

AREA AGENCIES ON AGING ASSOCIATION OF MICHIGAN

MI CHOICE



MI Choice is a home and community-based services (HCBS) program assisting Medicaid beneficiaries to receive long-term supports and services in their own homes. The MI Choice program is managed by nineteen agents, fourteen are Area Agencies on Aging.

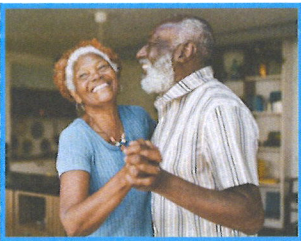
To Qualify...

- Age 65 and older
- A person living with a disability ages 18 – 64
- Must meet Nursing Facility Level of Care (NFLOC) criteria using a screening tool required by the MI Department of Health and Human Services
- Must meet income and asset requirements for Medicaid eligibility



Assessments and Service Plans

- Conducted by a registered nurse and a licensed social worker
- Person-centered service plans allow participants to identify their goals, preferences, and who they prefer to be involved in their care. Every service plan is unique based on individual care needs and circumstances.



MI Choice Services:

NURSING
RESPIRE
COUNSELING
ADULT DAY

COMMUNITY LIVING SUPPORTS
ASSISTIVE TECHNOLOGY
SUPPORTS COORDINATION
HOME DELIVERED MEALS

TRANSPORTATION
COMMUNITY TRANSITIONS
PRIVATE DUTY NURSING
MEDICAL EQUIPMENT & SUPPLIES

MI Choice – A Win Win

- MI Choice assists older adults in living at home. The National Poll on Aging confirmed that 88% of older adults prefer to age in place, in their own homes
- MI Choice is less than one-half the cost of institutional alternatives, a significant value for the Medicaid program
- MI enrollment near program high despite pandemic and direct care workforce challenges
- MI Choice participants in FY2024 -16,324*
- FY2025 average per diem cost for MI Choice enrollee -- \$114.58**
- FY2025 nursing facility average per diem rate -- \$268.41***

**MDHHS Bureau of Aging and Community Living Supports, Home and Community-Based Services Section, MI Choice Waiver Data Update, 1/27/2025*

***State Fiscal Year 2025 MI Choice Capitation Rate Certification, 9/26/2024*

****www.michigan.gov/mdhhs, Rate Setting, Reimbursement Limits*

50 Years of Community Service

- For 50 years, Area Agencies on Aging have been effective advocates for the needs of older adults. Authorized by the federal Older Americans Act, AAA services keep people at home and promote healthy aging, dignity, and independence in all 83 Michigan counties. For more information, visit www.4ami.org.



MI Choice Risk Pool

MI Choice is a home and community-based service (HCBS) assisting Medicaid beneficiaries to receive long-term supports and services in their own homes. The MI Choice program is managed by nineteen agents, fourteen are Area Agencies on Aging. **In addition to giving Michiganders the choice to age in place, MI Choice provides significant financial savings to the state.**

To Qualify:

- 65 years of age or older, or a person living with a disability ages 18 – 64.
- Must meet Nursing Facility Level of Care (NFLOC) criteria using a MDHHS screening tool.
- Medicaid eligible.

Current Situation:

- Michiganders wish to remain at home and the MI Choice program offers the opportunity to do that at an exceptional value to both participants and to the Medicaid program.
- MI Choice is one-third of the cost of an institutional alternative.
- 15,000-16,000 individual participants are served by MI Choice annually.
- MI Choice agents are managed care organizations funded on a capitated, at-risk basis.
- A self-funded risk pool assists MI Choice agents who serve high-cost participants.
- Self-funding the risk pool, however, contributes to the financial stress of MI Choice agents as participant acuity increases. 12 of 19 waiver agents project a deficit for FY2025.
- Different MI Choice rates are paid for “Significant Support Participants (SSP)” and “Non-Significant Support Participants (NSSP)” as defined by MDHHS. The current self-funded risk pool, however, only applies to SSPs. It does not address NSSPs who require high-cost care.
- A Medical Loss Ratio (MLR) average over 100% across all 19 MI Choice agents documents the dire financial situation facing the entire program. *

Recommendation:

- A Medicaid funded risk pool as opposed to the current self-funded program.
- The risk pool covers both SSP and NSSP high cost/high need participants.
- The cost of a Medicaid funded risk pool is \$14.4 million Gross (\$5.0 million GF)
- Accompanying boilerplate: Sec. ____ From the funds appropriated in the Medicaid home and community-based services waiver line, \$14.4 million is appropriated to establish a risk pool for high-cost MI Choice participants. Waiver agents shall qualify for payments from the risk pool when the cost of a participant exceeds two and a half times the direct services and supports coordination capitation payment received. Risk pool eligibility shall extend to both significant support and non-significant support participants.

*The FY2025 MI Choice Capitation Rate Certification report (9/26/24) documents the SSP risk pool estimate, and Medical Loss Ratio statistics included in this summary.



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Supplemental Appropriation Request (Supplemental Letter # 2024-7)

Submitted by the State Budget Office on 9/19/24

This supplemental appropriation will authorize one-time State Restricted Funds earmarked to expand home and community-based services (HCBS) in five categories.

This funding accrued to the State of Michigan when the state match percentage for Medicaid HCBS was reduced by federal legislation. In accepting the lower state match percentage, the State of Michigan agreed to spend the savings on home and community-based services. The funding categories listed below have been approved by the federal Centers for Medicare and Medicaid Services. Legislative approval is required to allocate the funds to the aging network. Proposed boilerplate would categorize these funds as a work project appropriation with a completion date of September 30, 2028.

- **Support for community organizations providing HCBS: \$36,194,000**
 - There are more than 1,300 community organizations providing HCBS within the framework of the aging network.
 - This funding will provide grants to community organizations under contract with AAAs and the aging network.
 - The funds will stabilize and support local operations in a variety of areas including recruitment and retention of direct care workers, information technology needs, education, training, quality improvement activities, and other infrastructure needs.

- **Support for a pilot project addressing the needs of high-cost participants in the MI Choice program: \$2,600,000**
 - Fourteen Area Agencies on Aging (AAAs) and five community organizations manage the MI Choice program.
 - MI Choice managers receive a capitated payment for each enrollee and are at risk if the cost of services exceeds capitated payments received.
 - Waiver managers are reporting higher acuity of MI Choice participants resulting in higher costs.
 - This pilot project will provide financial assistance to MI Choice managers serving high-cost participants.

- **Assist MI Choice managers in implementing Electronic Visit Verification (EVV): \$2,900,000**
 - The federal Twentieth Century Cures Act requires organizations receiving federal funds to implement Electronic Visit Verification.
 - MDHHS has hired a consulting firm to assist with this transition.
 - At the local level significant investments in staff time and IT resources have been required.
 - None of these additional administrative costs have been reimbursed.
 - This appropriation will reimburse AAAs for costs incurred in standing up local EVV systems.

- Support for AAA and MI Choice operations: \$8,200,000
 - MI Choice and community transition services support high risk participants in their own homes. They also transition nursing facility residents back home.
 - MI Choice and community transition services provide invaluable person-centered care to help people stay at home.
 - MI Choice helps the Medicaid program avoid the high cost of nursing facility care. The per diem cost of MI Choice is one-third the per diem cost in a nursing facility.
 - Grants from this appropriation will support local operations in a variety of areas including recruitment and retention of direct care workers, information technology needs, education, training, quality improvement activities, and other infrastructure needs.
- Emergency preparedness: \$5,000,000
 - This item will provide emergency preparedness kits to older adults and people with disabilities who are enrolled in the MI Choice program.

Area Agencies on Aging support this HCBS supplemental request. This funding is essential to stabilizing the MI Choice program. AAAs, MI Choice managers, and other community organizations provide in-home services and supports essential to helping older adults and people with disabilities live and thrive in their own homes. Please support this important public policy priority.

Thank you for considering this request.

Sincerely

David A. LaLumia, MSW
Executive Director
Area Agencies on Aging Association of Michigan
5303 South Cedar Street – Building 1
Lansing, Michigan 48911
davelalumia@4ami.org
(517) 420-8319

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