

Disabled Adult Child Enrollment Project: Summary of Project Activity for FY14

A Report Prepared by the Ohio Colleges of Medicine Government Resource Center for the Ohio Department of Medicaid and Ohio Department of Developmental Disabilities

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The results contained in this report and the statements and opinions expressed are those of the GRC only and are not to be attributable to ODM or DODD. This report is located on the GRC website at <http://grc.osu.edu> and on the ODDC website at www.ddc.ohio.gov.

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Executive Summary

Most individuals with developmental disabilities are eligible for Supplemental Security Income (SSI), a “needs-based” cash assistance program funded by the federal government. Individuals living in the community typically receive payments of around \$600 a month while individuals residing in an institution receive an SSI payment of \$30/month: enough to cover the personal needs of the person. Depending on the work history of their parents, individuals who qualify for SSI are likely to qualify for auxiliary or survivor dependent child benefits on the Social Security record of the parent. These Social Security auxiliary benefits are known as “Disabled Adult Child” (DAC) benefits. DAC payment amounts vary but are often are higher than SSI. Using Medicaid claims data, the Ohio Colleges of Medicine Government Resource Center (GRC) estimated that several hundred individuals living either in intermediate care facilities for the intellectually developmental disabled (ICF/IID) or the community are eligible to receive DAC benefits.

The objective of the “FY14 MEDTAPP-DAC enrollment project” was to continue to enroll individuals to the DAC benefit in ICFs/IID and county boards of DD. Since the beginning of the project in February 2012, the GRC had already successfully enrolled many individuals with developmental disabilities (DD) to the DAC benefit, saving Ohio Medicaid and the Ohio Department of Developmental Disabilities (DODD) several hundred thousand dollars annually. Furthermore, using the Ohio Medicaid administrative claims information for FY09, it had been estimated that several million dollars of additional savings could be obtained through continued enrollment of individuals in both ICF/IID and DODD waiver programs. The goal of the FY14 DAC enrollment project was essentially to build on the success of the initiative and to enroll as many individuals in ICFs/IID and in the community as possible.

Including enrollments that occurred in FY14, 75 individuals have been enrolled to the DAC program since the start of the initiative. Additionally, over 30 DAC applications are pending at the social security office. The benefit to the state are straight forward: combined annualized savings of \$1.1 million and in present value terms savings of \$9.2 million. These savings figures will increase as more pending applications are processed. Because the DAC benefit offers enhanced benefits and greater choices, the advantages of enrollment are also significant to individuals with developmental disabilities.

I. FY14 Enrollment Activity

Process

Individuals with DD are referred to the Disabled Adult Child (DAC) Project by an ICF/IID (including state Developmental Centers), Waiver provider, or a County Board of DD, (typically the Service and Support Administration offices). Steps of enrollment include the following activities: 1) referral, 2) research, 3) Social Security review, and 4) award receipt. Table I shows the complete summary of DAC enrollment activity by funding source.

Table I Summary FY14 DAC Enrollment Activity by Funding Source

Funding Source	# of Providers	Referrals	Researched	SS Review = (a) + (b) + (c)	Pending (a)	Ineligible (b)	Applications Filed (c)	Award Received
ICF/IID	22	56	78	56	5	17	34	37
WAIVER	18	270	280	113	63	39	11	5
TOTALS	40	326	358*	169	68	56	45	42**

*Reflects research of referrals made in FY13 & FY14

**Reflects awards on applications filed in FY13 and FY14

Referrals

During FY14, a total of 38 providers were involved in the DAC project. GRC continued with efforts to engage new providers into the project throughout the year. Referrals were solicited from provider associations with significant success. Overall, 326 (56 ICFs/IID and 270 Waivers) newly enrolled individuals were referred to the project.

Providers who made referrals to the GRC were expected to provide the following information: 1) consent to access personal information of the individual, (2) a copy of the individual's birth certificate, and (3) information about the consumer's current financial resources including any current Social Security benefits.

The GRC subcontractor screened the information received from providers to determine if the case was a good candidate for enrollment. Often cases were screened out at this point after determining the individual was already receiving DAC benefits.

Research

358 individual cases were researched during this phase of the project. Research included the use of public and paid internet resources such a public data records, probate records, genealogy sites and vital statistic compilation sites in order to locate the information required by Social Security to conduct the review. Information required by Social Security includes dates and places of birth and death, the Social Security numbers of the individual's parents as well as the maiden name of the individual's mother.

Depending on the availability of records and if the parent of the individual is deceased or not, research often took between 1-3 hours per individual to locate required information on both parents. Insufficient information often led to the case being dropped. Cases with sufficient information on the individual and parent were then sent to local Social Security offices for review.

Initial Social Security Review

The Social Security review is completed at the discretion of the Local SS Office Manager or in some areas of the state, the Regional Public Affairs Specialist (PAS). The initial review determines: 1) if the individual has parents who are receiving social security benefits 2) if the individual's DAC benefit is greater than the SSI benefit they are currently receiving, and 3) if the individual needs to have a formal disability determination filing made.

If the parents of the individual are not currently retired or are not eligible to receive Social Security benefits, the individual will not be DAC eligible since his or her benefit is determined from the parent's benefit. Also, even in cases where the DAC benefit applies, it can never be lower than the current SSI payment the individual is receiving. Cases are sometimes screened out when the calculated DAC benefit is less than the SSI benefit the individual is receiving. Finally, with about 50% of the cases, the individual needs to have a separate disability determination filing made before a DAC application can be submitted. In-person appointments are required prior to filing of a disability determination. The disability determination is required to demonstrate the individual had an intellectual disability prior to the age or 22. In many cases, there is existing documentation, but in some cases, proof of disability must be gathered. This part of the review ranged from 1 month to 3 months. Disability applications required on-site facility visits to review individuals' records. Total preparation and filing time for filing a disability determination was approximately 1 ½ hours.

During FY 14 an additional 169 individuals were referred for review to Social Security. There are currently sixty-seven individual cases that remain in review status at social security offices. Applications often take several months to be reviewed by local Social Security officials due to the overall backlog of cases facing the agency.

Application

Once the initial review determines the individual is DAC eligible, an application for the DAC benefit needs to be filed. Applications need to be completed in person and typically take an hour. Appointments are often scheduled months in advance.

During FY14 a total of 45 applications were filed on behalf of individuals. As of May 2014, 34 were filed on behalf of individuals living in ICF/IID and 11 for individuals receiving waiver services. It is important to note that because of the length of time needed to process applications that there are still 31 applications that are pending final social security approval. Despite the fact that these pending applications will likely result in DAC benefits being awarded, they are not included in the savings figures discussed later on in this report.

Although considerable effort was devoted to the DAC enrollment of individuals on waivers, there were far fewer actual applications made for these individuals compared to consumers living in ICFs/IID because individuals were screened ineligible for the program by Social Security. Some reasons discovered for the low incidence of waiver eligibility include: (1) younger parents who are not yet of retirement age, (2) the calculated DAC benefit from the benefits of the parent being less than the individual's SSI benefit or (3) the individuals own disability payments being greater than the DAC benefit.

It is important to note that the DAC benefit is 75% of the parent's social security benefit if the parent is deceased and 50% if the parent is alive. Obviously, whether the parent of the individual is deceased or not significantly impacts the amount of the DAC benefit awarded.

Awards Receipt:

During FY14 a total of 42 individuals received benefits awards. Twenty eight (28) of these awards reflect applications made in FY13 or prior while the remainder were filed within the current fiscal year. Total enrollment since the start of the initiative is 75.

Throughout the DAC Project, the time span from application filing to receipt of award letter has ranged from 1 month to 17 months. Delays might occur at any level of the award process. Reasons for the delays include:

- General backlog of Social Security applications
- Request for a disability determination filing
- Disability decisions being returned to local SS office due to inadequate documentation
- Complexity of calculating DAC back payments

II. Savings Tracking

The DAC initiative tracks the savings that accrue to the Medicaid program per each individual enrolled on DAC. Savings accrue in three ways: 1) increases in the monthly resources for individuals in ICFs/IID; 2) lump sum awards that are given to the individual resulting from DAC back payments, and; 3) Medicaid health care savings through enrollment in Medicare.

Individuals residing in ICFs/IID contribute all their personal resources less the personal needs allowance to the cost of their care. Therefore, any increase in resources that results through DAC enrollment saves the Medicaid program directly. For individuals on waivers, increases in monthly resources resulting from DAC enrollment contribute to the individuals resources used to pay for room and board in the community but not to the cost of their care. Of the 42 individuals enrolled in FY14, five are enrolled on waivers, while 37 reside in ICFs/IID.

All individuals who are approved for DAC are automatically enrolled on Medicare two years after their DAC award date. Individuals enrolled on Medicare because of DAC also provide savings to the Medicaid program to the extent they utilize health care services covered by Medicare as opposed to Medicaid. Of the 75 individuals enrolled in the project since the initiative started, 47 have been identified as being enrolled on Medicare before January of 2014. The remaining 28 individuals either are recently enrolled or will be enrolled sometime between now and July of 2015.

¹ The vast majority of times these lump sum payments are used to set up a Medicaid special needs trust for the individual. In most cases monies that are leftover in the individual's account after their decease will go toward the payment of prior Medicaid services.

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Table II shows the annualized consumer resource savings realized by the state each quarter in FY14 and FY13 in totals as a result of individuals being enrolled on DAC. The median resource payment is \$831 per month in FY14 and \$851 per month for the entire project. Overall, mean resource payments since the start of the project is \$705. Annualized savings to the Medicaid program through increased resource payments for FY14 is \$371K. Annualized savings including FY13 enrollments are \$634K. State share of total project resource savings annualized is \$255K. Lump sum awards paid to the state over the project is \$167K and the total annualized project savings from the increase in individual resources is \$802K.

Table II: DAC Project Annualized Resource Savings

	FY13	Sep. 2013	Dec. 2013	March 2014	June 2014	FY 14	All Time Periods
Total Individuals Enrolled	33	10	18	8	6	42	75
Annualized Total Savings (Vendor)	\$ 318,264	\$ 68,880	\$ 168,721	\$ 78,936	\$ 54,924	\$ 371,461	\$ 634,801
State Only Savings	\$ 117,694	\$ 25,472	\$ 62,393	\$ 29,191	\$ 20,311	\$ 137,366	\$ 255,060
Mean Resource Monthly Payment	\$ 804	\$ 574	\$ 781	\$ 822	\$ 763	\$ 737	\$ 705
Median Resource Monthly Payment	\$ 910	\$ 627	\$ 842	\$ 939	\$ 997	\$ 831	\$ 851
Lump Sum Awards Received by the State	\$ 167,520						\$ 167,520
Total Savings - Individual Resources						\$ 371,461	\$ 802,321

Table III shows the annualized per member per month (PMPM) savings for individuals enrolled through the DAC project. Forty Nine (47) of the 75 individuals enrolled through the initiative have also been enrolled in the Medicare program, thus directly saving Medicaid program dollars. The remaining 26 individuals either have recently been enrolled or will be enrolled in the Medicare over the next year.

For all categories of service except drugs, the savings are compiled directly from Medicaid claims data by summing the Medicare payments made for services rendered to the DAC\Medicare enrollees between dates of service between January 2013 and March 2014. Since providers have eighteen months to bill the Medicaid program after the date of service, it is likely that the Medicare savings are understated for these individuals since claims are still being processed for services rendered during this time period. For the drug category, service enrollment savings are calculated by subtracting Medicaid PMPM costs in CY12 (prior to the DAC initiative) from CY13 and CY14 Medicaid PMPM costs (after Medicare enrollment of DAC registered individuals.) For this category of service only, direct Medicare payments are not captured on the claims file. The Medicaid cost differential is assumed to be the result of Medicare payments made on behalf of these consumers.

Total net savings to the Medicaid program are calculated by subtracting the part D and part B payments made by Medicaid from the gross PMPM savings to yield a net PMPM savings result. The PMPM figure is annualized for those 47 consumers currently Medicare enrolled and then extrapolated to all 75 DAC enrollees to determine annualized Medicaid health care savings.

Table III: Total DAC-Medicare Savings

Category of Service	PMPM Savings
Inpatient Hospital	\$ 230
Outpatient Hospital	\$ 37
Drugs	\$ 297
Other	\$ 79
Physician	\$ 108
total gross savings PMPM	\$ 751
- less part D (monthly)	-124
- less part B (monthly)	-105
total net savings PMPM	\$ 522
	Annual
Total Savings /Current Medicare (47)	\$ 294,408
Total Savings - All DAC Enrollees (75)	\$ 469,800

Table IV summarizes the savings obtained from the initiative resulting from increases in individual resources and Medicare payments. Savings are detailed in annualized and present value terms. Present value savings are listed in order to reflect the stream of savings that accrue to the Medicaid program over a number of years. The present value savings are calculated using a ten year period with a discount factor of 3%. With the ages of DAC enrollees varying between 26 and 65 and with life expectancies of individuals increasingly mirroring the general population, ten years of additional savings accruing to the Medicaid program does not seem an unreasonable assumption. The total annualized savings resulting from the initiative is \$1.1 million. In present value terms the savings is \$9.2 million.

Table IV: Total DAC Savings Summary

	Annualized	Present Value (10 year)
Resources	\$ 634,801	\$ 5,414,982
Medicare	\$ 469,800	\$ 4,007,489
Total Savings	\$ 1,104,601	\$ 9,422,471

III. Education and Promotion

In FY14, the GRC continued to promote the DAC enrollment project through DODD and trade associations. Since all enrollments are the result of collaborations between the provider, county boards, individuals and their families, it is essential that all parties understand the benefit of the program. The GRC also developed an education brochure for families entitled “Disabled Adult Child Social Security Benefits.” The brochure discusses the benefits, eligibility requirements, and process of enrollment. The purpose of the brochure is to encourage families to enroll their adult children with disabilities on the program.

IV. Recommendations

Although the DAC enrollment initiative has heightened awareness of the Social Security benefit and has enrolled dozens of individuals with DD, the process of enrollment has often proved cumbersome and lengthy. The entire filing process between the initial expression of interest of the provider, to researching the case, gathering records, filing the application, and obtaining the award can take well over nine months. The period of time a complete application sits at the Social Security office waiting processing itself can take over six months. On the front end of the enrollment process delayed responses from providers and county boards regarding a request for pertinent individual records has also been common. Sometimes the delays are the result of the overall difficulty obtaining individual and/or family consent. Finally, tracking where an individual’s case is in the enrollment process is in itself a time consuming process. In addition to the administrative complexity of enrollment, there have been rare instances where the individual award affects the social security benefit amounts of one of the surviving parents, causing potential financial hardship to that family member.

In order to streamline the assistance given to providers and county boards in enrolling individuals to the DAC program, it is recommended that the project limits assistance to research and consultation. Medicaid claims can be used to identify individuals who are likely to be DAC eligible: those older than 45 years of age, and those who do not currently receive Medicare benefits. The initiative could target eligible individuals with deceased parents in order to avoid any reduction of benefit issues of surviving family members. Information on deceased parents can be obtained through publically available websites. Providers and County Boards of DD could be given lists of likely DAC eligible individuals. These organizations could then assist the individual with the DAC enrollment process.

V. Conclusion

75 individuals with DD have been enrolled to the Disabled Adult Child Social Security program since the initiative started back in the spring of 2012. Dozens more applications are pending at the Social Security office. The benefit to the state are straight forward: combined annualized savings of \$1.1 million. In present value terms, the savings figures translate to over \$9.2 million. These savings figures will increase as more pending applications are processed. The benefits of enrollment however are much greater than the savings that accrue to the state. Individuals in ICFs/IID receive a greater personal needs allowance and are enrolled on Medicare, providing more choices and an enhanced quality of life. For individuals enrolled who live in the community, the increased monthly benefit of a few hundred dollars a month can make a big difference in the living environment and the range of opportunities afforded. Although it is possible enrollment may have occurred without the support of the initiative such a result is unlikely: the application process is simply too cumbersome for enrollment to occur without the focused resources of the provider, county board and family all working together. It is hoped that the state continues to support the DAC enrollment process not only as a savings measure but as a means of improving the lives of individuals with developmental disabilities.