



Washington State Auditor's Office

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Long-Term Care Program Evaluation: New Freedom Consumer Directed Services

Washington's growing need for robust and affordable care services for low-income seniors and adults with disabilities

Washington spends about \$1.4 billion in state and federal dollars each year to provide long-term care services for approximately 60,000 low-income elderly adults and adults with disabilities.

The state emphasizes providing services and support to people in their homes and communities – both to reduce reliance on nursing facilities and to help them maintain a high quality of life. Facing a growing aging population and limited financial resources, the state must determine which long-term care models will provide the highest quality and most cost-effective services. The Department of Social and Health Services (DSHS) currently administers two consumer-directed long-term care programs: Community Options Program Entry System (COPES), and New Freedom Consumer Directed Services. This performance audit evaluated New Freedom and compared it to the COPES in-home service program, including comparing identical groups of New Freedom participants to COPES in-home clients.

New Freedom participants take advantage of the program's unique benefits

DSHS assesses applicants using a comprehensive, standardized test that help assessors determine the type and amount of support services a person needs to remain safe and well in his or her home. Clients in both programs have documented nursing home level of care needs.

In COPES, clients receive an allowance of supports and care service hours based on need, and a case manager ensures goods and services are delivered. In New Freedom, participants receive a monthly individual budget, based on assessed need, which can be spent on supports and services as directed by the participant; the social worker acts as a consultant rather than manager.

New Freedom offers a wider selection of goods and services, and allows participants to save a portion of their monthly budget for additional services in later months or a big-ticket item. We found that New Freedom participants spend the majority of their budgets on personal care services, but they also take advantage of the program's flexibility and unique service offerings to purchase services and devices not available through COPES and to save for larger items.

New Freedom participants are highly satisfied with the program

People in New Freedom report high satisfaction with the services they receive and the way the program is run. In our survey of 102 randomly-selected program participants, 91 percent reported feeling satisfied or very satisfied with New Freedom overall.

Washington's two consumer-directed long-term care programs:

Community Options Program Entry System (COPES) served 41,000 people in their homes and in community-based settings across the state, at a cost of \$547 million annually.

New Freedom, a pilot program in King and Pierce counties, served about 900 people in their homes, at an annual cost of \$12.2 million.

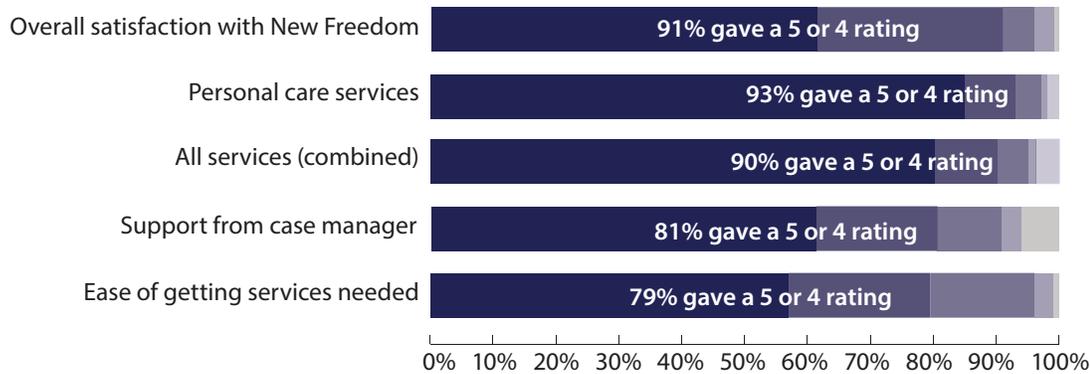
Costs for fiscal year 2013.

New Freedom offers unique benefits to participants:

Both programs offer personal care services, skilled nursing care, specialized medical equipment, environmental modifications, and other support services.

New Freedom offers additional services not covered by COPES, including but not limited to: eye glasses and vision care, hearing aids and audiology, vehicle modifications, physical therapy, and sanitary supplies.

Participants or their caregivers gave New Freedom services and administration good marks overall



Source: SAO analysis of survey data.

When asked about specific services and aspects of the program's administration, such as the support they receive from their case manager, respondents reported satisfaction levels that ranged between 75 percent and 93 percent satisfied (assigning a rating of 4 or 5 on a scale of 1 to 5).

New Freedom and COPES produce comparable participant health outcomes for the same cost to the state

We found no material differences between matched pairs of New Freedom and COPES clients in their change in ability to do activities of daily living, use of nursing homes or mortality rate. Nor did we find significant difference between the average per-member per-month spending on Medicaid medical and long-term care services by New Freedom participants and COPES in-home clients with similar characteristics.

New Freedom's flexibility adds complexity for both participants and administrators

New Freedom's flexibility and increased participant direction make the program attractive to many, but not well-suited for all long-term care recipients. Those elderly adults and adults with disabilities who are capable of and willing to take on the additional responsibilities of managing their own services are likely to thrive in the program. However, not everyone will find this appealing or possible.

New Freedom's unique service provision model is necessarily more complex than COPES; additional guidance and training would help both participants and care consultants to more successfully navigate the program's processes. Additionally, both DSHS and the program operators, the local Area Agencies on Aging in King and Pierce counties, must focus on informing new long-term care clients and converting existing long-term care clients to New Freedom in order to bolster declining enrollments.

Opportunities to put into practice the lessons learned from New Freedom

In 2014 the Legislature directed DSHS to refinance Medicaid personal care services under the federal Community First Choice (CFC) option, because CFC will increase the federal Medicaid matching funds rate from 50 to 56 percent. CFC requires a participant-directed approach in service provision, so the state has an opportunity to draw on its experience piloting New Freedom in the design, implementation, and administration of the CFC option beginning in 2015.

Recommendations in brief



Continue efforts to increase New Freedom enrollments in King and Pierce counties



Build as much flexibility into the new Community First Choice long-term care program as possible



Focus on informing new long-term care clients about New Freedom, and identifying potential conversion clients currently enrolled in other programs



Use New Freedom care consultants' experience to help case managers and clients navigate Community First Choice's consumer-directed options effectively