

525 RICR 20-00-3 RI Livable Home Modification Grant Benefit Cost Analysis

The Commission has determined, that to stay within the FY 2020 Livable Home Modification Grant program appropriation of \$499,397, the program's regulation 525-RICR-20-00-3 must be amended. There were 45 home modification projects that were approved, before the end of the fiscal year and an additional 34 applications conditionally approved or pending on June 30th that will be carried into FY 2020. A conservative estimate of those project's cost is \$206,967, or 41% of FY 2020 Enacted Budget's \$438,069 allocated for grants see table below.

RI Livable Home Modification Grants	FY 2018 ½ year			FY 2019			FY 2020		
Fiscal Year Comparison	#	Actual \$	%	#	Actual \$*	%	#	Budget \$	%
Fiscal Year Appropriation		\$250,000			\$493,463			\$499,397	
Awards carried forward from the prior FY				20	\$62,795		45	\$143,671	
Applications pending carried forward from prior FY							34	\$63,297	
Total Projected carry forward from prior FY								\$206,967	41%
New fiscal year grant awards	27	\$86,304	78%	141	\$361,000	78%	104	\$231,102	46%
Administrative & Outreach expenses**		\$24,588	22%		\$37,246	8%		\$61,328	12%
Fiscal Year Total	27	\$110,892		161	\$461,041		183	\$499,397	
<i>Available Balance, for reallocation</i>		\$0			\$32,422		15	\$32,422	
Economic Impact on Small Business***		\$195,709			\$947,394		198	\$940,983	

* FY 2019 expenses and completed projects as of July 1st, final FY 19 expenditures & completed projects will include reimbursement for projects completed in FY 19 and invoiced by July 10, 2019.

** In FY 2019 8 months of administrative support was paid by the DLT Senior Community Service Employment Program.

*** Construction and installation companies paid (including labor and materials purchased, not secondary impacts).

After considering the implications of a 41% reduction in funding of new modification grants and the last 18 months experiences, including testimony at 3 appeals hearings, the Commission's Executive Committee directed staff to submit the amendments to 525-RICR-20-00-3 Rhode Island Livable Home Modifications that:

- Reduce in Section 3.5 B. Livable Home Modification Grants, the maximum reimbursement from \$5,000 to \$4,000, which would increase the number from 161 in FY 19 to ~183, and if reallocation is approved ~191 grants.

Status of Applicants on 7/2/19	# Awards	Median Countable Income	Total Projects Costs	Median Project	Paid Out	Median Paid
FY 2018 Paid	27	\$24,104	\$195,709	\$6,092	\$86,304	\$3,046
Denied	6					
FY 2018 Carried forward & FY 2019 Paid	20	\$20,049	\$177,553	\$7,973	\$62,795	\$3,557
FY 2019 Paid	141	\$20,365	\$769,840	\$4,375	\$361,000	\$2,213
FY 2019 Completed Projects	161		\$947,394		\$423,795	\$2,213
FY 2019 Administrative & Outreach	45	\$20,000	\$444,645	\$6,00	\$143,67	\$3,35

525 RICR 20-00-3 RI Livable Home Modification Grant Benefit Cost Analysis

				0	1	0
FY 2019 Expenses as of June 30, 2019	186		\$1,392,039		\$504,670	
FY 2019 Award carry forward est. claims	34	\$7,092	\$140,194	\$4,625	\$63,297	\$2,478
FY 2019 Total Awarded	3					
Applications Pending est. claims	6					
Applications Denied	141	\$20,365	\$769,840	\$4,375	\$361,000	\$2,213

Reducing Maximum Reimbursement would have impacted in prior years	# Claims over \$4,000	% over \$4,000
FY 2018 Paid	9	33%
FY 2018 Carried forward & Paid	9	45%
FY 2019 Paid	39	28%
FY 2019 Completed Projects	48	30%

- Eliminate in 3.8 B Financial Eligibility, exemptions from the resident's taxable income in determining financial eligibility. The only exemption retained is for medically necessary expenses that required withdrawals from a retirement account or pension fund, now included in the definition of "3. Countable Income", could reduce the number of edible individuals by 1% to 2%.

Applicants' Countable Income	Use of Deductions to Offset Federal Adjusted Gross Income										
	1 Gross	2a Total Federal	2b Impaired	2c Medical &	2d ABLE	2e PASS Income	2f Disability	2g Any Taxable	2h IRA Pension	2i Total	Total Awards
FY 2018 Paid	26	12	0	2	0	0	3	0	0	14	27
FY 2018 Carried forward & Paid	17	6	2	2	1	2	1	1	2	6	20
FY 2019 Paid	131	3	0	0	0	0	1	0	1	4	14
FY 2019 Completed Projects	148	9	2	2	1	2	2	1	3	10	161
FY 2019 Award carry forward, estimated claims	40	0	0	0	0	0	0	0	0	0	45
Total	214	21	2	4	1	2	5	1	3	24	233
% of Total	92%	9%	1%	2%	0%	1%	2%	0%	1%	10%	

- Exclude in Section 3.6 F. Qualifications, any retrofit that is eligible for reimbursement, by a healthcare insurance policy, ensuring that the individuals receiving state funds are those with the greatest need.
- Revise in Section 3.4. Definitions "1. Accessible features" to:
 - Reword c. "Doors" revised to "Doorways"; and d. Hallways and passages. Wheelchairs are getting wider, and the Veterans Administration is recommending doorways in their facilities should be 41 inches of clear opening, much greater than 32 inches in the 2010 ADA Accessibility Guidelines.
 - Add "h. Handrails and grab bars". Thirty percent (30%) of individuals admitted to nursing homes are due to fall within the prior 180 days; and
 - Add "i. Appliances or alarms that can be easily reinstalled in another residence would not meet the definition of an accessibility feature."

525 RICR 20-00-3 RI Livable Home Modification Grant Benefit Cost Analysis

- Revise in Section 3.4. Definitions:
 - Add a definition “2. Building codes”. Require proof that required building permits and certification of occupancy were issued. Although this requirement may be more burdensome, the building code permit cost is eligible for reimbursement, and the goal is to ensure safety of the beneficiary and all projects meet legal life safety requirements;
 - Add a definition “9. Modify”, “modification” or “modifying”, deleting in the remainder of the regulation the words used in the definition (i.e. construction and renovation);
 - Reword definitions 11. “Qualified {healthcare} professional”; and 13. “Sensory modifications”; and
 - Renumber Section 3.4 Definitions.
- Clarify in Section 3.7 Application:
 - Recognize that applications could be prepared and signed by a power of attorney;
 - Require a contractor/installer's quote or estimate total cost of the accessibility features and/or sensory modifications to the residence be attached to the application.
 - The cost of any renovations not included in the definitions of the "Accessibility features" or "Sensory modifications" must be listed separately on the quote or cost estimate.
 - The contractor/installer must submit an affidavit declaring that all required building code permits shall be obtained prior to the retrofit is started.
 - Documentation of the medically necessary expenses that required withdrawals from a retirement account or pension fund.
- Revise 3.8 Financial Eligibility by requiring a resident who has disability, but not required to file a federal tax return in the prior year, to submit an affidavit declaring that the resident was not required to file a federal tax return in the prior year; and
 - Deleting the list of exemptions from the resident's taxable income used to determine the applicant's “countable income”.
- Add a new Section 3.9 Approval of application that details the process for applications to be reviewed and approved:
 - A Livable Home Modification Grant Award letter would be issued once all required documentation is provided.
 - That award would expire 120 days after the award letter is mailed by the Commission, unless the retrofit has begun or a contract for the retrofit has been signed and a copy submitted to the Commission.
- Add a new Section 10 Termination of a Grant Award, describing the notification process and that the individual may reapply by submitting a new application to the Commission.
- Revise and renumber Section 3.9 as 3.11 Filing a Claim for Reimbursement, to request the submission of all necessary building permits, to ensure compliance with all residential provisions of the building, electrical, elevator/lift, fire, and plumbing codes, in addition to the accessibility code. This will to ensure safety of the beneficiary and that the project meets all the legal life safety codes.
- Add a new Section 3.12 Application Denial and Appealing an Application Denial.
 - A letter denying an application for a Livable Home Modification Grant must:
 - i. Be sent by USPS Certified Mail letter with Return Receipt to the mailing address on the application;
 - ii. Indicate the provision(s) of this part that are the reason for denial; and
 - iii. Include the procedure for appealing the denial.
 - An appeal letter must be postmarked within thirty (30) days of receipt of a denial letter and indicate the grounds for the appeal.

FY 2018 and FY 2019 RI Livable Home Modification Grant Demographic Tables

525 RICR 20-00-3 RI Livable Home Modification Grant Benefit Cost Analysis

Of the projects completed, the individuals' healthcare professionals (M.D., O.T., or P.T.) prognosis on these individuals without the home modifications would be:				Residence owned or rented		
Prognosis without LHMG	Loss of independence	Increase d Likelihood of Falls	Move to long term care	Home Owned	Rent	Landlord Certified
FY 2018 Paid				25	2	2
FY2018 Awards Paid in FY 2019	2	5	1	17	3	3
FY 2019 Paid	74	100	50	136	5	5
FY 2019 Claims Submitted	-	-	-	-	-	-
FY 2019 Awarded no submitted claim by 6/30/19				28	3	3
Application conditionally approved or pending				31	2	1
FY 2019 Total	76	105	51	212	13	12

Long Term Care Facility Diversion Medicaid Savings	Annual State Medicaid Share	% of individuals admitted to nursing homes due to fall within prior 180 days.	% of RI's nursing home residents on Medicaid
State Medicaid Nursing Home Reimbursement	\$62,862	36.3%	63.0%
Diverted from nursing home admissions	156	105	51
# Eligible for Medicaid, become Medicaid eligible upon resource spend down	56	24	32
Annual State Medicaid Savings	\$3,529,227	\$1,509,471	\$2,019,756

Type of Renovation # 1	Path	Zero Step	Hallway	Lights, switches	Bathroom	Kitchen
FY 2018 Paid	4	3	2	4	17	2
FY 2018 Denied	2	2	3	3	6	1
FY 2019 Paid	21	35	7	1	73	5
FY 2019 Claims Submitted	0	0	0	0	0	0
FY 2019 Awarded/ No Claim	9	14	0	0	25	4
Application conditionally approved or pending	1	4	0	0	12	0
FY 2019 Total	31	53	7	1	110	9

Type of Renovation # 2	Lift	Elevator	Sensory	Generator	Home Monitor	Total
FY 2018 Paid	11	-	-	Not Available in FY 2018		43
FY 2018 Denied	3	0	0			20
FY 2019 Paid	47	2	2	0	0	193
FY 2019 Claims Submitted						
FY 2019 Awarded/ No Claim	11	2	0	0	0	13
Application conditionally approved or pending	10	0	0	0	0	62
FY 2019 Total	68	4	2	0	0	268

Median Time Period in Days	Apply to Decision	Award to Claim	Claim to Payment
FY 2018 Paid	1.0	37.0	14.0
FY 2018 Applications Denied	3.5		
FY2018 Awards Paid in FY 2019			
FY 2019 Paid	2.0	68.5	43.5

525 RICR 20-00-3 RI Livable Home Modification Grant Benefit Cost Analysis

FY 2019 Claims Submitted	3.0	40.0	19.0
FY 2019 Awarded No Claim Submitted	0.0	0.0	
FY 2019 Applications Denied	7.0		
Of the 35 Outstanding Awards with no Claim Submitted	Minimum Days	Median Days	Maximum Days
14 have been outstanding for greater than 120 days	29.0	113.0	446.0