



COMMONWEALTH of VIRGINIA
Department of Medical Assistance Services

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MEMORANDUM

TO: The Honorable Charles J. Colgan
Chairman, Senate Finance Committee

The Honorable Lacey E. Putney
Chairman, House Appropriations Committee

FROM: Gregg A. Pane, MD, MPA 

SUBJECT: Report on Utilization and Costs of Providing Environmental Modifications and Assistive Technology in the Medicaid Waiver Programs

Item 297 (YYY)(2) of the 2010 Appropriations Act directs that the Department of Medical Assistance Services report on utilization and costs of providing environmental modifications (EM) and assistive technology (AT) in the Medicaid program to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2010. This report addresses the annual costs of environmental modifications and assistive technology services from FY 2006 to FY 2010 for the 1915 (c) Home and Community-Based Services waivers.

Should you have any questions or need additional information, please feel free to contact me at (804) 786-8099.

Enclosure

cc: The Honorable William A. Hazel, Jr., M.D., Secretary of Health and Human Resources

**Report on the Utilization and Costs of Environmental Modifications and
Assistive Technology in the Waiver Programs**



DEPARTMENT OF MEDICAL ASSISTANCE SERVICES

December 2010

INTRODUCTION

Section YYY.2. of the *2010 Acts of Assembly* directs that the Department of Medical Assistance Services report on utilization and costs of providing environmental modifications (EM) and assistive technology (AT) in the Medicaid program to the Chairmen of the House Appropriations and Senate Finance Committees by December 1, 2010.

This report addresses the annual costs of environmental modifications and assistive technology services from FY 2006 to FY 2010 for the 1915 (c) Home and Community-Based Services waivers.

BACKGROUND

Environmental modifications and assistive technology are services offered in certain 1915 (c) Home and Community-Based Services waivers. These services are available to waiver individuals enrolled in the Intellectual Disability Waiver (ID), the Individual and Family Developmental Disabilities Waiver (IFDDS), and the Technology Assisted Waiver. The Elderly or Disabled with Consumer Direction Waiver (EDCD) and the HIV/AIDS Waiver offers these services only if the participant is enrolled in the Money Follows the Person demonstration. Assistive technology is available in the Children's Mental Health Waiver (CMH).

Environmental Modifications

Environmental modifications are physical adaptations to an individual's home, primary place of residence, primary vehicle, documented in the service plan and, in some instances, a work place, which provide direct medical or remedial benefit to the individual and are necessary to ensure the health and safety of the individual or enable the individual to function with greater independence in the home and work site.

All services are provided in accordance with applicable state or local building codes. The modifications and activities include:

1. Physical adaptations to a house or primary place of residence necessary to ensure an individual's health or safety, e.g., installation of specialized electrical and plumbing systems to accommodate medical equipment and supplies;
2. Physical adaptations to a house or place of residence that enable an individual to live in a non-institutional setting and to function with greater independence that do not increase the square footage of the place of residence, e.g., installation of ramps and grab-bars, widening of doorways, modifications to bathroom facilities;
3. Environmental modifications to the work site (which exceed reasonable accommodation requirements of the Americans with Disabilities Act); and
4. Modifications to the primary vehicle being used by the individual. The purchase of vehicles is not included in the service.

Environmental modifications are provided in the least expensive, most cost effective manner. Individuals are permitted up to, but not to exceed, \$5,000 per service plan year for environmental modifications. All modifications must be pre-authorized by DMAS prior authorization contractor. Modifications cannot be duplicated and individuals must receive one other waiver service to receive environmental modifications.

Assistive Technology

Assistive technology is specialized medical equipment and supplies to include devices, controls, or appliances, specified in the individual's service plan and not available under the Virginia State Plan for Medical Assistance, which enable individuals to increase their abilities to perform activities of daily living or to perceive, control, or communicate with the environment in which they live.

The equipment and activities are:

1. Specialized medical equipment, ancillary equipment and supplies necessary for life support not available under the Virginia State Plan for Medical Assistance;
2. Durable or non-durable medical equipment (DME) and supplies not available under the Virginia State Plan for Medical Assistance;
3. Adaptive devices, appliances, and controls not available under the Virginia State Plan for Medical Assistance that enable an individual to be more independent in areas of Personal Care and Activities of Daily Living (ADL)s; and
4. Equipment and devices not available under the Virginia State Plan for Medical Assistance, which enable an individual to communicate more effectively.

All items must meet applicable standards of manufacture, design and installation. Individuals are permitted up to, but not to exceed, \$5,000 per service plan year for assistive technology. Costs for assistive technology cannot be carried over from year to year and must be pre-authorized each service plan year. Assistive technology must be provided in the least expensive, most cost effective manner. An independent consultation must be obtained for each assistive technology request prior to pre-authorization of the service.

Assistive technology is available to individuals receiving at least one other waiver service and may be provided in the individual's home or community setting. Services cannot be duplicated.

The Department of Medical Assistance Services (DMAS) is to authorize payment for the environmental modifications and assistive technology requests dependent upon appropriate estimates of cost, skilled professional evaluations of the need and the appropriateness of the request.

UTILIZATION AND EXPENDITURES

Prior to July 2008, assistive technology and environmental modifications were not available services through the Medicaid EDCD and AIDS/HIV waivers. On July 1, 2008, individuals enrolled in these two waivers were provided access to the services as a part of the State's efforts to rebalance its long-term supports system through the Money Follows the Person (MFP) demonstration project. However, the broad extension of these two waiver services to all EDCD and HIV/AIDS Waiver participants led to costs in excess of the cost-savings generated by the MFP program. Therefore, as required by the FY 2010 budget, DMAS limited access to these two services in the HIV/AIDS and EDCD Waivers to MFP demonstration participants only. As a result of the FY 2010 budget, there was a spike in service authorization requests at the end of FY 2009 which is reflected in the FY 2010 expenditures.

Additionally, expenditures reflected for waivers below include services reimbursed through the Early Periodic Screening and Diagnosis and Treatment Program (EPSDT), a comprehensive and preventive child health program for individuals under the age of 21¹.

Table 1: Assistive Technology Expenditures

Assistive Technology Expenditures per SFY by Waiver					
SFY	2006	2007	2008	2009	2010
MR/ID	\$541,582	\$562,061	\$821,042	\$1,064,721	\$1,009,578
IFDDS	\$195,241	\$169,634	\$110,328	\$199,125	\$221,224
EDCD	\$2,260	\$13,203	\$28,861	\$419,360	\$469,347
TECH	\$28,783	\$16,657	\$18,893	\$25,632	\$35,485
TOTAL	\$767,866	\$761,555	\$979,124	\$1,708,838	\$1,735,634

Source: VaMMIS (Virginia Medicaid Management Information System)

Table 2: Environmental Modifications Expenditures

Environmental Modifications Expenditures per SFY by Waiver					
SFY	2006	2007	2008	2009	2010
MR/ID	\$760,905	\$1,032,753	\$1,286,671	\$1,658,595	\$1,495,299
IFDDS	\$327,040	\$302,011	\$278,830	\$339,426	\$319,265
EDCD	\$3,795	\$8,644	\$20,901	\$1,937,561	\$2,044,884
TECH	\$112,545	\$82,767	\$86,299	\$107,686	\$153,945
AIDS				\$3,500	\$5,000
CMH					\$4,922
TOTAL	\$1,204,285	\$1,426,175	\$1,672,701	\$4,046,768	\$4,023,315

Source: VaMMIS (Virginia Medicaid Management Information System)

This data indicates that ID waiver utilization grew consistently for both services from 2006 to 2009, but showed a small decrease in service utilization and cost in SFY 2010. The aggregate

¹ This information is based on SFY 2006 to SFY 2010 claims data from the Virginia Medicaid Management Information System (VAMMIS).

average cost per person for assistive technology and environmental modification services from 2006 to 2010 are \$2,030 and \$4,692 respectively. The sharp increase in the usage of these services is noted among EDCD Waiver participants in 2009 and 2010 as a result of introducing the services with the implementation of the Money Follows the Person Demonstration project.

CONCLUSION

Environmental modifications and assistive technology are provided as services in specific 1915 (c) Home and Community-Based Services waivers. Environmental modification services were utilized 2,647 times during the fiscal years 2006 to 2010. Assistive technology services were utilized 2,927 times during that same time period. The highest utilization of services is among individuals enrolled in the ID waiver.

Environmental modifications and assistive technology accommodates waiver participants by providing them the necessary support to successfully live in their communities. Environmental modifications provide physical access to the home and all living spaces and can include a ramp, modification to a bathroom or widening a doorway to accommodate a wheelchair. Assistive technology allows individuals the ability to communicate with the environment through an electronic or environmental device. These devices allow persons with physical disabilities the ability and freedom to perform activities such as opening doors or controlling the lights in their home environment by a vocal command. An example of an assistive technology device is a computer program controlled by the individual's gaze used in order to provide an audible voice to a person who is non-verbal. These services provide waiver participants with independence and often times make the difference between the choice to live in the community versus having to live in a more costly institutional setting.

Appendix A: Assistive Technology and Environmental Modifications
Participants Tables

Table 3: Assistive Technology Participants

Assistive Technology Participants by Waiver per SFY					
SFY	2006	2007	2008	2009	2010
MR/ID	282	316	456	606	602
IFDDS	73	58	47	76	98
EDCD	1	6	7	107	160
TECH	8	6	6	6	11
Total	364	386	516	795	871

Source: VaMMIS (Virginia Medicaid Management Information System)

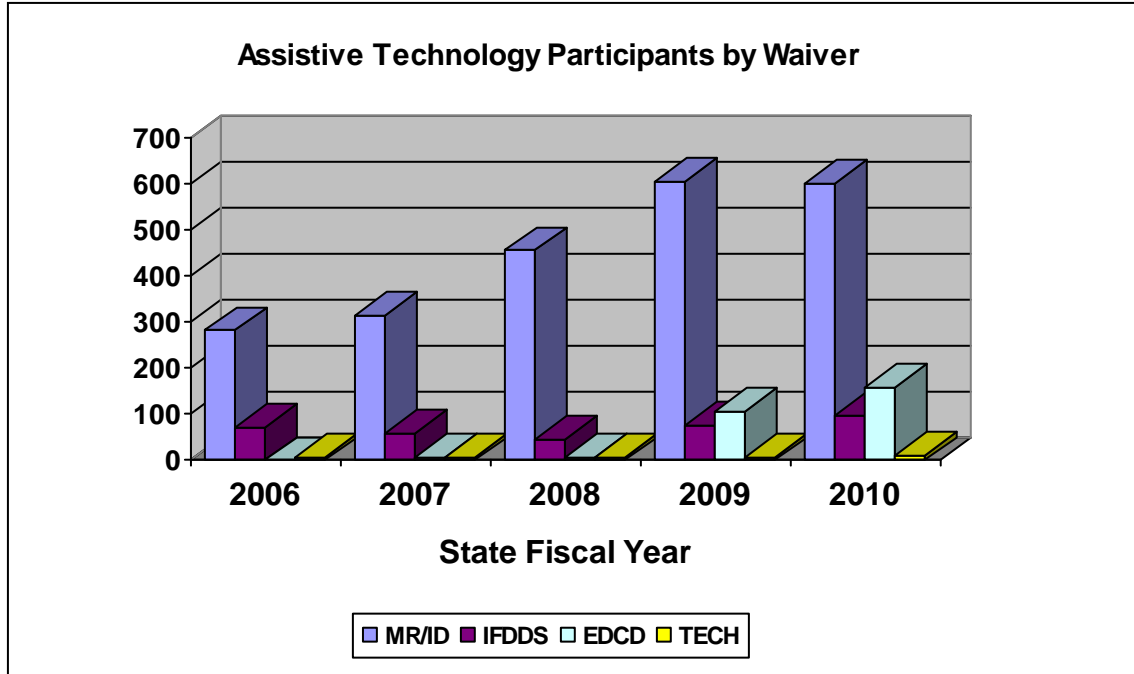
Table 4: Environmental Modification Participants

Environmental Modifications Participants Waiver per SFY					
SFY	2006	2007	2008	2009	2010
MR/ID	172	227	285	346	323
IFDDS	58	60	55	71	60
EDCD	1	2	4	388	459
TECH	23	18	22	24	36
AIDS				1	1
CMH					1
Total	254	307	366	830	880

Source: VaMMIS (Virginia Medicaid Management Information System)

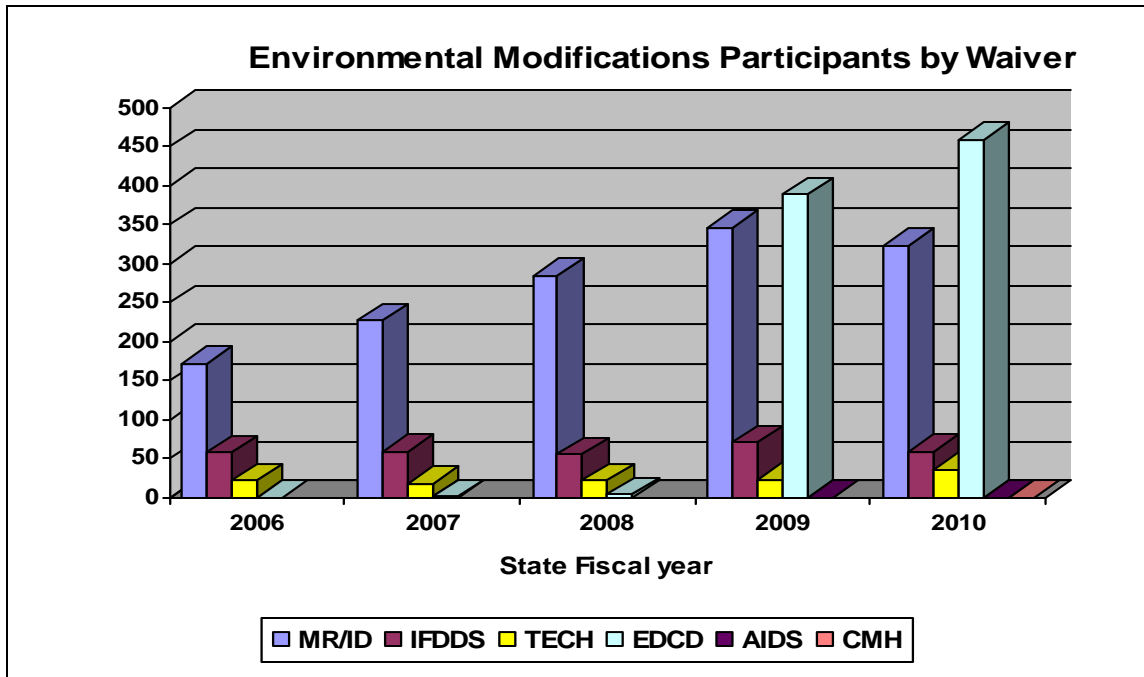
Appendix B: Assistive Technology and Environmental Modifications
Participant Charts

Chart 1: Assistive Technology Participants



Source: DMAS staff analysis, VaMMIS (Virginia Medicaid Management Information System).

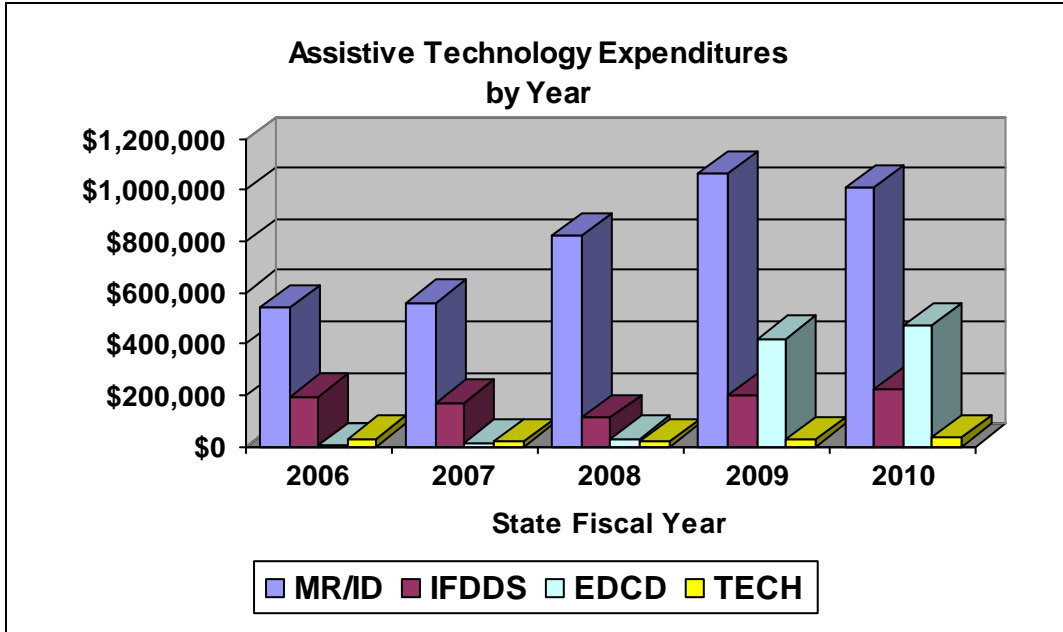
Chart 2: Environmental Modification Participants



Source: DMAS staff analysis, VaMMIS (Virginia Medicaid Management Information System).

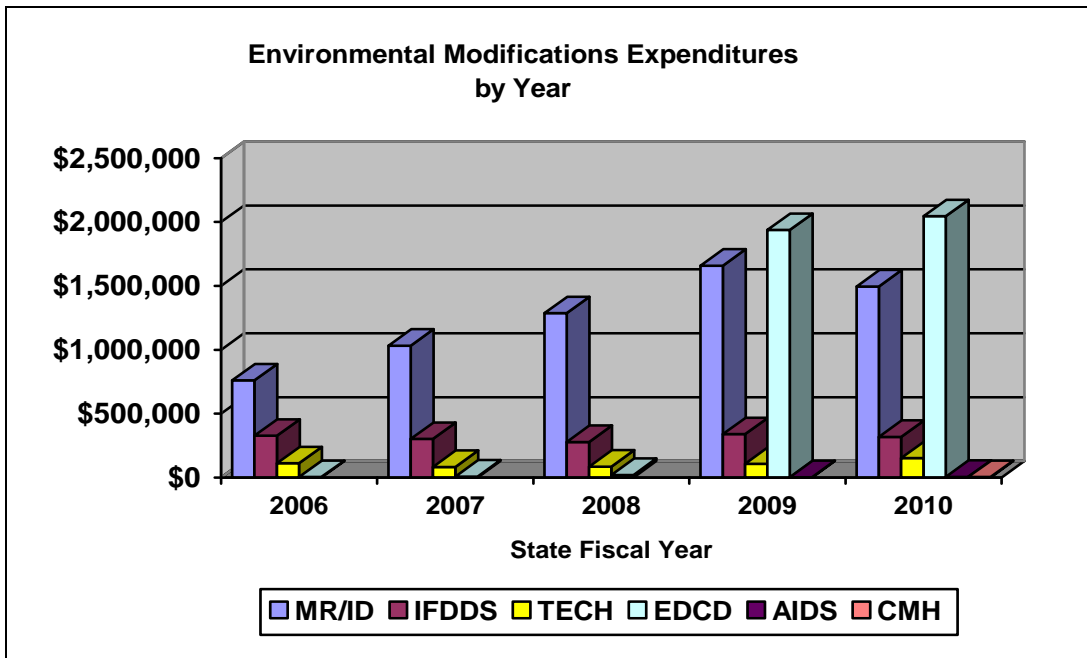
Appendix C: Assistive Technology and Environmental Modifications Expenditures Charts

Chart 3: Assistive Technology Expenditures



Source: DMAS staff analysis, VaMMIS (Virginia Medicaid Management Information System).

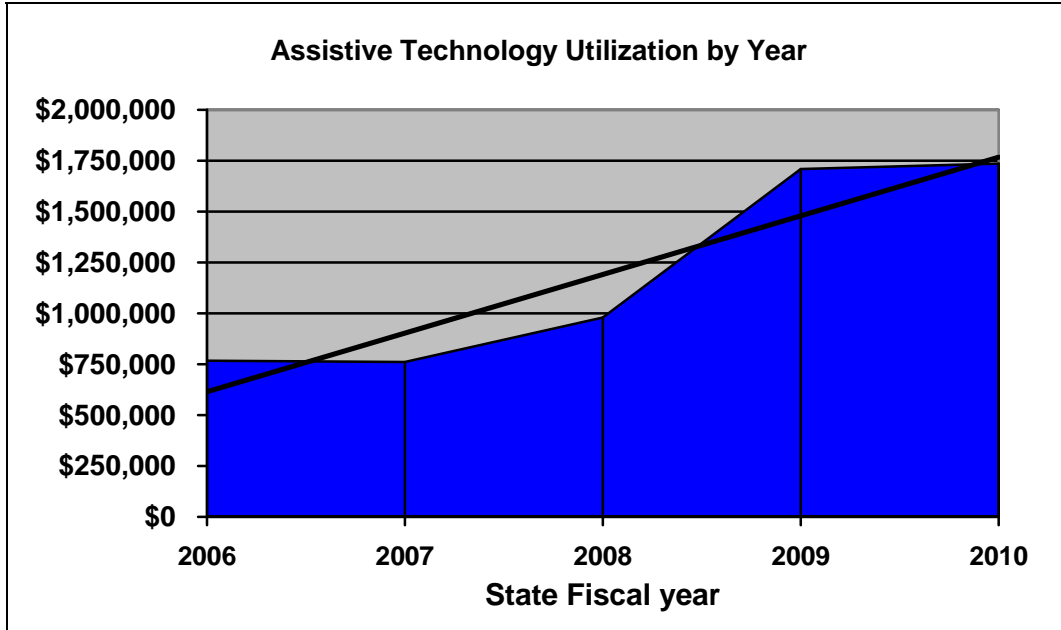
Chart 4: Environmental Modifications Expenditures



Source: DMAS staff analysis, VaMMIS (Virginia Medicaid Management Information System).

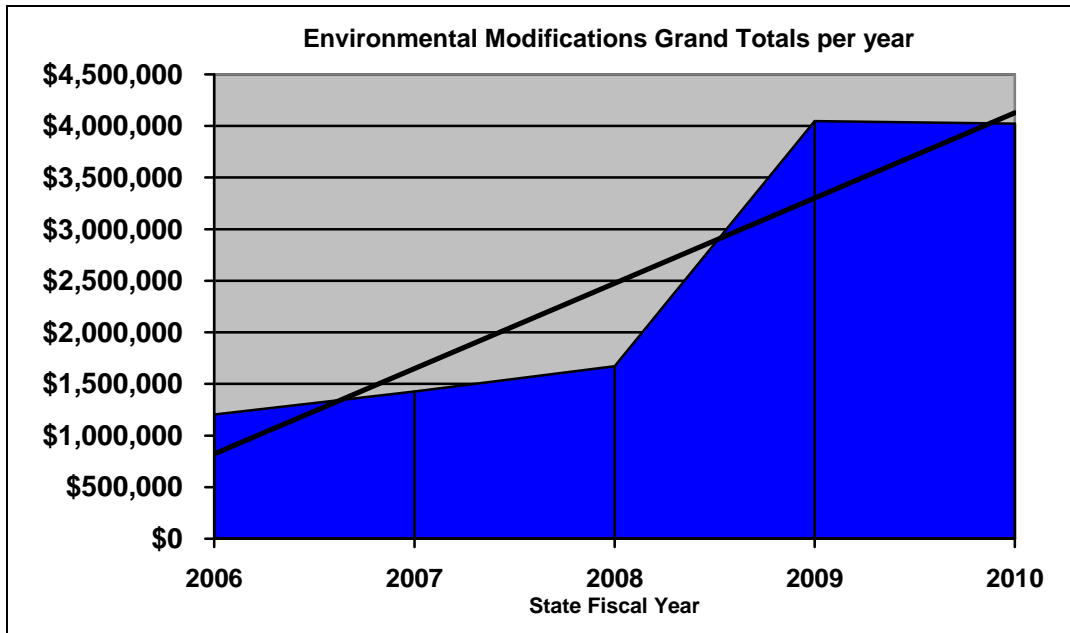
Appendix D: Assistive Technology and Environmental Modifications Expenditures Trends

Chart 5: Assistive Technology Expenditures



Source: DMAS staff analysis, VaMMIS (Virginia Medicaid Management Information System).

Chart 6: Environmental Modifications Expenditures



Source: DMAS staff analysis, VaMMIS (Virginia Medicaid Management Information System).