



TO: Home Health Agencies  
RE: Medication Administration Savings Expectations for Fiscal Years 2016

As part of the Administration's commitment to rebalancing long-term services and supports and giving individuals as much choice as possible in their care, including increasing the availability of options for home-based care (and various home health services), we are implementing various changes that will help to ensure that home-based care remains cost-effective. These changes are critical to ensure that we can continue our rebalanced approach and maintain the availability of home-based services.

The Department of Public Health (DPH) and the Department of Social Services (DSS) are supporting the independence and proactive engagement of individuals eligible for Medicaid in their own recovery. Many of these individuals who receive home health services receive medication administration as a component of the home health service. DSS and DPH are working with home health providers and prescribers to ensure members receive the appropriate level of medication administration services while simultaneously supporting the member's ability to test for receiving their medication as independently as appropriate. DPH and DSS have implemented several service options to support increased independence for whom it is clinically appropriate. The following services are covered by Medicaid:

- Electronic Medication Dispensing Devices (a/k/a "med boxes");
- Nurse Delegation to a certified home health aide who administers medication; and
- Medication Administration Prompting by a home health aide.

In addition to the above referenced services, DPH and DSS have collaborated for several years on the certification process for home health aides related to nurse delegation and certification of staff at Residential Care Homes to administer medication to the residents. It is critical that all individuals who assist or administer medication are qualified to do so safely and effectively.

The state budget for state fiscal years 2016 and 2017 assumes a \$10 million annual savings in the state's share of expenditures for medication administration services. As a result, in order to achieve this savings level, total reductions (including the state and federal shares) would need to be substantially higher, at least \$20 million. DPH and DSS have been discussing with providers and other stakeholders how to reduce medication administration expenditures.

In order to implement the savings assumed in the state budget, effective July 1, 2015, in section 387 of Public Act 15-5 of the June 2015 special session, the General Assembly added the following language to section 17b-242(c) of the Connecticut General Statutes:

"The [DSS] commissioner shall monitor Medicaid home health care savings achieved through the implementation of nurse delegation of medication administration pursuant to section 19a-492e. If, by January 1, 2016, the [DSS] commissioner determines that the rate of savings is not adequate to meet the annualized savings assumed in the budget for the biennium ending June

30, 2017, the department may reduce rates for medication administration as necessary to achieve the savings assumed in the budget....”

Conn. Gen. Stat. § 17b-242(c), as amended by section 387 of Public Act 15-5 of the June 2015 special session.

Based on this statute, if DSS determines that the \$10 million in net savings will not be realized in this fiscal year, based on data through December 31, 2015, DSS will strongly consider implementing a rate reduction to achieve the savings.

DPH and DSS are committed to ensuring that Medicaid members continue to receive medically necessary medication administration services, regardless of any potential change in reimbursement methodology. Providers should continue to work closely with the Medicaid program’s Administrative Services Organizations (ASOs) to determine which members are appropriate candidates, based on a clinical evaluation, to test for receiving their medication as independently as appropriate using one or more of the above referenced services. In addition, the ASOs will be facilitating a physician/prescriber training regarding this matter.