

# 2011 GOVERNORS' STATE OF THE STATE ADDRESSES

3/2011

Trends in Long-Term Services and Supports  
Initiatives



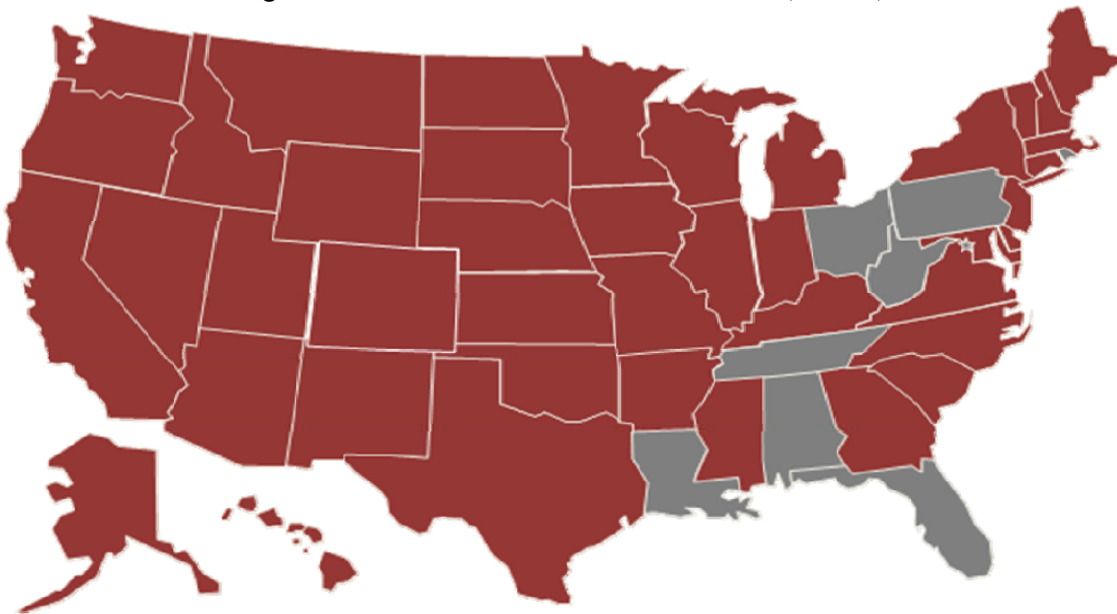
Prepared by Sara Tribe and Shana Eatman

# Governors' State of the State Addresses

## Introduction

The National Association of States United for Aging and Disabilities (NASUAD) is tracking each State of the State address to identify policy and programmatic trends that impact older adults, people with disabilities, and the systems that support them and their families. In many cases, Governors' comments with implications for older adult and persons with disabilities are imbedded in broader health care initiatives. To that end, NASUAD's analysis also identifies trends in Governors' health initiative plans. To provide a more complete national picture, if a State of the State address was not delivered, or if not enough information was provided within an address, the state's budget proposal was reviewed for insight into the above trends.<sup>1</sup> This document covers 43 states in which the Governor has delivered his or her State of the State address (see Figure 1). This document will be updated as more State of the State addresses and/or budget proposals are issued.

**Figure 1: States That Have Been Reviewed (in Red)**



**Source:** NASUAD

Of importance to NASUAD members, are seven key trends that emerged from NASUAD's review of the Governors' speeches and/or a review of the Governors' budgets: 1) Older Adult, Persons with Disabilities or Long-Term Services and Supports Initiatives; 2) Large Scale State Health Care Restructuring Initiatives; 3) Targeted Medicaid Changes ; 4) State Departmental Restructuring ; 5) Multiple Programmatic and Organizational Changes; 6) Governor Revealed Few or No Health Care Initiatives; and 7) States Seeking Independence from Federal Health Care Reform (the Affordable Care Act).

<sup>1</sup> The state of Iowa is currently the only state being tracked using its budget proposal.

## Trends

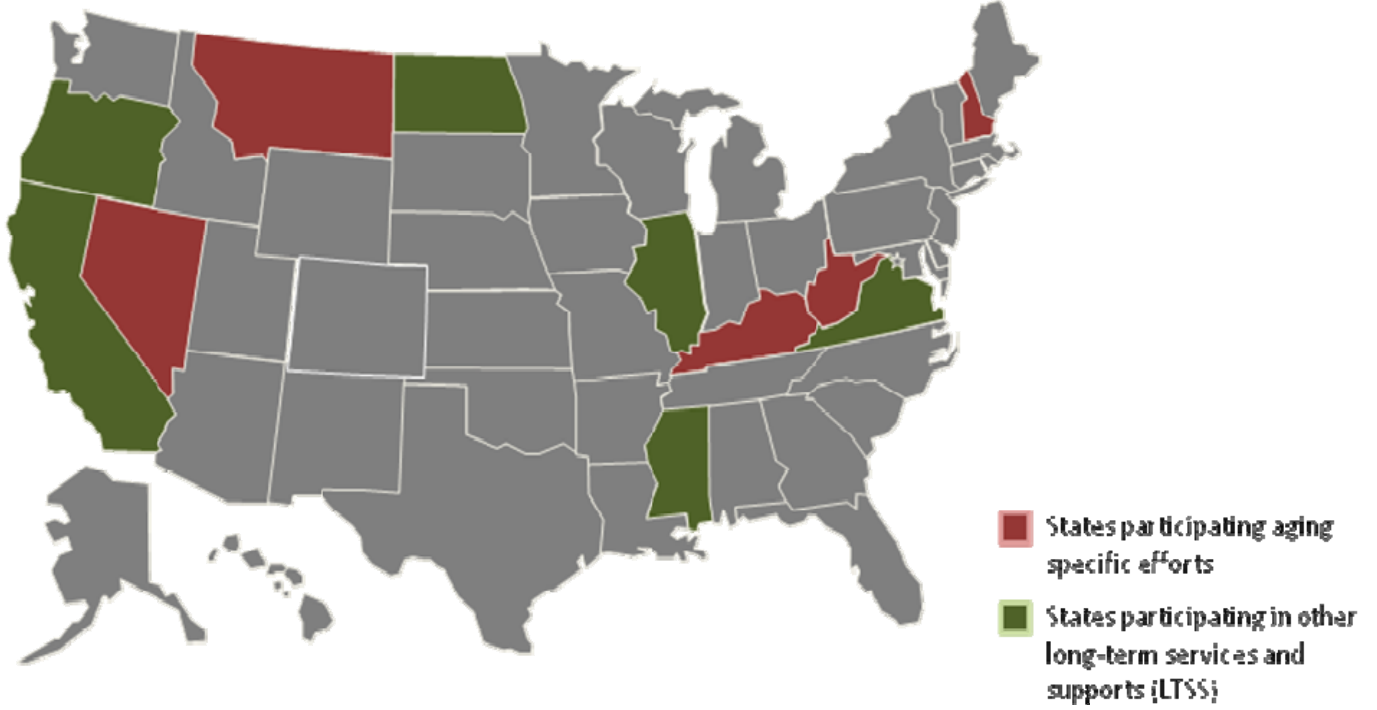
### Older Adult, Persons with Disabilities or Other Long-Term Services and Supports Initiatives

Of the 42 states reviewed, ten specifically addressed aging, disability, or long-term services and supports (LTSS) as part of the Governor's State of the State Address, a related speech, or a budget initiative. Five states have aging specific efforts: New Hampshire, West Virginia, Montana, Nevada and Kentucky. Six additional states mentioned other LTSS related proposals. See Table 1 for a summary of the governors' LTSS efforts and Figure 2 for an overview of the states.

**Table 1**

| State         | Summary of Governors' LTSS Effort  |
|---------------|--|
| New Hampshire | Upcoming budget is 20% direct payments for health care to most vulnerable citizens, including older adults   |
| West Virginia | Provide tools that will assist older adults; appropriation of \$200,000 for Bureau of Senior Services to use in conjunction with AARP to continue West Virginia Helpline   |
| Montana       | Budget will provide good nutrition to house-bound seniors who rely on home-delivered meals; continuance of Missouri Rx program to help low-income seniors and persons with disabilities                          |
| Nevada        | Budget preserves \$4 million in adult day health care; also preserve funds for independent living  |
| Kentucky      | Working with legislators to find ways to protect vulnerable seniors from physical and financial abuse and exploitation   |
| Mississippi   | Use FY11 Medicaid surplus to create 7,800 HCBS slots for eligible Medicaid beneficiaries   |
| California    | Proposed elimination of Medi-Cal-funded Medical Adult Day and the Multipurpose Senior Services Program (MSSP) and 10 percent reduction in Nursing Home Rates; Possible reorganization of the Department of Aging |
| Oregon        | Aging population as a cost driver for public services  |
| North Dakota  | Increase of 3% in each year of upcoming biennium for providers of care to seniors and most vulnerable  |
| Virginia      | 30 million dollar package of reforms that will strengthen our system of care for persons with disabilities   |
| Illinois      | Continuing support for programs such as homecare for those with disabilities and community care for seniors  |

**Figure 2: States with Older Adult, Persons with Disabilities or other Long-Term Services and Supports Initiatives**

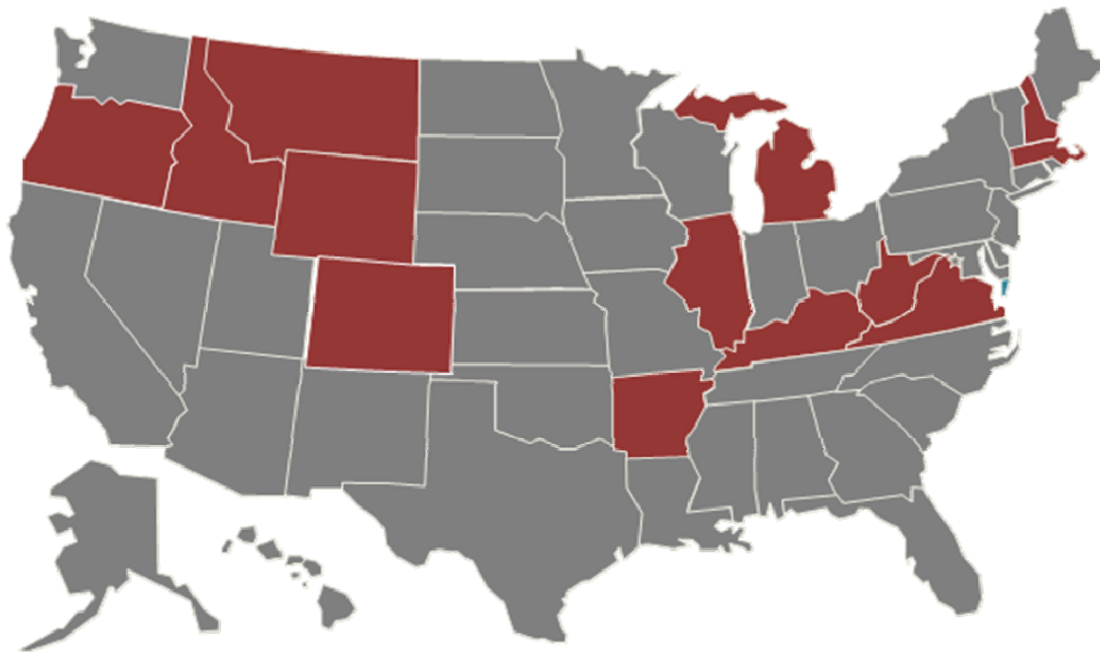


Source: NASUAD

## Large Scale State Health Care Restructuring Initiatives

Thirteen Governors' State of the State speeches emphasized significant proposed changes in health care policies and programs. Within large scale state health care restructuring initiatives, NASUAD identified five specific trends: pilot programs, Medical Homes and managed care, electronic medical records, a focus on preventative health care techniques, and use of multi-stakeholder groups to guide restructuring. Six Governors proposed pilot program implementation: New Hampshire, Idaho, Arkansas, Massachusetts, Wyoming and West Virginia. These governors propose shifts towards new forms of health care delivery. In several speeches, Governors announced plans that combine trends. Six governors' mentioned medical homes and managed care in their speeches: New Hampshire, Idaho, Virginia, Kentucky, Illinois and Colorado. Offering further detail, Governor Lynch of New Hampshire announced plans to "[run] nine medical home pilots and [work] with five health care systems on a pilot project for Accountable Care Organizations."<sup>2</sup> Here, Governor Lynch plans to combine two of the smaller trends: pilot programs, and Medical Homes and managed care. Additionally, three states focused specifically on the use of electronic medical records: Montana, Virginia, and Arizona. For example, Virginia Governor Bob McDonnell proposes to expand the use of technology and electronic medical records to cut costs and increase access, quality and safety of health care. The Governors of Michigan, Illinois, and Oregon<sup>3</sup> recommended a focus on preventive health care to cut costs. Figure 3 shows the states included provides an overview of states pursuing pilot programs, medical homes, managed care, electronic health records, and/or preventative health care efforts.

**Figure 3: Large Scale State Health Care Restructuring Initiatives**



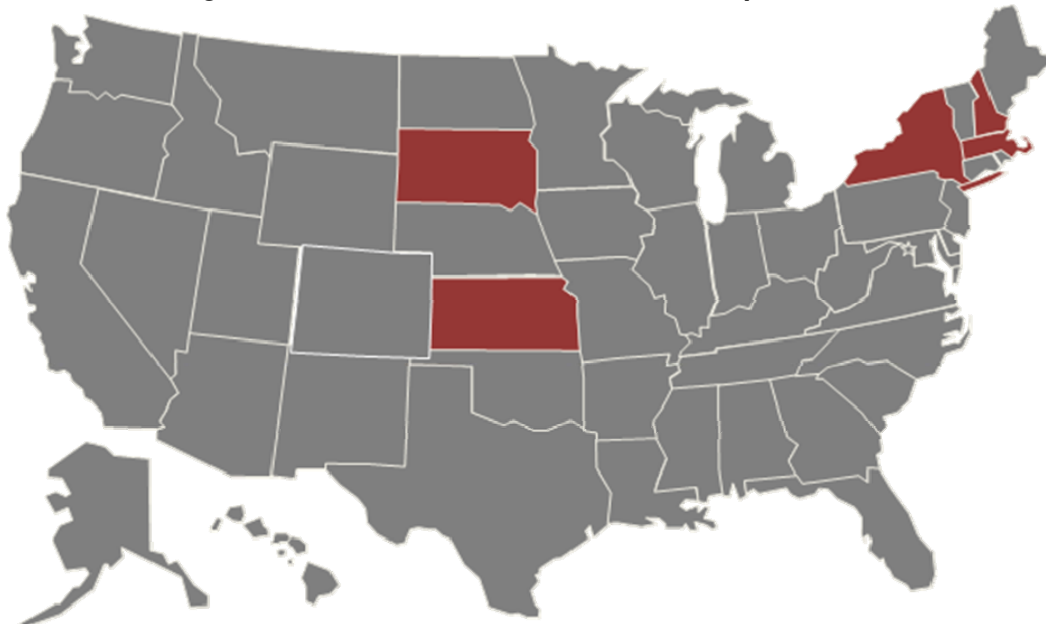
**Source:** NASUAD

<sup>2</sup> Refer to Governor Lynch's New Hampshire State of the State speech [here](#).

<sup>3</sup> Governor Kitzhaber mentioned a focus on prevention and wellness in an [interview](#) with Stateline on January 6, 2011.

In their State of the State speeches, five governors also noted creation of multi-stakeholder groups working together to reduce health care costs, provide efficiency and increase access. The states are New Hampshire, New York, South Dakota, Kansas, and Massachusetts. Multi-stakeholder groups include insurance companies, health care providers, businesses, and educational institutions. Both the New Hampshire and Massachusetts speeches focused on initiatives constructed with the broad perspective of multi-stakeholder groups that they anticipate will lead to more cost-effective health care systems purchasing systems. In his State of the State speech, New York Governor Andrew Cuomo, announced a Medicaid budget spending target and a Medicaid Redesign Team (made up of legislative, executive and other stakeholders from the public and private sectors) that will develop cost cutting proposals.<sup>4</sup>

**Figure 4: Creation of Multi-Stakeholder Groups (in Red)**



**Source:** NASUAD

These efforts appear to be in addition to an array of state bodies charged with assessing Health Care Reform implementation. According to a National Governors Association report dated October 13, 2010, eighteen states and one territory had Health Reform implementation entities (California, Colorado, Connecticut, Delaware, Illinois, Maine, Maryland, Michigan, Minnesota, Mississippi, New Mexico, New York, Nevada, Ohio, Pennsylvania, Vermont, Virgin Islands, Virginia, Washington, Wisconsin, and Wyoming).<sup>5</sup> Of the entities, above, six specifically note the inclusion of the state aging and/or disability agency (Illinois,

<sup>4</sup> Refer to Governor Cuomo's speech [here](#).

<sup>5</sup> State Structures for Implementing Health Reform document available [here](#).

New Mexico, New York, Ohio, Pennsylvania, and Vermont). State aging and/or disability agencies may be included in other states but under the auspices of an umbrella health or human services entity participating in the effort.

Following the November elections, five of these still are in operation following the election of a new Governor (California, Colorado, Connecticut, New York and Nevada). Of those, two specifically note inclusion of a state aging and/or disability agency (Connecticut and New York).<sup>6</sup>

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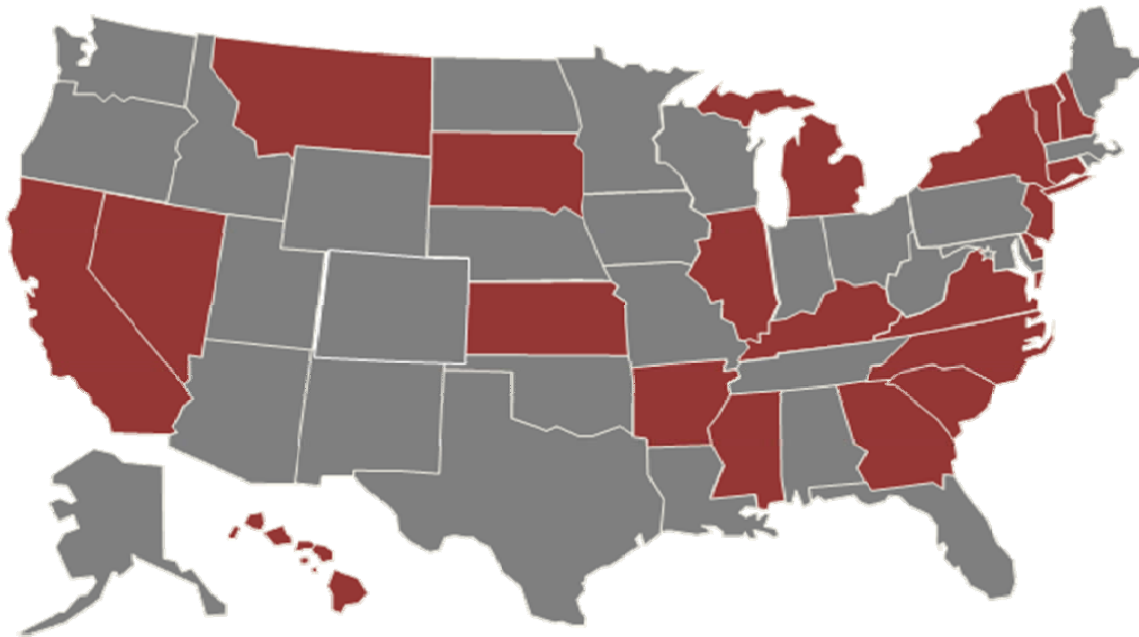
<sup>6</sup> Based on NASUAD web-based research as of February 25, 2011.

## Medicaid Changes

Presented by state governors in varying levels of detail, a major trend common to nearly 45 percent of the states reviewed, are proposed Medicaid changes to address budget constraints. For example, Kentucky Governor Steven Beshear has proposed a move of \$166.5 million dollars from the 2012 Medicaid budget to the 2011 Medicaid budget. Governor Beshear's proposal is intended to address the short-term challenges and offer a solution to the long-term aspect of the programs rising costs. In combination with a managed-care model, Governor Beshear proposes that this budget shift will increase affordability and will not cut into other publicly funded programs.<sup>7</sup> Arkansas Governor Mike Beebe has proposed shifting Medicaid payments from "an unsustainable fee-for-service model toward one that rewards results and not just treatment." He is also looking into the possibility of a self-imposed tax to ensure more funding.<sup>8</sup> Figure 5 gives a more complete picture of which states have addressed both major and minor Medicaid changes.

NASUAD has developed this Medicaid Reform Tracker as full-scale proposals are released. Refer to the [Medicaid Reform Tracker](#) at NASUAD's website.

**Figure 5: Medicaid Changes (in Red)**



**Source:** NASUAD

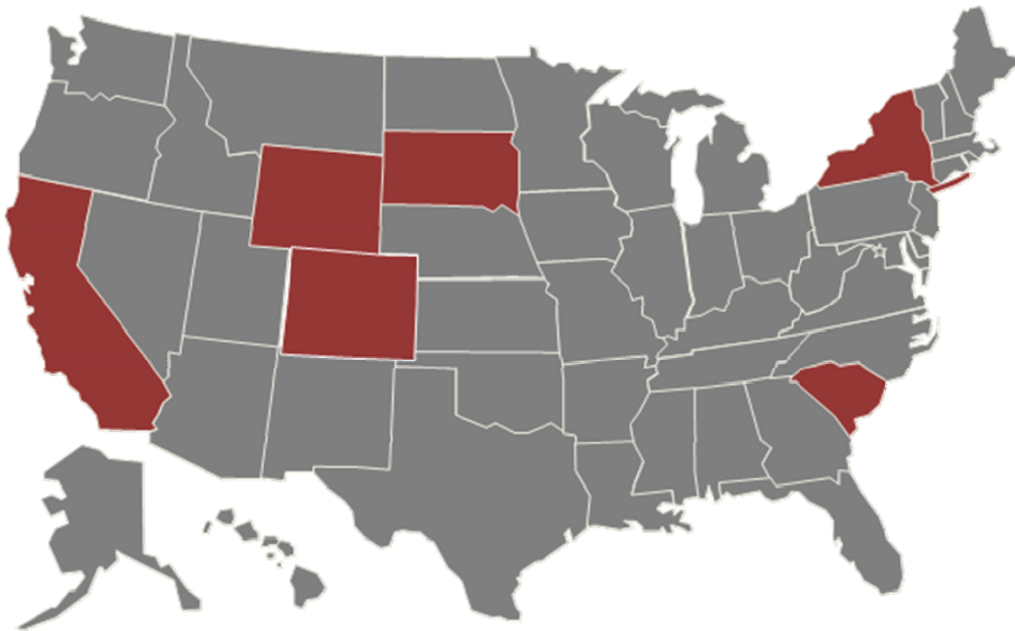
<sup>7</sup> Refer to Governor Beshear's State of the State speech [here](#).

<sup>8</sup> Refer to Governor Beebe's State of the State speech [here](#).

## Restructuring State Departments

Several governors also have proposed restructuring state departments in order to increase efficiency and save money. South Dakota, Colorado, South Carolina, Wyoming and New York have proposed consolidating and realigning their health and human service agencies. For example, South Dakota Governor Dennis Daugaard will be moving three behavioral health divisions from the Department of Human Services to the Department of Social Services (DSS). He indicates that this reorganization will allow DSS to identify more efficiencies and save money.<sup>9</sup>

**Figure 6: Restructuring State Health Departments (in Red)**



**Source:** NASUAD

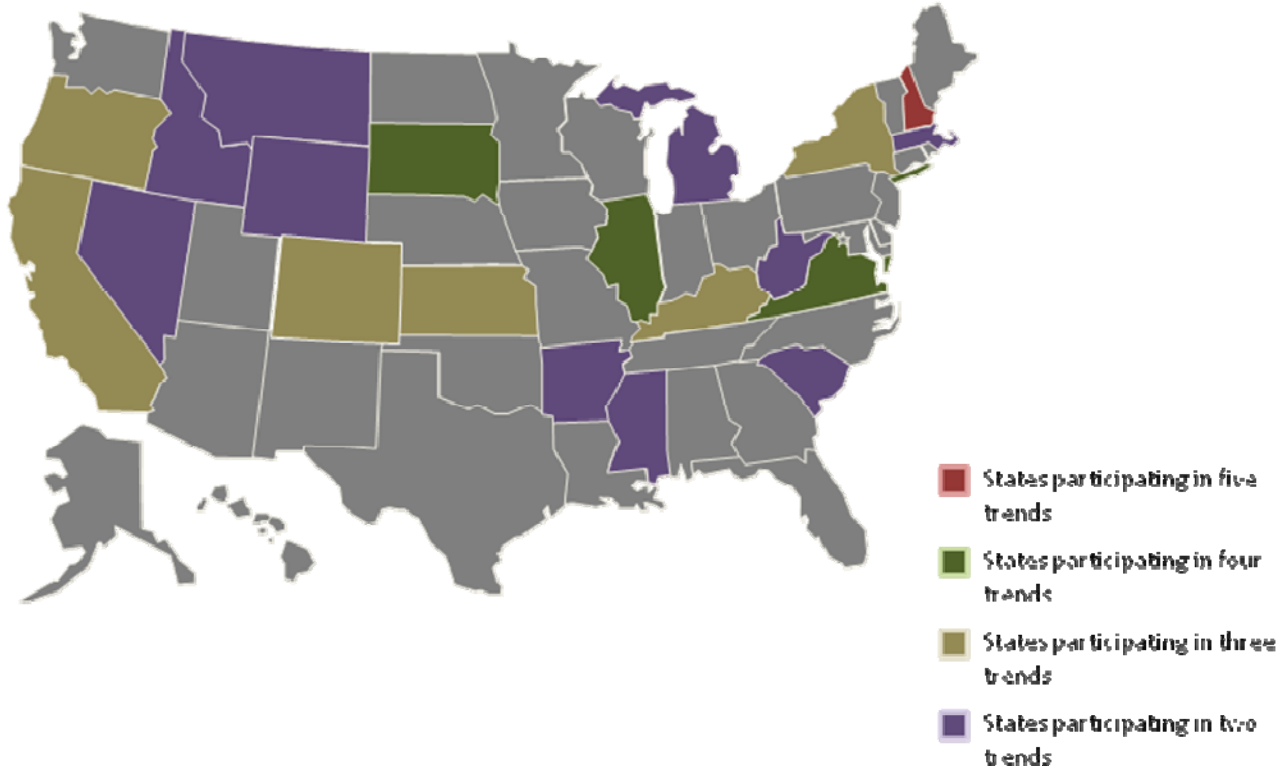
<sup>9</sup> Refer to Governor Daugaard's State of the State speech [here](#).

## Multiple Programmatic and Organizational Changes

Several states have multiple programmatic efforts as well as state organizational changes underway. In these instances, Governors are combining the trends discussed above (e.g., older adult, persons with disabilities or long-term services and supports, large scale state health care restructuring initiatives, Medicaid changes, and restructuring state departments).

The following ten states are engaging in two of the trends: Idaho, Massachusetts, Arkansas, Michigan, South Carolina, Nevada, Mississippi, Montana, West Virginia and Wyoming. Six states are initiating three trends: Kansas, New York, Colorado, Oregon, Kentucky and California. Illinois, South Dakota and Virginia are three states engaged in four of the trends. Lastly, New Hampshire is engaged in five trends. See Figure 6 for an overview.

**Figure 7: Multiple Programmatic and Organizational Policy Changes**

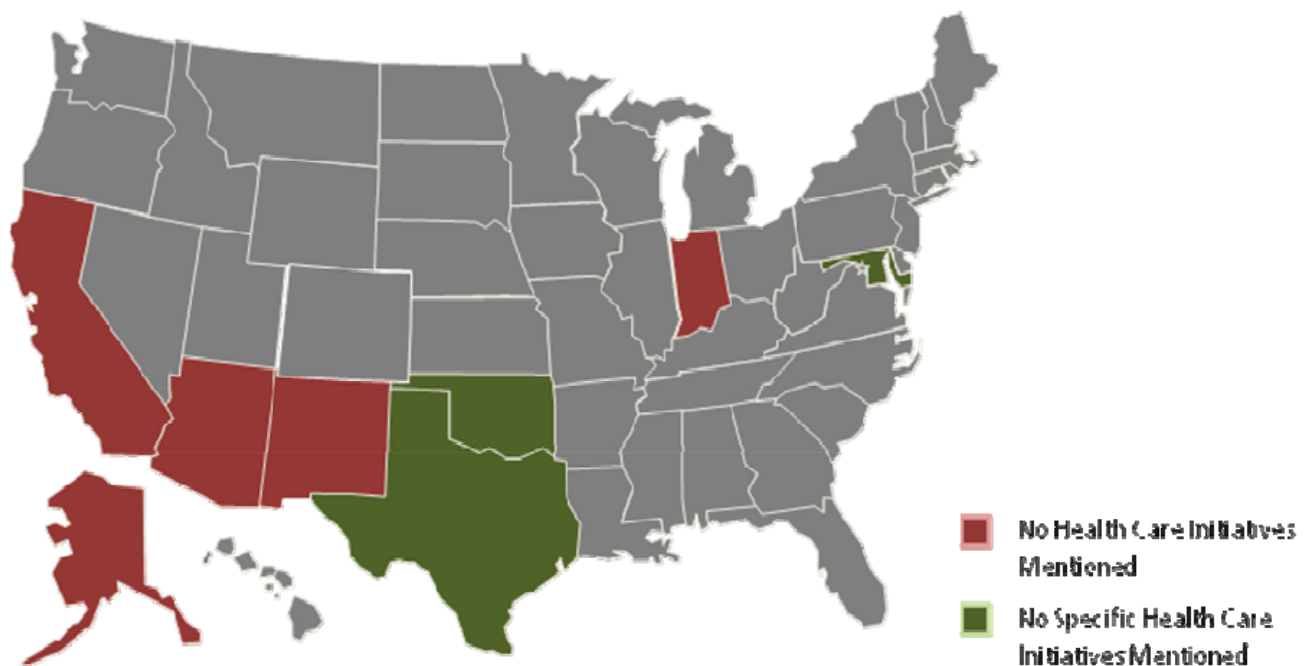


**Source:** NASUAD

## Few or No Health Care Initiatives Revealed in Speech

Five governors did not appear to address health care in their 2011 State of the State addresses. These states are Indiana, Arkansas, New Mexico, California and Arizona.<sup>10</sup> Additionally, three governors did not address the specific topics tracked in this analysis (health care as it relates to older adults, people with disabilities, changes to long-term care, and Medicaid legislation), though they addressed health care in general. These states are Texas, Oklahoma and Maryland.

**Figure 8: Few Health Care Initiatives**



**Source:** NASUAD

However, of these states, significant health care efforts are underway (see above). Of particular note are:

- Arizona – Arizona Governor Brewer recently submitted a proposal to the U.S. Department of Health and Human Services to waive the Affordable Care Act Maintenance of Effort requirements. Additionally, on February 23, the Arizona Senate Appropriations Committee voted to eliminate the Arizona Health Care Cost Containment System (e.g., the state's Medicaid program which is primarily operated under a Section 1115 waiver) and replace it with a different health care coverage arrangement.

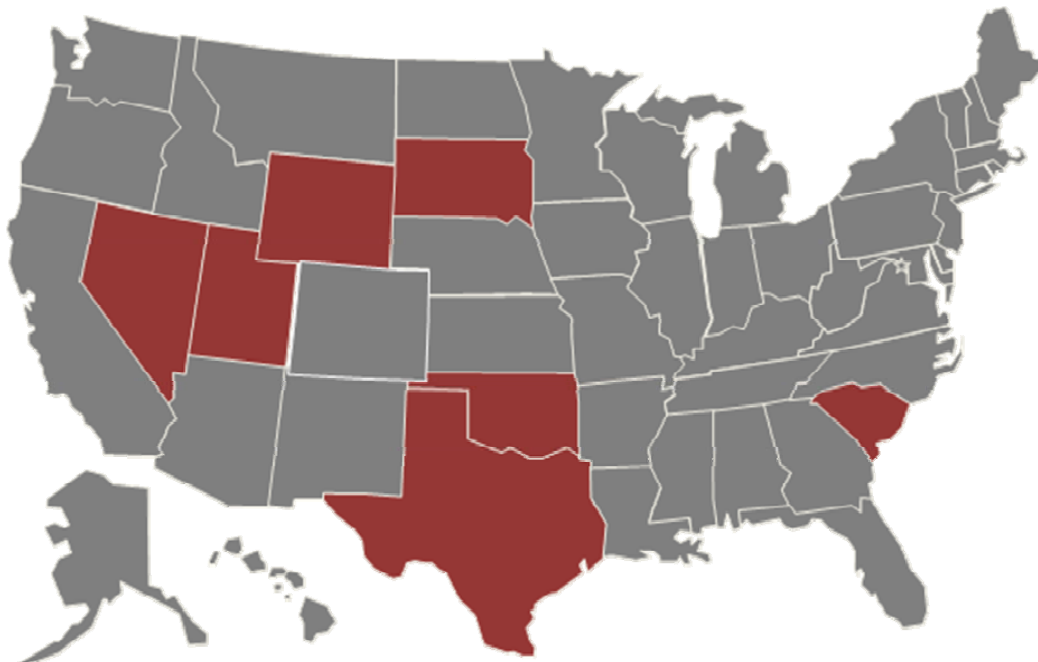
<sup>10</sup> Governor Jan Bremer of Arizona had intended to deliver a State of the State address but due to the Tucson Tragedy, she has postponed her address. See [here](#) for further information.

- Texas – Texas Governor Rick Perry has addressed Medicaid changes in a recent press release<sup>11</sup>. He spoke about the need for increased flexibility and innovation in Medicaid, even “block granting funds to the states” to adapt Medicaid dollars to best serve the needs of Texas citizens.
- Although California Governor Jerry Brown did not specifically mention health care initiatives in his State of the State speech, Governor Brown has proposed a broad range of Medicaid savings initiatives. Refer to the [Medicaid Reform Tracker](#) at NASUAD’s website.

### States Seeking Independence from Federal Health Care Reform (the Affordable Care Act)

Eight governors addressed their disapproval of the Affordable Care Act (ACA) as it relates to their strained budgets. Idaho, Wyoming, South Carolina, Nevada, Utah, Oklahoma, Texas and South Dakota expressed their concern directly in their State of the State speeches and signed on to the Florida Amicus Brief in which the plaintiffs challenge the ACA based on its inclusion of the individual health insurance mandate. A report has also been issued regarding the states which have signed on to the Amicus Brief. For more information on this, please see NASUAD’s series [The Affordable Care Act in the 112th Congress](#).

**Figure 9: Seeking Independence from ACA (in Red)**



Source: NASUAD

<sup>11</sup> Governor Rick Perry released a [press release](#) on the Future of Medicaid in Texas on December 3, 2010.

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