

## MEMORANDUM

**TO:** Assisted Living Program (ALP) and RHCN Members  
**FROM:** Diane Darbyshire, Senior Policy Analyst  
**DATE:** September 16, 2009  
**SUBJECT:** NYAHSA Meets With DOH Regarding ALP Study  
**ROUTE TO:** Administrator, CFO

ABSTRACT: DOH studying cost of assisted living program.

### Introduction

NYAHSA met with the Department of Health (DOH) today to learn more about their efforts to study the costs associated with the assisted living program (ALP). The ALP, which is the only assisted living option in the state with access to Medicaid reimbursement, was established in the early 1990s, but has yet to undergo the type of analysis that other programs have been subject to. Given this, and DOH's concerns about possible case-mix "upcoding" practices noted in [a study](#) conducted by the Commission on Quality of Care and Advocacy for Persons with Disabilities, the department has decided to take a comprehensive look at the ALP program.

### DOH ALP Study

DOH is analyzing data to help determine the total cost to the state of the ALP program. To this end, they are reviewing 2006-2007 financial reports, Supplemental Security Income (SSI) payments, and Medicaid claims data. The department is reviewing Medicaid claims not only for ALP services, but also for other services that a Medicaid-eligible ALP resident receives that are reimbursed by Medicaid. Ultimately, DOH hopes to compare these Medicaid costs to nursing home Medicaid costs. They are currently determining what data to include, to ensure that the services are indeed comparable.

DOH has already conducted background work related to the study, learning more about the composition of ALP residents, their acuity (per PRI score), and the annual SSI and ALP Medicaid costs. The department is also reviewing the PRI assessment tool and how it affects admission and the re-assessment process. Several provider interviews have been conducted, to learn more from the provider perspective about the program's benefits and challenges. **If members are interested in participating in this part of the study, please [let me know](#).** Unfortunately, DOH's travel budget is very limited, so providers are likely to have to travel to Albany to participate; however **we believe it will be beneficial for them to hear your perspective on the operation of the program.**

## Next Steps

At this point, it is too early for DOH to report any real findings from their study. We inquired if the department would work not only on trying to determine the cost to the state of the ALP program, but also the true cost of the program from a provider perspective. While this year's financial reports break out ALP revenues separately, and the department is also gathering information from grant funding expenditures for ALPs, it was agreed that provider cost is not captured and amendments to the cost report may be warranted. One significant challenge, of course, is that many ALP programs are housed within a larger facility, thus it is difficult to parcel out costs attributed to ACF versus ALP beds.

DOH reported that they did *not* intend to put forth a legislative proposal this year relating to the ALP. NYAHSA has been advocating for a more careful, measured approach as many new ALPs will be licensed in the years to come, and much more data is needed to make good decisions about reform. No date is set yet for the DOH ALP workgroup, however it was thought that the next meeting may be scheduled for December.

DOH plans to issue the study, likely in conjunction with their SSI study, some time this winter.

## Conclusion

NYAHSA will keep members apprised of the developments regarding this study. We hope that it will begin to yield some useful data to inform our ALP reform agenda. If you have any questions regarding the contents of this memo, contact Diane Darbyshire at [ddarbyshire@nyahsa.org](mailto:ddarbyshire@nyahsa.org) or 518-449-2707, ext. 162.