

California's Assisted Living Waiver Program

THE BEST KEPT SECRET

IN CALIFORNIA'S LONG-TERM CARE
CONTINUUM

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A Win, Win, Win (and no losers!)

A Win for **seniors** as it gives:

- More options for seniors – Assisted Living options vs. just SNFs
- More homelike environment for seniors

A Win for **Medi-Cal**

- Significant savings of approx. \$100 per day per resident
- Seniors being served in least restrictive setting possible

A Win for **Assisted Living** Providers

- Able to serve Medi-Cal population

Key Financial Estimates

Approximately 10,000-25,000 individuals in SNFs on Medi-Cal could be cared for in RCFE/ALFs, just as many more are receiving care at home.

- Average SNF cost for long-term care, \$175/day
- ALW reimbursement \$50-80/day
- Savings of approximately \$100/day

Significant Challenges

Only about 300 providers, many of which only have limited number of beds because of the **reimbursement rate** is below most of the market rates and fear of too much reliance upon an emerging program.

Only 3,700 seniors participating in the ALW Program, the “budgetary” max set by the state. We are not yet to the end of this third waiver period, with a couple of years yet to go, and we have hit the ceiling. So now, since this past spring, seniors who want to take advantage of this program have to go on a wait list that has now grown to over 1,800.

It is our understanding that we will have to wait until the 2018-19 budget for the ceiling to be raised. It is also been asked if it is necessary to even have a ceiling? Hitting the ceiling has now happened at least twice in the three waiver periods.

Other Key Issues:

Many small and some larger RCFEs have shared bathrooms, especially in dementia care programs. The ALW has, in the past, denied participation by good, solid providers simply because of shared bathrooms.

There has been a requirement that a participant be offered a private room, though there is the possibility of having the resident sign a waiver to a shared room, there is awkwardness on how that is playing out.

The program rules, along with the low reimbursement rate, makes it extremely unlikely that an individual with dementia can be served in this program.

Big Items on the Wish List:

- Increase the reimbursement rate – due to elasticity of demand, the department could realize a larger savings sooner.
- Lift the cap on enrollment.
- Allow for shared rooms.
- Better address dementia care.
- Increase administration of the program – currently only one person processing applications for RCFEs to be on the program, for example.

How will Managed Care Play a Role?

Organizations “At Risk” for Medi-Cal Long-Term Care expenses:

- Example of our contract with Health Plan of San Mateo

The Face of the ALW Program

- Sharon's story
 - SF – Burlingame – Citrus Heights
- River Fountains of Lodi story
 - reviving a whole community
- Philip's story
 - from three-bed SNF ward to RCFE

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