North Carolina Department of Health and Human Services

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

October 1, 2013

The Honorable Marilyn Avila, Chair
Appropriations Subcommittee on
Health and Human Services
North Carolina House of Representatives
Room 2217, Legislative Building
Raleigh, North Carolina 27601-1096

The Honorable William Brisson, Chair
Appropriations Subcommittee on
Health and Human Services
North Carolina House of Representatives
Room 405, Legislative Office Building
Raleigh, North Carolina 27603-5925

The Honorable Mark Hollo, Chair
Appropriations Subcommittee on
Health and Human Services
North Carolina House of Representatives
Room 639, Legislative Office Building
Raleigh, North Carolina 27603-5925

Dear Representatives Avila, Brisson and Hollo:

This final report from the Department of Health and Human Services (DHHS) provides the Findings on Recommendations Three, Five and Six from the Blue Ribbon Commission.

This report presents an examination of the feasibility of enhancing personnel care services, examines the possibility of a tiered special assistance program based on individual need and provides a vision for the future of NC Long Term Care Services. The Department recognizes the fact that long-term care services need to transition from a place-based service delivery system to a person-centered service continuum.

On behalf of the Department, I respectfully submit this report. If you have further questions or need additional information, please contact Jessica Keith Bradley, Special Advisor on ADA, at Jessica.Bradley@dhhs.nc.gov or 919-855-4800.

Sincerely,

Aldona Z. Wos, MD

cc: Jessica Keith Bradley
Rick Brennan
Matthew McKillip
Pam Kilpatrick
Susan Jacobs
Denise Thomas
Steve Owen
Patricia Porter
Dennis Streets
Carol Steckel
Adam Sholar
Sarah Riser
Kristi Huff
Brandon Greife
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Senator Ralph Hise
Representative Justin Burr
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October 1, 2013

The Honorable Ralph Hise, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina Senate
Room 1026, Legislative Building
Raleigh, North Carolina 27601-2808

The Honorable Mark Hollo, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina House of Representatives
Room 639, Legislative Office Building
Raleigh, North Carolina 27603-5925

The Honorable Justin Burr, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina House of Representatives
Room 307A, Legislative Office Building
Raleigh, North Carolina 27603-5925

Dear Senators Hise and Representatives Burr and Hollo :

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October 1, 2013

The Honorable Louis Pate, Chair
Appropriations on Health and
Human Services
Room 1028, Legislative Building
Raleigh, North Carolina 27601-2808

The Honorable Ralph Hise, Chair
Appropriations on Health and
Human Services
Room 1026, Legislative Office Building
Raleigh, North Carolina 27601-2808

Dear Senators Pate and Hise:

This final report from the Department of Health and Human Services (DHHS) provides the Findings on Recommendations Three, Five and Six from the Blue Ribbon Commission.

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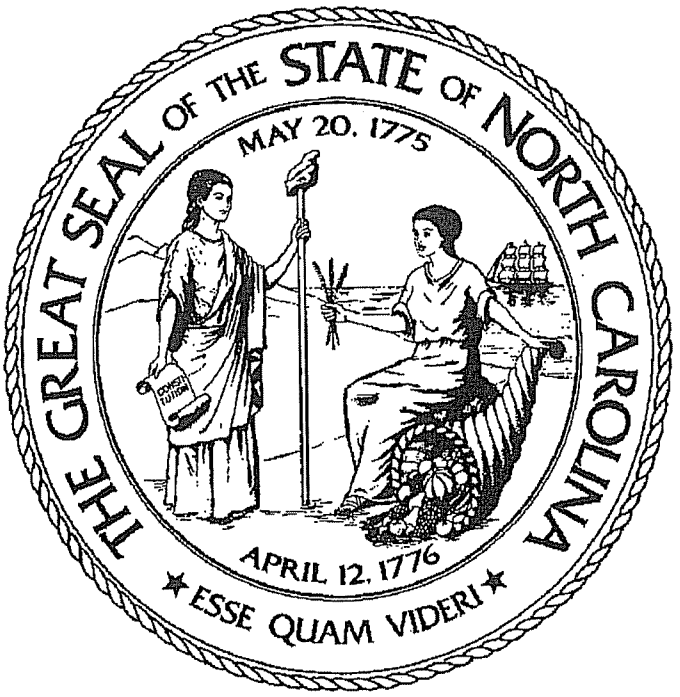
DHHS FINDINGS AND RECOMMENDATIONS IN RESPONSE TO BLUE RIBBON COMMISSION ON TRANSITIONS TO COMMUNITY LIVING RECOMMENDATIONS S.L. 2012-142, Section 10.23A



State of North Carolina
Department of Health and Human Services
October 1, 2013

DHHS Findings and Recommendations on Blue Ribbon Commission

The Blue Ribbon Commission on Transitions to Community Living was created by Session Law 2012-142, Section 10.23A, as amended by Session Law 2012-145, Section 3.6. In accordance with the authorizing legislation, the Commission was composed of 32 members and consisted of a Subcommittee on Adult Care Homes and a Subcommittee on Housing.

The Subcommittee on Adult Care Homes and the Subcommittee on Housing each met four times between September 12, 2012, and December 12, 2012. During their respective meetings on December 12th, each Subcommittee approved a report for submission to the Blue Ribbon Commission on Transitions to Community Living.

The Legislative Reports due October 1, 2013 are the final reports requested through the Blue Ribbon Commission on Transitions to Community Living. The Legislative Reports are based on Recommendation 5, Study Tiered Personal Care Services; Recommendation 6, Study Tiered Special Assistance; and Recommendation, 3 Establish a Long-Term Care Continuum Workgroup. While the Blue Ribbon Commission Recommendations 5 and 6 require a study of the feasibility of changing services currently provided by the Department of Health and Human Services, subsequent Session Law 2013-306 and Session Law 2013-360 further clarified recommendations. The Long Term Care Continuum Workgroup was established to make recommendations to guide the future of Long Term Care in North Carolina.

Recommendation 5: Tiered Personal Care Services

The information contained in this section of the report is offered in response to Recommendation 5 which states: The Department shall consider coverage for medication management and for those individuals that have Alzheimer's disease or related dementias, and shall report findings and recommendations to the Joint Legislative Oversight Committee on Health and Human Services on or before October 1, 2013.

SESSION LAW 2013-306

In April 2013, House Bill 492 was introduced as an Act to direct the Department of Health and Human Services (DHHS) to develop enhanced Medicaid Personal Care Services for individuals with a primary diagnosis of Alzheimer's or other specified forms of Dementia. The legislation was modified and became Session Law 2013-306, and DHHS is currently in the process of implementing this legislation.

Recommendation 6: Study Tiered Special Assistance

Recommendation 6 of The Blue Ribbon Commission report, Transitions to Community Living, dated December 19, 2012, "...directs the Department of Health and Human Services to study State-County Special Assistance to: 1) develop alternative cost methodology options for determining rates, and 2) to investigate the feasibility of a tiered rate structure to address assessed resident needs based on the intensity of need, including medication management."

SESSION LAW 2013-360

Session Law 2013-360 requires the Department of Health and Human Services (DHHS) to establish a pilot program within the Special Assistance Program with a tiered-rate structure. This legislation influenced the work on Recommendation 6, particularly Section 12D.2.(d) which spells out specifically what must be included in the development of a tiered rate:

> These funds may be used to pay for room, board, and personal care services, including management, for individuals eligible to receive State-County Special Assistance, subject to the following limitations and requirements:
>
> (1) These funds shall not be used to cover any portion of the cost of providing services for which an individual receives Medicaid coverage.
>
> (2) The pilot program shall comply with all federal and state requirements governing the existing State-County Special Assistance program, except that Section 12D.3 does not apply to the pilot program.
>
> (3) The tiered rate structure shall be based upon intensity of need, and an individual's placement within a tier shall be based upon an independent assessment of the individual's need for room, board, and assistance with activities of daily living, including medication management.

IMPLEMENTATION OF SESSION LAW 2013-360

State-County Special Assistance is a supplement to the federal SSI Program and must operate based on guidance from the Social Security Administration (SSA). The Department of Health and Human Services is seeking guidance from the SSA to operate a Special Assistance pilot program as written in the S.L. 2013-360. One particular area for guidance includes the block grant funding required in the legislation and how this can be permissibly implemented. Of note, tiered rates across facility and private living settings as discussed above could increase the state and county budgets for Special Assistance. More information will be known as the pilot program moves forward.

Recommendation 3: Establish a Long-Term Care Continuum Workgroup

The Subcommittee on Adult Care Homes, Blue Ribbon Commission on Transitions to Community Living, recommends the Blue Ribbon Commission direct the Department of Health and Human Services to establish a workgroup including stakeholders, Departmental personnel, and unbiased experts, to explore changes to North Carolina's long-term care continuum, including, but not limited to: expansion of waiver options and potential new licensure structure, and assuring that individuals are not unduly offered more restrictive placements than needed and are assured of receiving skilled nursing care as designated through assessment. The Department must make an interim report on or before April 1, 2013 and a final report of findings and recommendations on or before October 1, 2013, to the Senate Appropriations Committee on Health and Human Services, the House Appropriations Subcommittee on Health and Human Services, and the Joint Legislative Oversight Committee on Health and Human Services.

ACKNOWLEDGING OUR HISTORY

"The state's long-term care policy should be to support older adults and people with disabilities and their families in making their own choices with regard to living arrangements and long-term care services that will result in appropriate, high-quality, cost-effective care provided in the least restrictive setting."
-- NCIOM Task Force on Long-Term Care, *A Long-Term Care Plan for North Carolina*, 2001

For over a decade, North Carolina entities, task forces and organizations have explored various dimensions of the same question: how do we strengthen the long-term supports continuum for those of us who currently—or will---need it?

A comprehensive answer to this question extends outside the scope of the Blue Ribbon Commission's Recommendation Three Workgroup ("NC DHHS Long Term Supports Continuum Workgroup" or "the Workgroup")[i] and can only be effectively addressed through organized, data and research-driven strategic discussion and leadership.

To lay the foundation for this endeavor, the Department of Health and Human Services ("the Department") relied on Workgroup members to identify those state-specific reports and commissions that help inform the questions and potential answers.

In addition to deliberately relying on prior studies, current, relevant Department initiatives, such as the *North Carolina Aging Services Plan, 2011-2015* and the NC/Department of Justice Agreement, *Transitions to Community Living* Initiative also informed the recommendations outlined here.

UNDERSTANDING WHERE WE ARE

Predominant Sentiments in North Carolina's Long-Term Supports Community

- Supporting and building a system that promotes consumer choice remains that overarching, unifying sentiment in nearly any discussion about long-term care.
- Stakeholders, as a general rule, value having a continuum of services and variety of locations in which to receive them.
- Running in tandem to this value is an expectation that there is systemic parity and flexibility in supporting choice among these options, with a recognition that public funding streams and public policy has historically restricted these choices.
- There is a continued and increasing recognition to the key role family caregivers and other natural supports play in supporting an individual's long-term needs.

While these sentiments were identified informally through the Workgroup's discussion, they are well recognized and also formalized in North Carolina law.[ii]

Understanding the Current Continuum

The Workgroup began its efforts by establishing and analyzing what the current NC Long-Term Supports and Services ("LTSS") Continuum looked like. Please see Appendix B for this diagram.

A "Placed-Based" Model

In analyzing NC's current continuum, the Workgroup noted that NC currently assumes a "place based" model in designing, funding and overseeing the current long-term care continuum, with services and policy often being shaped around a particular location or type of setting.

Key Populations Shaping the Continuum

The Workgroup also attempted to reflect the primary populations that utilize the various locations on the continuum. For the purposes of analysis, the Workgroup identified four primary long-term support populations:

1. Age (older adults)
2. Physical/sensory disability
3. Intellectual/Developmental Disability
4. Severe and Persistent Mental Illness

There are standard "migratory patterns" within each long-term care population that warrant the location being included on the continuum diagram. Some locations are predominantly used by one long-term supports population (e.g., State DD Centers) while others are used by multiple populations (e.g., Adult Care Homes).

Difficulty Recognizing the "Whole Person" in the Current Continuum

The Workgroup also acknowledged and wanted the diagram to recognize that while certain facilities may focus on a particular group (e.g., Individuals with Intellectual/Developmental Disabilities) because individuals are "whole people:"—who may also experience mental illness (MI) or be older, the chart also works to recognize the co-occurrence of support needs/diagnoses.

The Impact of NC Current Continuum

Current funding streams produce service fragmentation that limits an individual's choice about where services are received and excludes long-term support communities (e.g., Traumatic Brain Injury) that do not fit easily into existing service/eligibility categories. This results in many individuals with multiple support needs becoming "square pegs" that do not effectively fit into "round holes" of available funding. This often results in a service disparity where two individuals with similar support needs have access to vastly different services and funding levels based on an individual diagnosis.

Developing and maintaining the State's current "place-based" continuum has often resulted in consumers being unable to effectively remain in or transition to their location of choice. This lack of service and funding flexibility puts the State at risk for compliance with the Americans with Disabilities Act and the US Supreme Court's *Olmstead* decision[iii]

HELPING SHAPE THE ROADMAP WHERE WE WANT TO GO

Linking *Long Term Supports Continuum Recommendation* to Other Departmental Initiatives

Medicaid Reform
Past recommendations related to long-term supports in North Carolina may assist in shaping Medicaid reform. Accordingly, this report works to outline how Medicaid reform initiatives may advance key recommendations made in earlier reports, task forces, etc.

The Department will also use Medicaid reform initiatives to analyze licensure requirements and how they impact a consumer's ability to receive services in the location of his choice.

Informing the Department's Direction Under *Olmstead*
The Department will also integrate the goals and recommendations outlined in this report into the NC *Olmstead* Planning and implementation efforts.

The Involvement of Workgroup and Blue Ribbon Commission Members
The Department will invite members of the Long Term Supports Continuum Workgroup to participate in Medicaid reform efforts.

RECOMMENDATIONS TO CONSIDER AS WE MOVE FORWARD

THE DEPARTMENT'S OVERARCHING RECOMMENDED DIRECTION:
The Department wishes to support activities and recommendations that support the Long-Term Supports in NC to transition from a *place-based* service delivery continuum, to a person-centered service continuum, where individuals have the tools and resources needed to receive necessary services in the setting of their choice.

THE DEPARTMENT'S GOAL: TO SUPPORT INITIATIVES THAT RECOGNIZE THAT REDUCE DIVISION AND FRAGMENTATION AMONG VARIOUS LONG-TERM SUPPORT POPULATIONS

Stakeholder Insight: Look for broad solutions that impact a wide recipient base, and look for commonalities across populations.

Long-Range Department Recommendations/Action Step: Explore methods that enable the Department to "break down the silos" between long-term care communities and Medicaid service funding streams.

Earlier NC Initiatives that Informed this Recommendation:

- See *Recommendations in A Long-Term Care Plan for North Carolina, Synopsis of the North Carolina Institute of Medicine Final Report*, 2002
- See *Recommendations of Long Term Services and Supports Workgroup of the Dual Eligibles Planning Grant*, 2012

Stakeholder Insight: Look for ways and opportunities to effectively integrate and coordinate physical and behavioral health supports.

Department's Long Range Recommendation: The effective "whole person" integrated care of physical, behavioral and long-term support needs is among the foundational principles of Medicaid reform.

Earlier NC Initiatives that Informed this Recommendation:

- See *Recommendation 6.15, Successful Transitions for People with Developmental Disabilities*, NCIOM, 2009
- See *Short and Long-Term Solutions for Co-Location in Adult and Family Care Homes* NCIOM, 2011
- See *Recommendations the Long Term Services and Supports workgroup of the Dual Eligibles Planning Grant*, 2012
- See *Recommendations for the Transitions Workgroup, Dual Eligibles Planning Grant*, 2012

THE DEPARTMENT'S GOAL: TO IMPROVE & SIMPLIFY ACCESS TO SERVICES ACROSS THE CONTINUUM

Stakeholder Insight: Services are often based on diagnosis-specific criteria that do not recognize the totality of the person's support needs and often result in funding level discrepancies for individuals with similar support needs.

Department's Long Range Recommendation: Identify and establish a standardized, uniform functional assessment process that ensures individuals are assessed based on need.

Earlier NC Initiatives that Informed this Recommendation:

- See *Recommendations in A Long-Term Care Plan for North Carolina, Synopsis of the North Carolina Institute of Medicine Final Report*, 2002
- See *Recommendation 6.4 and 6.11 Successful Transitions for People with Developmental Disabilities*, NCIOM 2009
- See *Recommendation 4.1 of Short-and Long-Term Solutions for Co-Location in Adult and Family Care Homes*, NCIOM, 2011

Insight from Stakeholders: Sometimes it is confusing or unclear how to access long-term support services.

Department's Recommendation: Coordinate with NC FAST efforts to establish a uniform portal of entry for publicly funded support services that provides clearer access to long-term services and supports.

Earlier NC Initiatives that Informed this Recommendation

- See *Recommendations in A Long-Term Care Plan for North Carolina, Synopsis of the North Carolina Institute of Medicine Final Report*, 2002
- See *Bias 2* in *North Carolina Institutional Bias Study Combined Report,* Lewin Group, 2006.

THE DEPARTMENT'S GOAL: TO BUILD FLEXIBILITY and PARITY IN SERVICES

Stakeholder insight: Sometimes people receive services in the location the services are allowed to be provided, not in the location where they would like to receive them.

Department's Long-Range Recommendation: Obtain flexibility needed to prioritize resources based on recipient need and desired service location.

Department's Proposed Initial Milestone: Analyze current home and community-based waiver methodology for calculating budget neutrality to most effectively ensure individuals with complex support needs have access to waiver services while also remaining compliant with CMS budget neutrality requirements.

Earlier NC Initiatives that Informed this Recommendation:

- See *Recommendations in A Long-Term Care Plan for North Carolina, Synopsis of the North Carolina Institute of Medicine Final Report*, 2002
- See *Bias 5, North Carolina Institutional Bias Report,* Lewin Group, 2006.
- See *Recommendations 4.1 and 6.6 Successful Transitions for People with Developmental Disabilities*, NCIOM, 2009.
- See *Supportive Housing as an Alternative to Psychiatric Hospitalization*, NC DHHS, 2011.
- See *Strategic Framework Recommendations of the Long Term Services and Supports workgroup of the Dual Eligibles Planning Grant*, 2012.
- See *Recommendations the Long Term Services and Supports workgroup of the Dual Eligibles Planning Grant*, 2012.

Stakeholder Insight: Transition planning and supports are essential to ensure individuals can safely move between service locations and funding sources.

Department Long-Range Recommendation: The Department will establish quality metrics and competencies for transition planning both related to hospital discharge planning and transition planning from long-term facility settings, utilizing identified best and promising practices.

Department's Proposed Initial Milestone: Coordinate long-term care transition initiatives and hospital-discharge initiatives supported by the Department (e.g., Transitions to Community Living, Money Follows the Person, NC ACT)[iv] in developing a robust, transition coordination capacity-building strategy.

Earlier NC Initiatives that Informed this Recommendation

- See *Recommendations of the Transitions workgroup of the Dual Eligibles Planning Grant*, 2012
- See *Policy Forum on Care Transitions*, NC Medical Journal, Volume 73, No. 1, January/February, 2012.
- See Recommendations in Section 6 of *Successful Transitions for People with Developmental Disabilities*, NCIOM 2009.

Stakeholder Insight: To ensure *true* access to services in the settings of people's choice, community-based resources like affordable, accessible housing; transportation

and behavioral health crisis services must be truly available to individuals with long-term support needs.

Department Long-Range Recommendation: Supporting the strengthening of community capacities to effectively serve individuals with long-term support needs is consistent with the Department meeting its commitments under the US Supreme *Olmstead* decision. The Department will support its *Olmstead*-related initiatives in identifying and supporting community capacity-building initiatives.

Earlier NC Initiatives that Informed this Recommendation:

- See Recommendations in Section 6 of *Successful Transitions for People with Developmental Disabilities*, NCIOM 2009.
- See *Supportive Housing as an Alternative to Psychiatric Hospitalization*, NC DHHS, 2011.
- See *Policy Forum on Care Transitions*, NC Medical Journal, Volume 73, No. 1, January/February, 2012.
- See *Recommendations the Long Term Services and Supports workgroup of the Dual Eligibles Planning Grant*, 2012
- See *Recommendations of the Transitions workgroup of the Dual Eligibles Planning Grant*, 2012
- See *A Strategic Analysis for Change, Action Steps*, North Carolina Council on Developmental Disabilities and Human Services Research Institute, 2012.

THE DEPARTMENT'S GOAL: TO ENSURE A PERSON IS MAKING AN INFORMED CHOICE ABOUT WHERE TO RECEIVE SERVICES

Insight from Stakeholders: Beneficiaries, families and service providers may not know what long-term support options are available, particularly if attempting to access services from across multiple divisions.

Department's Long-Range Recommendation: The Department will explore options, including counseling requirements, best practices and capacities.

Earlier Initiatives that Informed this Recommendation:

- See *Recommendation 5.2, Successful Transitions for People with Developmental Disabilities*, NCIOM 2009.
- See Recommendation 4.2 of *Short and Long-Term Co-Location in Adult and Family Care Homes*, NCIOM 2011
- See *Strategic Framework Recommendations of the Long Term Services and Supports workgroup of the Dual Eligibles Planning Grant*, 2012
- NC DHHS *Options Counseling Project*

THE DEPARTMENT'S GOAL:

CONTINUE RECOGNIZING AND SUPPORTING THE ROLE OF FAMILIES IN THE LONG-TERM SUPPORTS CONTINUUM

Stakeholder Insight: Family members and other informal supports provide a key role in the service delivery continuum, often providing the majority of the long-term support a person requires and enabling individuals to remain in or return to private homes. Services and supports that are helpful in supporting family caregivers better ensures individuals who choose to live in a private home may do so.

Department's Long-Range Recommendation: The Department will explore potential services that can most effectively support family caregivers and other informal supports.

Earlier NC Initiatives Informing this Recommendation:

- See *Recommendations of Long Term Services and Supports Workgroup, Dual Eligibles Planning Grant, 2012*

THE DEPARTMENT'S GOAL: TO BALANCE REGION-SPECIFIC REALITIES AND THE IMPORTANCE OF STATEWIDE STANDARDIZATION

Insight from Stakeholders:

- "In developing the continuum that we want then local flavor needs to be balanced with consistency to make the whole thing work."
- "Best practice may be tweaked based on setting, but best practice is exactly that. It should apply regardless of location."

Department's Recommendation: The Department will explore effective standardization of key management practices, provider performance expectations and consumer satisfaction/quality of life measures.

Earlier NC Initiatives that also informed this Recommendation

- *Update on the NCIOM Task Force on Long-Term Care* NCIOM, 2007

THE DEPARTMENT'S GOAL: TO SUPPORT INNOVATION THAT PROMOTES PERSON-CENTERED PRACTICES

Stakeholder Insight: "We need to work with groups that have the ability to make transformational change. Change is part of the landscape and we need to consider demonstration projects, risk taking and new models."

Department's Recommendation: The Department will examine funding models that effectively support local, regional and state-level innovation in person-centered practices, through pilot and demonstration programs.

Department's Initial Milestone: As cited in the Department's report on the Blue Ribbon Commission's *Recommendation One*, the Department recommends the continued support of voluntary facility repurposing and conversion initiatives that support facilities in developing new, additional person-centered service options.

THE DEPARTMENT'S GOAL: TO RECOGNIZE THE IMPORTANCE OF WORKFORCE DEVELOPMENT

Stakeholder Insight: To more effectively support individuals, it is critical to:

1) address current and anticipated direct support workforce shortages and
2) ensure staff in the direct service, medical and long-term service professions have competencies in key areas, such as person-centered practices, behavioral support and community-based resources.

Department Long-Range Recommendation: A host of other initiatives both within and outside the Department are examining these issues and making recommendations. The Department will continue to seek guidance from these initiatives when shaping policy that impacts the Long Term Services and Supports (LTSS) workforce.

Earlier NC Initiatives Informing this Recommendation

- *A Long-Term Care Plan for North Carolina*, NC Medical Journal, Vol. 63, No. 2, April/March, 2002.
- See *Recommendation 6.16, Successful Transitions for People with Developmental Disabilities*, NCIOM, 2009.
- *NC College of Direct Support Demonstration Project*, NC Council on Developmental Disabilities, 2010.
- See *Assuring the Adequacy of Staffing of Long-Term Care, Strengthening the Caregiving Workforce and Making Long-Term Care a Career Destination of Choice: From Mission Impossible to Mission Critical?"* And *Strengthening the Direct Care Workforce in North Carolina,* NC Medical Journal, 2010.

DRIVING QUESTIONS FOR FUTURE WORK

In its March 6th meeting, the Workgroup identified a number of "driving questions" that would help shape the design of a future long-term supports continuum.

DRIVING QUESTIONS:

1. Does this practice balance cost effectiveness with quality outcomes?
2. Does this practice make it easier to move between living options?
3. Does this practice facilitate choice in where services are received and who provides them?
4. Has this practice been demonstrated in funding models other than fee-for-service?
5. Can this practice effectively work in both urban and rural settings?
6. Does this practice effectively improve the quality of life/service delivery outcomes of all populations?
7. Does this practice support family caregivers and other informal supports?
8. Does this practice make it easier to integrate the person's medical, behavioral and long-term support needs?
9. Does this practice encourage preventative measures?
10. Do we have local, state and national examples to observe related to this practice?
11. Is this practice something that can be implemented state wide immediately or is it best tested as a pilot first?
12. What are some of the potential consequences of implementing this practice?

QUALIFIERS ABOUT THIS REPORT

1. The Department recognizes the critical importance of *non* Medicaid funded LTSS services provided through Department divisions and other entities. These services play a critical role in preventing individuals from requiring Medicaid-funded LTSS services. This report highlights Medicaid for two important reasons: 1) Medicaid funding remains the primary driver of publicly-funded LTSS services in NC and 2) the LTSS population represents a disproportionate percentage of all Medicaid costs.
2. The Department wants to ensure any discussion about licensure is conducted in coordination with Medicaid reform. As a result, this report does make recommendations based on the current licensure structure.

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[i] For a complete list of Workgroup attendees and background on how the group came together, see Appendix B.

[ii] **§ 143B-181.5. Long-term services and supports - findings.**

The North Carolina General Assembly finds that the aging of the population and advanced medical technology have resulted in a growing number of persons who require long-term services and supports. The primary resources for long-term assistance continue to be family and friends. However, these traditional caregivers are increasingly employed outside the home. There is growing demand for improvement and expansion of home and community-based long-term services and supports to complement the care provided by these informal caregivers.

The North Carolina General Assembly further finds that the public interest would best be served by a broad array of long-term services and supports that enable persons who need such services to remain in the home or in the community whenever practicable and that promote individual autonomy and dignity as these individuals exercise choice and control over their lives.

The North Carolina General Assembly finds that as other long-term service and support options become more readily available, the need for institutional care will stabilize or decline relative to the growing population of older adults and people living with disabilities. The General Assembly recognizes,

however, that institutional care will continue to be a critical part of the State's long-term service and support options and that such care should promote individual dignity, autonomy, and a home like environment. (1981, c. 675, s. 1; 1995 (Reg. Sess., 1996), c. 583, s. 2; 2010-66, s. 2.)

§ 143B-181.6. Purpose and intent.

The development and implementation of policies for long-term services and supports should reflect the intent of the North Carolina General Assembly as follows:

(1) Long-term services and supports administered by the Department of Health and Human Services and other State and local agencies shall include a balanced array of health, social, and supportive services that are well coordinated to promote individual choice, dignity, and the highest practicable level of independence.

(2) Home and community-based services shall be developed, expanded, or maintained in order to meet the needs of consumers in the least confusing and least restrictive manner. Services should be based on the desires of older adults, persons with disabilities, their families, and others that support them.

(3) All services shall be responsive and appropriate to individual need and shall be delivered through a uniform and seamless system that is flexible and responsive regardless of funding source. Information and services shall be available through the effective use of Community Resource Connections for Aging and Disabilities as they are developed throughout the State.

(4) Services shall be available to all persons who need them, but shall be targeted primarily to those citizens who are the most frail and those with the greatest need.

(5) State and local agencies shall maximize the use of limited resources by establishing a fee system for persons who have the ability to pay.

(6) Care provided in facilities shall be offered in such a manner and in such an environment as to promote for each resident, maintenance of health, enhancement of the quality of life, and timely discharge to a less restrictive care setting when appropriate.

(7) State health planning for institutional bed supply shall take into account increased availability of home and community-based services options.

(8) In an effort to maximize the use of limited resources, State and local agencies shall invest in supports for families and other informal caregivers of persons requiring assistance.

(9) Emphasis shall be placed on offering evidence-based activities to promote healthy aging, prevent injuries, and manage chronic diseases and conditions.

(10) Individuals and families shall be encouraged and supported in planning for and financing their own future needs for long-term services and supports. (1981, c. 675, ss. 1, 2; 1995 (Reg. Sess., 1996), c. 583, s. 2; 1997-443, s. 11A.118(a); 2010-66, s. 2.)

[iii] Americans with Disabilities Act ("ADA"): Title II of the ADA prohibits the discrimination against individuals with disabilities by public entities.

Olmstead Decision: *Olmtead v LC*, 527 U.S. 581 (1999): "The U.S. Supreme Courte held that Title II prohibits the unjustified segregation of individuals with disabilities. The Supreme Court held that public entities are required to provide community-based services to persons with disabilities when (a) such services are appropriate; (b) the affected persons do not oppose community-based treatment; and (c) community-based services can be reasonably accommodated, taking into account the resources available to the entity and then needs of others who are receiving disability services from that entity."

-- *Statement of the Department of Justice on Enforcement of the Integration Mandate of Title II of the Americans with Disabilities Act and Olmstead v. LC*, US Department of Justice, June, 2011.

[iv] *Transitions to Community Living:* The State of North Carolina entered into a settlement agreement with the United States Department of Justice (USDOJ) on August 23, 2012. The purpose of this agreement is to assure that persons with mental illness are allowed to reside in their communities in the least restrictive settings of their choice. The agreement is the end product of over a year of negotiations between the State and the USDOJ. For more information: http://www.ncdhhs.gov/mhddsas/providers/dojsettlement/

North Carolina Money Follows the Person Program: Money Follows the Person is a state demonstration project that assists Medicaid-eligible North Carolinians who live in inpatient facilities to move into their own homes and communities with supports.
For more information: http://www.ncdhhs.gov/dma/moneyfollows/

NC ACT: The North Carolina Alliance for effective Care Transitions (NC ACT) is a gathering of stakeholders representing hospitals, long term care, assisted living, home health, hospice, mental health, case management, insurance plans, community care networks, patients, and others meeting to coordinate efforts improving care transitions across all settings for all North Carolinians. For more information: http://www.ncact.org/

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APPENDICES

Appendix A: NC DHHS Long-Term Supports Continuum Workgroup Participants

The Department identified Continuum Workgroup participants through past workgroup efforts (e.g., Dual Eligible Planning Grant workgroups) and then invited additional members based on Department staff recommendations and stakeholder feedback. The Workgroup included self-advocates, families, state staff, associations and provider representatives and reflected the aging, disability, mental health, developmental disability and other communities impacted by the discussion.

The Continuum Workgroup met twice and set the groundwork for future examinations.

Appendix B: North Carolina's Current Long-Term Supports Continuum and Explanation

Guidance for Understanding *NC's Current Long Term Services and Supports("LTSS") Continuum ("The Continuum")* Attachment 1

Explanation of the NC's Current Long-Term Supports Continuum: Where People Live		
Term Used on the Diagram	**Additional Explanation/Description**	**What Setting Means in Everyday Language**
Skilled Nursing Facility	"Nursing home."	Typically privately managed. 24 hour services provided.
State Developmental Disability Center		State managed institutional facilities that support individuals with intellectual and developmental disabilities. 24 hour services provided.
State Psychiatric Hospitals		State managed psychiatric facilities that provide mental health support and treatment services to eligible individuals with mental health needs. 24 hour services provided.
Continuing Care Retirement Communities		Utilized primarily by older adults, CCCs/CCRCs provide a variety of settings within the same service community. Individuals may begin in private home/independent settings and as needs increase may transition into assisted living or nursing facility services within the same community, often on the same campus.
Private Intermediate Care Facilities for individuals with Intellectual and Developmental Disabilities (I/DD)		Facilities managed by private organizations that provide supports to individuals with I/DD. Facility size varies. 24 hour services provided.
Private Psychiatric Hospitals		Privately run facilities that provide mental health support and treatment services. 24 hour services provided.
Assisted Living: Adult Care Homes, Family Care Homes, Special Care Units		Adult care homes are residences for aged and disabled adults who may require 24-hour supervision and assistance with personal care needs. People in adult care homes typically

		need a place to live, some help with personal care (such as dressing, grooming and keeping up with medications), and some limited supervision. Medical care may be provided on occasion but is not routinely needed. Medication may be given by designated, trained staff. These homes vary in size from family care homes of two to six residents to adult care homes of more than 100 residents. These homes were previously called "domiciliary homes." Some people refer to them as "rest homes." The smaller homes, with 2 to 6 residents, are still referred to as *family care homes*. In addition, there are Group Homes for Developmentally Disabled Adults, which are licensed to house two to nine developmentally disabled adult residents.
DD Group Homes		Privately managed group homes used by individuals with developmental disabilities. 24 hour support services.
MH Group Homes		Privately managed group homes used by individuals with mental health support needs. 24 hour support services.
Alternative Family Living (AFL)		Typically an individual with I/DD who requires support lives with a "host" family who provides supports needed.
Transitional Supportive Housing		Short-term living options used by individuals who are homeless and may also be experience support needs related to mental illness or substance use and provide stabilizing services.
Assisted Living: Multi-Unit Assisted		*Multi-unit assisted housing with services* is a category of apartments

Housing with Services		or other independent living residential arrangements where services are offered to enable residents with special needs to live in an independent, multi-unit setting. At a minimum, one meal a day, housekeeping services and personal care services are available. Hands-on personal care and nursing care, which are arranged by housing management, are provided by a licensed home care provider, through a written care plan. Residents must not be in need of 24-hour supervision.
Family Home		The individual lives with his/her own family's home.
Supervised Apartments		An individual lives in an apartment that may be in a disability specific complex and managed by a private entity. Support services are coordinated and available.
Private Home/Supportive Housing		Individual lives in his or her own private home that individual either owns or leases from a landlord used by the general public. Services provided by private entities and are not related to or connected to living arrangement.

Appendix C: Citations and Links to Reports and Articles Cited

1) Dual Eligible Planning Grant recommendations, 2012. Available At: https://www.communitycarenc.org/media/files/final-dual-proposal-pdf.pdf

2) *A Long Term Care Plan for North Carolina* Final Report, NCIOM, 2001, Available at: http:/[/www.nciom.org/task-forces-and-projects/?longtermcare
   a. Also included in *Recommendations in A Long-Term Care Plan for North Carolina, Synopsis of the North Carolina Institute of Medicine Final Report*, Vol. 63, No. 2, March/April 2002, Available at: http://www.ncmedicaljournal.com/wp-content/uploads/NCMJ/mar-apr-02/Silberman.pdf

3) *Assuring the Adequacy of Staffing of Long-Term Care, Strengthening the Caregiving Workforce and Making Long-Term Care a Career Destination of Choice: From Mission Impossible to Mission Critical?"* NC Medical Journal, Vol. 71, No. 2, March/April 2010. Available at: http://www.ncmedicaljournal.com/wp-content/uploads/NCMJ/Mar-Apr-10/McConnell.pdf

4) *North Carolina Aging Services Plan 2011-2015*, NC DAAS, 2011: Available at: http://www.ncdhhs.gov/aging/stplan/NC_Aging_Services_Plan_2011-2015.pdf

5) *North Carolina College of Direct Support Demonstration Project*, NC Council on Developmental Disabilities, 2010. Final Report Available at: http://www.nc-ddc.org/publications/cds-july-2010-report.pdf

6) *North Carolina Institutional Bias Study Combined Report*, Lewin Group, 2006 Available at: http://qa.dhhs.state.nc.us/dma/legis/LTCReport.pdf

7) *Policy Forum on Care Transitions*, NC Medical Journal, Volume 73, No. 1, January/February, 2012 Available at: http://www.ncmedicaljournal.com/wp-content/uploads/2012/01/NCMJ_73-1_web.pdf

8) *Strengthening the Direct Care Workforce in North Carolina,* NC Medical Journal, Vol. 71, No. 2, March/April 2010. Available at: http://www.ncmedicaljournal.com/wp-content/uploads/NCMJ/Mar-Apr-10/Harmuth.pdf

9) *Update on the NCIOM Task Force on Long-Term Care* NCIOM, 2007, Available at: http://www.nciom.org/wp-content/uploads/2007/02/long_term_update_2007.pdf

10) *Short and Long-Term Solutions for Co-Location in Adult and Family Care Homes: a Report of the NCIOM Task Force on the Co-Location of Different*

Populations in Adult Care Homes, NCIOM, 2011: Available at: http://www.nciom.org/publications/?colocationadultcarehomes

11) *A Strategic Analysis for Change, Planning Context and Action Steps*: Responding to the Needs of People with Intellectual and Other Developmental Disabilities in North Carolina, HSRI, 2011 Available at: http://www.hsri.org/files/uploads/publications/Strategic_Analysis_for_Change_-_Action_Steps.pdf

12) *Successful Transitions for People with Developmental Disabilities: A Report of the NCIOM Task Force on Transitions for People with Developmental Disabilities* NCIOM, 2009 Available at: http://www.nciom.org/publications/?transitionsfordd

13) *Transitions to Community Living NC /US DOJ Settlement Initiatives* http://www.ncdhhs.gov/mhddsas/providers/dojsettlement/nc-settlement-olmstead.pdf

14) *Supportive Housing as an Alternative to Psychiatric Hospitalization,* NC DHHS, 2011. Available at: http://www.ncdhhs.gov/mhddsas/statspublications/Reports/reports-generalassembly/generalreports/supportivehousingrpt-SL2010.pdf

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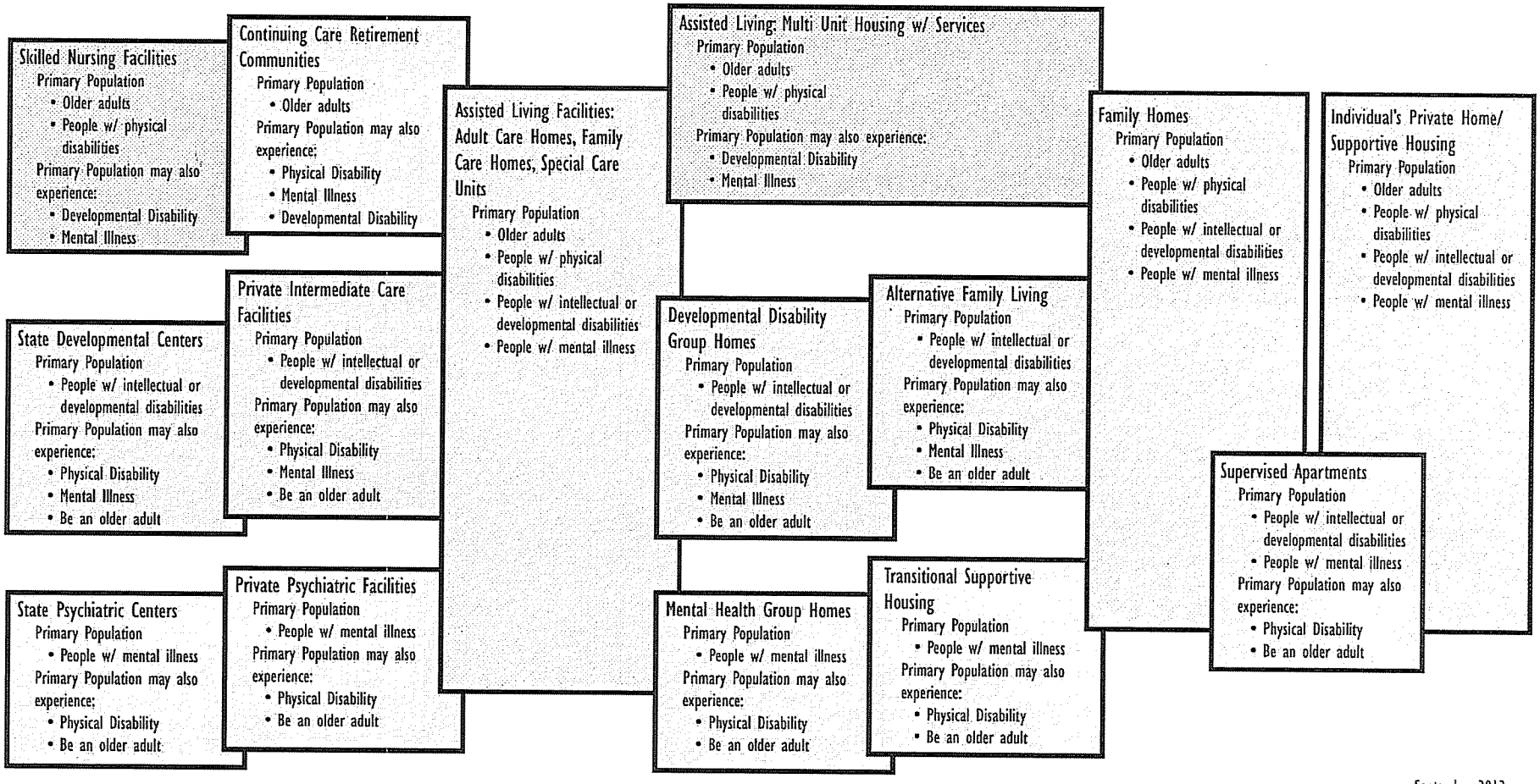
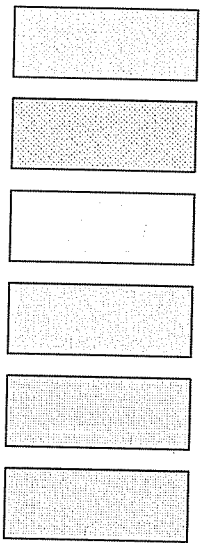
ATTACHMENT 1

North Carolina Long-Term Services and Supports Continuum



September 2013



Residential setting utilized by all polulations

Residential setting primarily utilized by older adults and physical disability populations

Residential setting utilized primarily by older adults

Residential setting utilized primarily by individuals with intellectual or developmental disabilities

Residential setting utilized by individuals with mental illness

Residential setting utilized by intellectual or developmental disability and mental health population