million represents savings that includes annualization of SFY 2009/10 phase-in and included slots added SFY 2010/11 up through the end of the 2nd quarter, December 31, 2010. It also includes an estimated phase-in of slots for the balance of the SFY, January 1, 2011 to June 30, 2011.
3. Projected savings estimate is through June 30, 2011 based on 2nd SFY quarter initial and annual plans of care costs.
4. The 4th quarter, June 30, 2010, SCR116 Report projected a SFY 2009-2010 savings estimate $5,978,627 based on data available at that time.
5. This estimate will be adjusted based on additional data as the volume of participants in the Resource Allocation Program increases. Currently, 60% of NOW slots are included in the program.
6. All savings estimates have been adjusted to rates based on August 2010 rate reduction.
7. The phase-in of remaining participants into the Resource Allocation model has been impacted by changes to implementation schedules.
8. The total impact of these changes is not reflected in this current quarter's estimate. The next quarterly report will show the impact of these changes.

ENROLLED

Regular Session, 2009

SENATE CONCURRENT RESOLUTION NO. 116

BY SENATORS DONAHUE, ADLEY, ALARIO, AMEDEE, APPEL, CHAISSON, CLAITOR, CROWE, DORSEY, DUPRE, ERDEY, B. GAUTREAUX, N. GAUTREAUX, GRAY EVANS, HEBERT, HEITMEIER, KOSTELKA, LONG, MARIONNEAUX, MARTINY, MORRELL, MORRISH, MURRAY, NEVERS, QUINN, SHAW AND SMITH AND REPRESENTATIVES BALDONE, TIM BURNS, CORTEZ, CROMER, HARRISON, HINES, HOFFMANN, HOWARD, KATZ, LABRUZZO, LIGI, NOWLIN, PEARSON, POPE, RICHARD, RICHMOND, SCHRODER, SIMON, TALBOT, TUCKER, WILLIAMS AND WOOTON

A CONCURRENT RESOLUTION

To authorize and direct that savings generated from cost effective practices in the NOW program be maintained in the NOW program to sustain current waiver slots or apply to new slots for those on the waiting list and to provide that the Department of Health and Hospitals report to the Joint Legislative Committee on the Budget the savings achieved and the number of waiver slots for people with developmental disabilities offered, filled, and served on a quarterly basis, beginning July 1, 2009.

WHEREAS, approximately 9,200 individuals with developmental disabilities are on a waiting list for home and community based waiver services; and

WHEREAS, the Supports Intensity Scale (SIS)/La. Plus assessment process and Resource Allocation Model was approved by the Joint Legislative Committee on the Budget and will be implemented by the Department of Health and Hospitals to reduce the per person cost of the New Opportunities Waiver (NOW); and

WHEREAS, implementation of the Resource Allocation Model will result in savings estimated to be at least $16 million in the NOW program; and

WHEREAS, implementation of the assessment process and a new individual planning process have already achieved savings in the NOW program.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana hereby authorizes and directs that savings generated from cost effective practices in the NOW program be maintained in the NOW program to sustain current waiver slots or apply to new

slots for those on the waiting list.

BE IT FURTHER RESOLVED that the Department of Health and Hospitals report to the Joint Legislative Committee on the Budget the savings achieved and the number of waiver slots for people with developmental disabilities offered, filled, and served on a quarterly basis, beginning July 1, 2009.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the Department of Health and Hospitals and the Governor's Office of Disability Affairs.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES