CHCS Center for Health Care Strategies, Inc.

Advancing innovations in health care delivery for low-income Americans

Aging in America: How Can States Improve Care for Older Adults with Complex Needs?

Reforming States Group Pre-conference

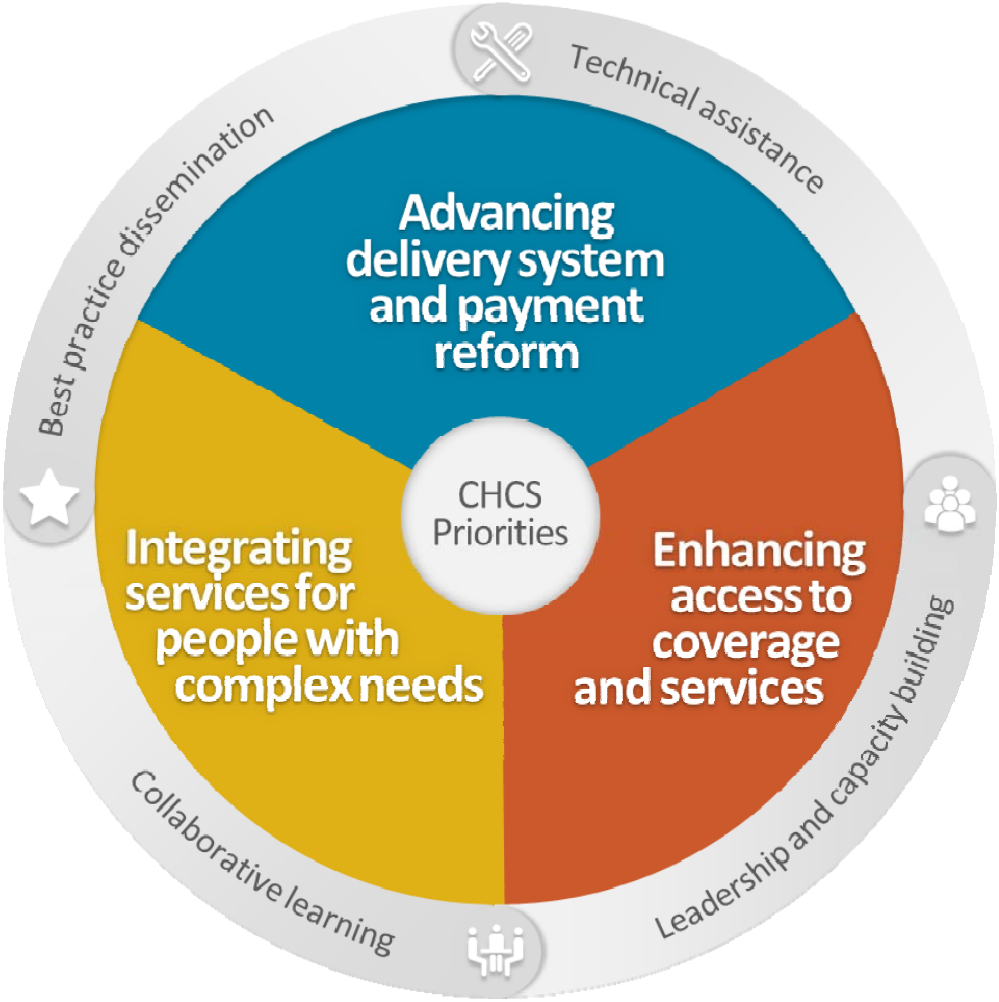
Made possible by the Milbank Memorial Fund

Presentation Overview

- Introduction to CHCS
- Overview of Medicaid Long-Term Services and Supports (LTSS) and Rebalancing
  - » Medicaid LTSS Background: Population Characteristics, Services and Spending
  - » Medicaid LTSS Trends: Rebalancing, Managed LTSS and Challenges
- Overview of Medicare-Medicaid Integration
  - » Dually Eligible Beneficiaries: Characteristics, Service Use, and Spending
  - » What is Integrated Care?
  - » State Approaches to Medicare-Medicaid Integration

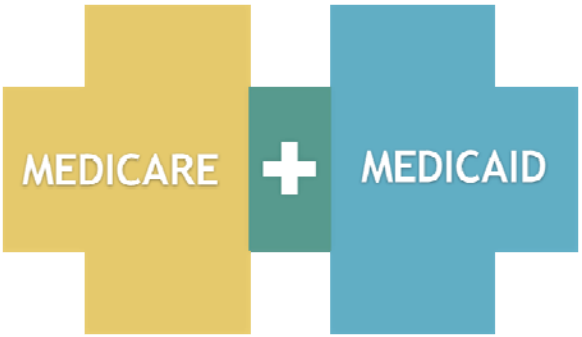
About the Center for Health Care Strategies

A non-profit policy center dedicated to improving the health of low-income Americans



Current CHCS Projects Supporting Integrated Care

- **Integrated Care Resource Center (ICRC)**: Technical assistance to states pursuing financial alignment demonstrations and other integrated care models (Centers for Medicare & Medicaid Services)
  - State Technical Assistance Resource: http://www.integratedcareresourcecenter.com/
- **Promoting Integrated Care for Dual Eligibles (PRIDE)**: Collaborative of eight integrated health plans to identify and disseminate successful strategies for integrating care for Medicare-Medicaid enrollees (The Commonwealth Fund)
- **Implementing New Systems of Integration for Dually Eligible Enrollees (INSIDE)**: Collaborative of 14 states (AZ, CA, FL, ID, MA, MN, NJ, NY, OH, RI, SC, TX, VA, WA) implementing programs of integrated care and/or MLTSS for group learning and technical assistance (The Commonwealth Fund, The SCAN Foundation)
- **Advancing D-SNP-Based Policy Options for Medicare-Medicaid Enrollees**: Research and analysis of policy options to promote Medicare-Medicaid integration using Dual Eligible Special Needs Plans (DHHS Assistant Secretary for Planning and Evaluation)



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Overview of Medicaid LTSS and Rebalancing

What are Long-Term Services and Supports (LTSS)?

- Services and supports used by individuals of all ages with functional limitations and chronic illnesses who need assistance with daily activities.
- Assistance with one or more of the following:
  - Activities of daily living (ADLs):
    Self-care activities (bathing, dressing, etc.)
  - Instrumental activities of daily living (IADLs):
    Routine activities (shopping, housework, etc.)
- Can be provided in home- and community-based settings or institutional settings
- 90% of LTSS population in the community rely on unpaid help

SOURCES: Woodcock, C. H. Long-term Services and Supports: Challenges and Opportunities for States in Difficult Budget Times, The Hilltop Institute for The National Governors Association, December 2011; Kaye, H. S., et al. Long-term Care: Who Gets It, Who Provides It, Who Pays, and How Much?, *Health Affairs*, 29, no. 1 (2010): 11-21.

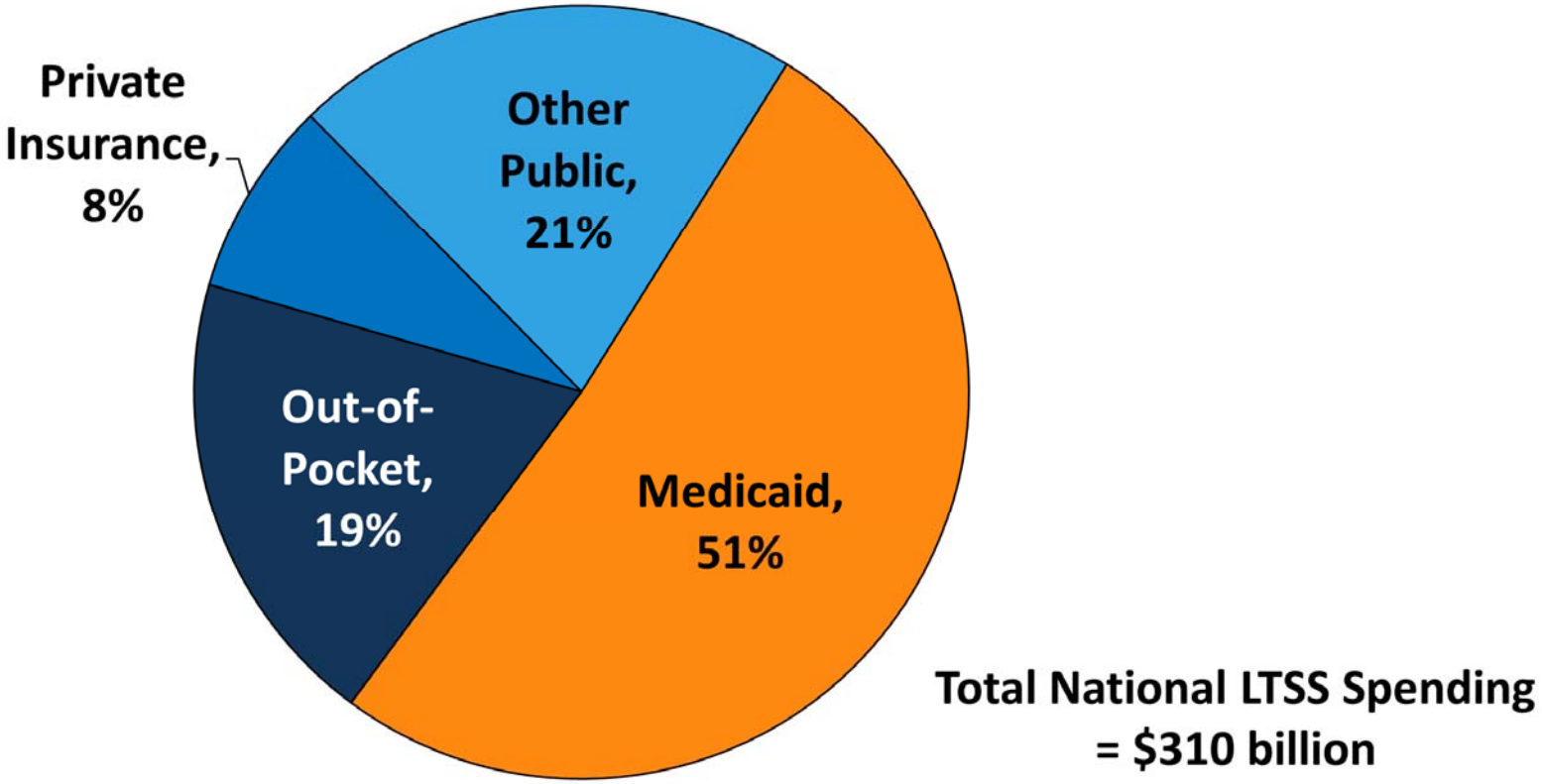
Who Uses LTSS?

Medicaid Enrollee Population	Percent Using LTSS
Elderly	51%
Individuals with Disabilities Under Age 65	43%
Children	5%
Non-Disabled Adults	1%

- Nationally, 12 million children, adults, and seniors need LTSS due to disabling conditions and chronic illnesses
- 70 percent of individuals 65 and over will likely need LTSS at some point
- 3.8 million Medicaid enrollees used LTSS in 2010
- Medicare-Medicaid enrollees are about five times more likely to use LTSS compared to Medicare- and Medicaid-only beneficiaries

SOURCES: Kaye, H. S., et al. Long-term Care: Who Gets It, Who Provides It, Who Pays, and How Much?, *Health Affairs*, 29, no. 1 (2010): 11-21; D. Rowland. "What Would Strengthen Medicaid Long-Term Services and Supports?" The Kaiser Commission on Medicaid and the Uninsured, Presentation, August 2013. E. L. Reaves and M. Musumeci. "Medicaid and Long-Term Services and Supports: A Primer." The Kaiser Commission on Medicaid and the Uninsured, May 2015.

Medicaid is the Primary Payer for LTSS



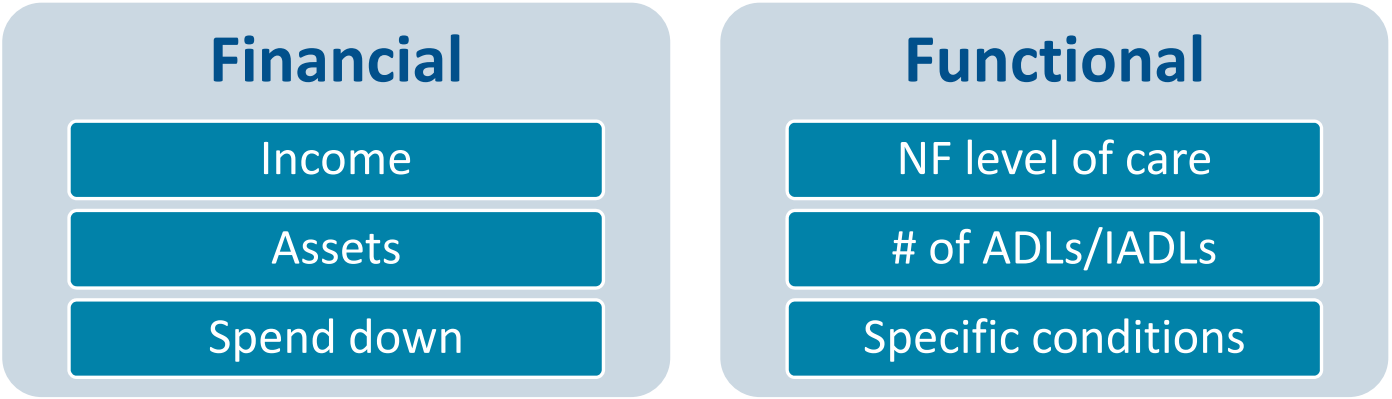
SOURCE: Medicaid and Long-Term Services and Supports: A Primer, May 8, 2015. Available at: http://kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/

What LTSS Does Medicaid Cover?

	Institutional Services	Home- and Community-Based Services
State Plan Mandatory Services	• Nursing facility care (age 21 and over)	• Non-Emergency Medical Transportation • Home health
State Plan Optional Services	• Nursing facility care (under age 21) • Intermediate care facility services for people with intellectual of developmental disabilities • Institutions for mental diseases (age 65 and over) • Inpatient psychiatric care (under age 21)	• Case management/Targeted case management • Personal care services • Rehabilitation services • 1915(i) State Plan Option Services (see 1915(c) waiver services below) • 1915(k) State Plan Option Services (Community First Choice): personal care attendant, non-medical transportation, etc.
HCBS Waiver Services (1915(c))	N/A	• Case management • Homemaker/Home health aide/Personal care • Adult day health • Habilitation • Respite care • Day treatment/partial hospitalization psychosocial rehabilitation • Chronic mental health clinic services • Additional services vary by state

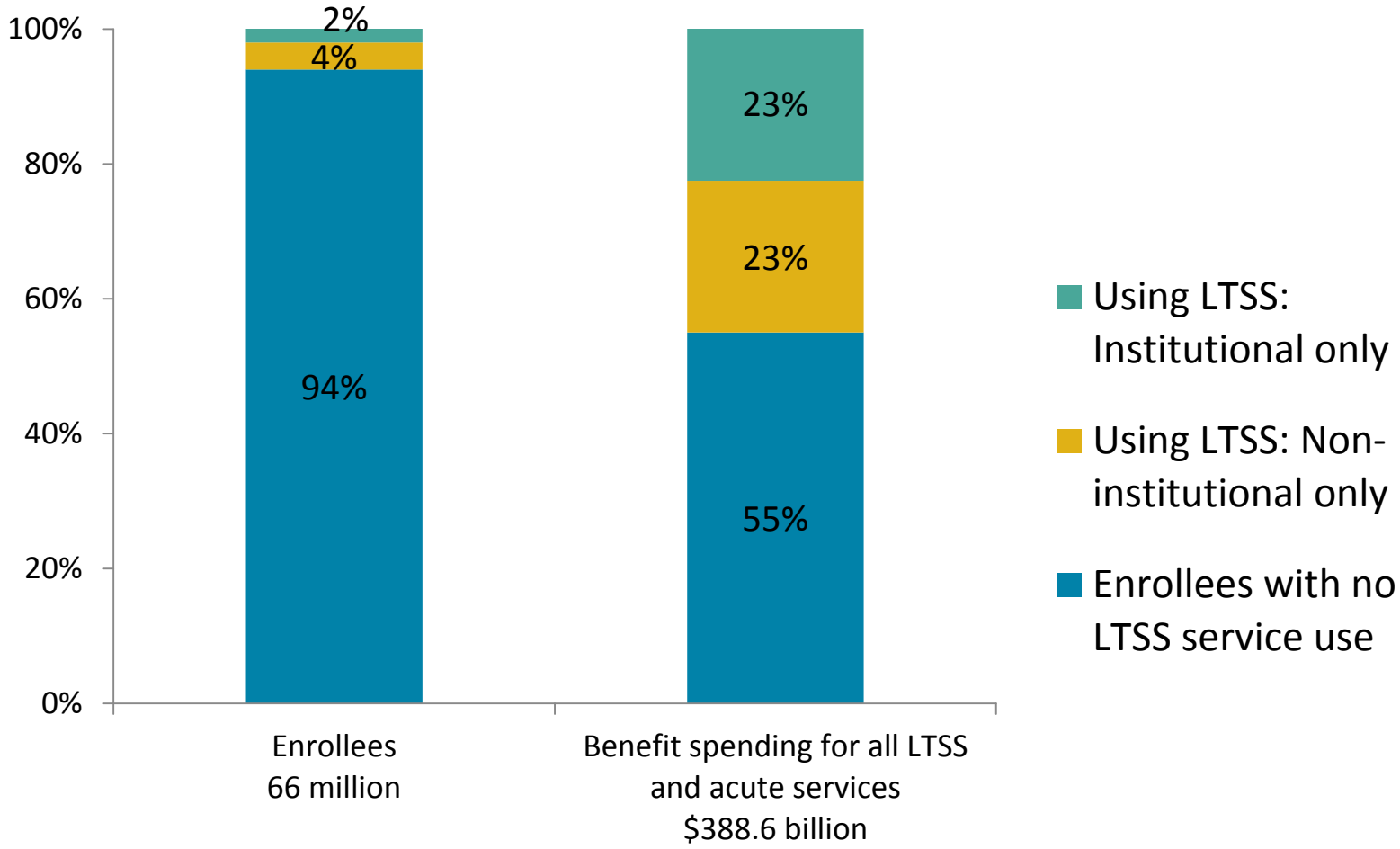
How is Medicaid LTSS Eligibility Determined?

- Medicaid LTSS eligibility determined by income/resources and functional criteria; varies by state
- Individuals who meet state-based nursing home level of care may qualify for Medicaid with higher incomes compared to other populations
- States use various tools to determine functional status



SOURCES: Congressional Budget Office. "Dual-Eligible Beneficiaries of Medicare and Medicaid: Characteristics, Health Care Spending, and Evolving Policies" June 2013; MACPAC. "Medicaid Long-Term Services and Supports." September 2013.

LTSS Users Drive Spending in Medicaid



SOURCES: MACPAC analysis of Medicaid Statistical Information System (MSIS) annual person summary (APS) data and CMS-64 Financial Management Report (FMR) net expenditure data from CMS as of May 2013.

What Is LTSS Rebalancing?

- Historically, programs not designed to support individual choice of settings:
  - » Facility-based care is an "entitlement"
  - » HCBS often has waiting lists
  - » Limited coordination for HCBS consumers across all service areas
- Rebalancing: shifting bias by devoting a greater proportion of Medicaid spending to HCBS instead of institutional care
- Efforts are driven by:
  - » Beneficiary preferences for HCBS
  - » HCBS is typically less expensive than comparable institutional care
  - » States' community integration obligations under the Americans with Disabilities Act and the *Olmstead* decision

SOURCES: Woodcock, C. H. Long-term Services and Supports: Challenges and Opportunities for States in Difficult Budget Times, The Hilltop Institute for The National Governors Association, December 2011; Kaye, H. S., et al. Long-term Care: Who Gets It, Who Provides It, Who Pays, and How Much?, *Health Affairs*, 29, no. 1 (2010): 11-21.

States Participating in New Rebalancing Initiatives

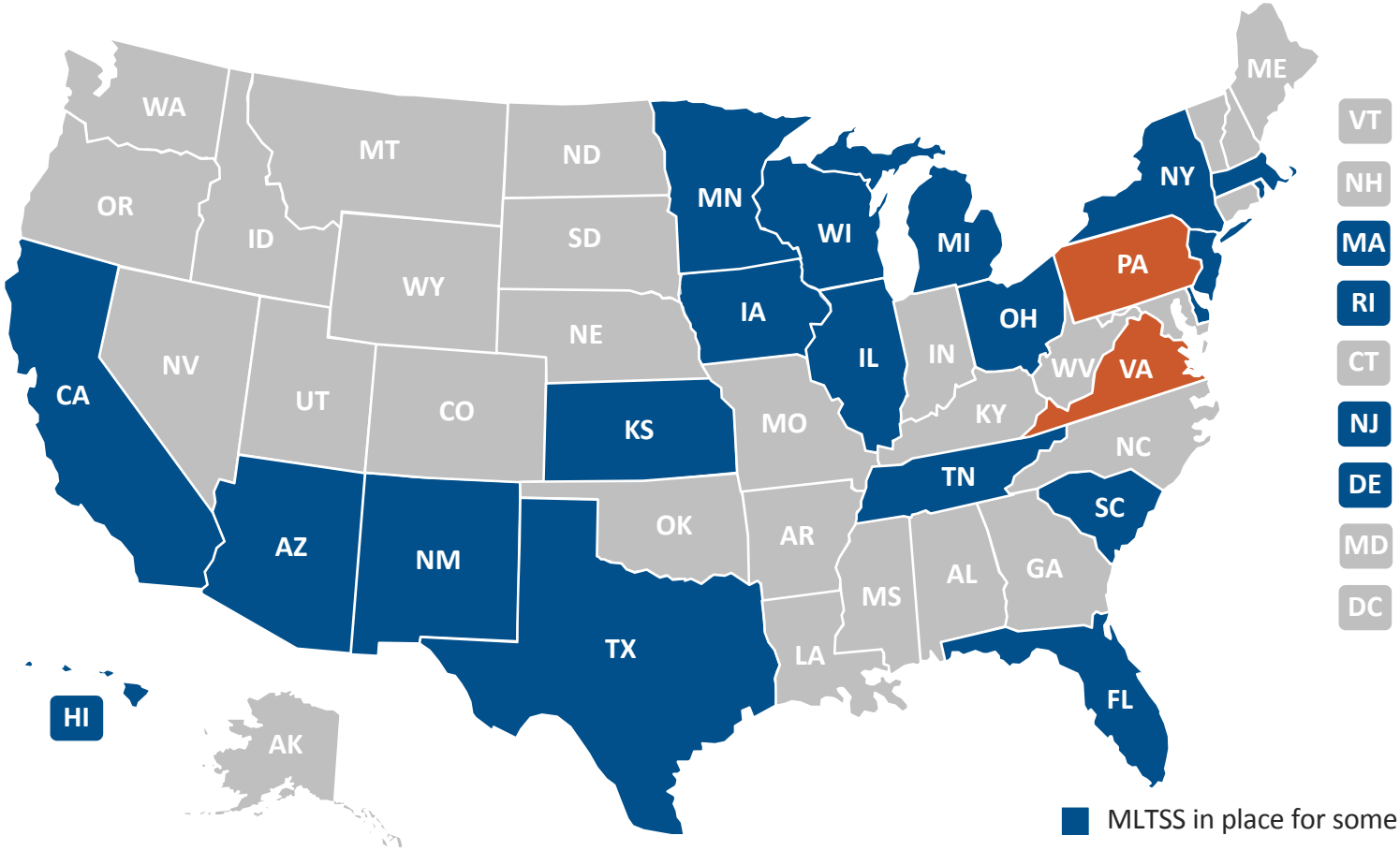
- Money Follows the Person:
  - AL, AR, CA, CO, CT, DE, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MN, MO, MS, MT, NC, ND, NE, NH, NJ, NV, NY, OH, OK, PA, RI, SC, SD, TN, TX, VA, VT, WA, WI, WV and the District of Columbia

- Balancing Incentive Program
  - AR, CT*, GA*, IL*, IN^, IA, KY, LA^, ME*, MA*, MD*, MS*, MO, NE^, NH*, NJ*, NY*, NV*, OH, PA*, and TX*

- Community First Choice Option:
  - CA, MD, MT, OR, and TX

*Participating past the September 30, 2015 deadline
^Ended program participation as of January 1, 2014 prior to program completion
Source: Medicaid.gov

State Migration to Managed Long-Term Supports and Services*



MLTSS in place for some or all populations

Moving to MLTSS

**Populations and services included vary by state*

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LTSS Challenges for States

- Complex, vulnerable populations with various needs
- Aging population with expanding needs
- Institutional bias
- Complicated waiver processes
- Administrative and workforce shortages – dependence on informal caregivers
- Differences between person-centered LTSS and traditional medical care models

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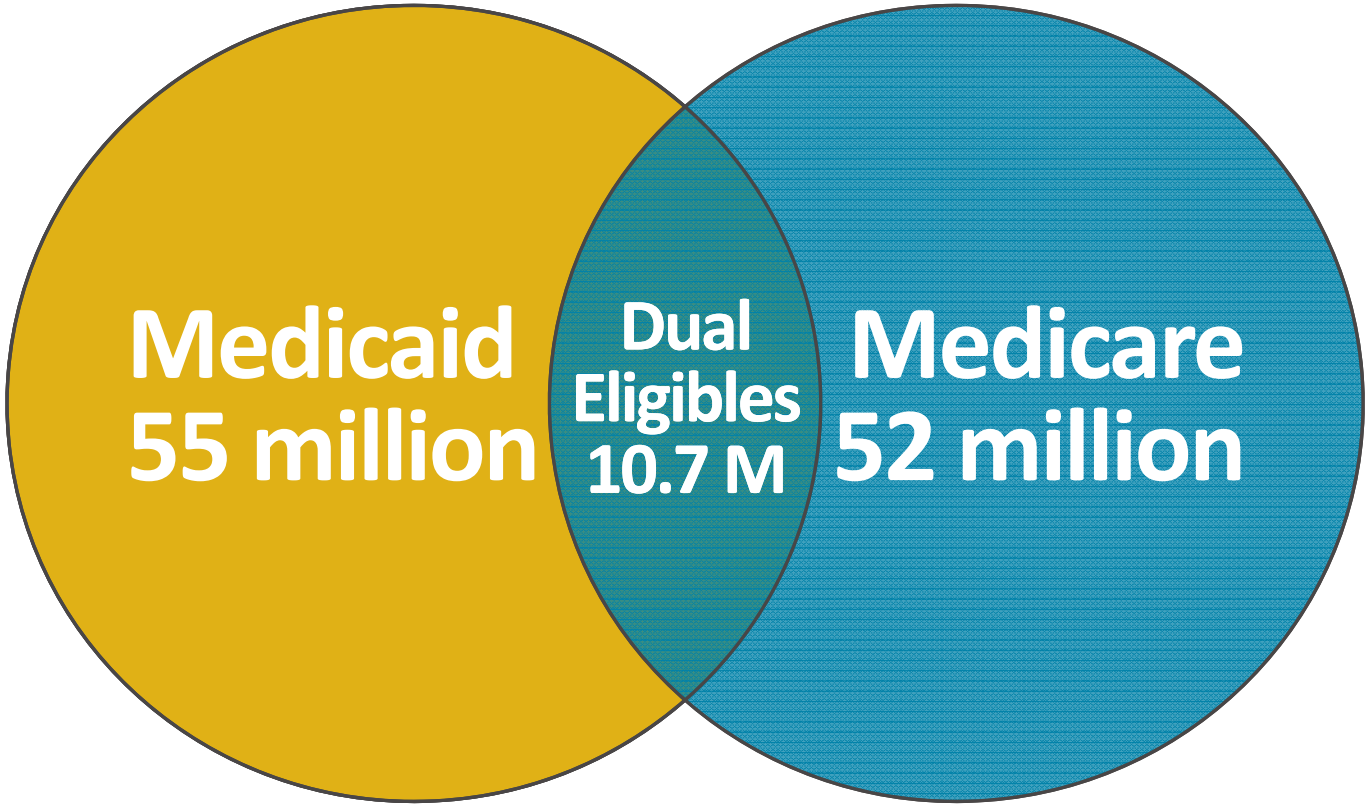
Overview of Medicare-Medicaid Integration

Nearly 11 Million Dual Eligible Beneficiaries are Covered by Both Medicaid and Medicare



Based on 2013 Medicaid and Medicare enrollment.

SOURCES: Kaiser Family Foundation. Medicare Enrollment, 1966-2013. July 2013; Kaiser Family Foundation. Medicaid Enrollment Snapshot: December 2013, December 2013; and CMS. Medicare-Medicaid Coordination Office Fiscal Year 2015 Report to Congress, March 2016.

Medicare-Medicaid Enrollees Are a Diverse, High-Need Population. . .

- **More likely** to have multiple, chronic health conditions (compared to Medicare- or Medicaid-only enrollees)
- **Over 40%** use LTSS
- **33%** are under 65

65 AND OVER

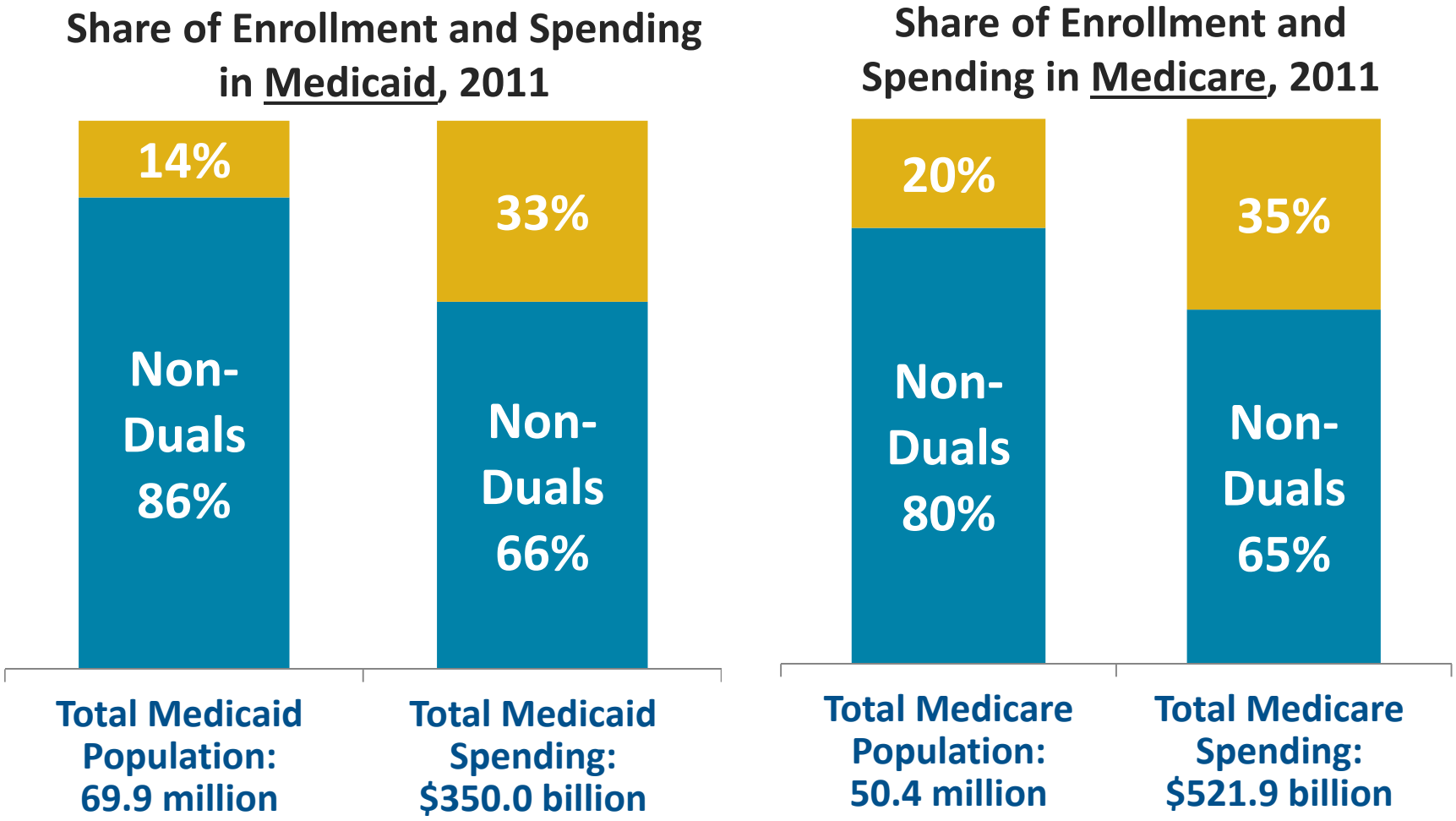
- More likely to have been diagnosed with 3+ chronic conditions
- 25% have a behavioral health disorder
- Number of full benefit Medicare-Medicaid enrollees over the age of 65 has increased 8% since 2006

UNDER 65

- 40% have a behavioral health disorder
- Number of full benefit Medicare-Medicaid enrollees under the age of 65 has increased 20% since 2006

SOURCES: Medicare-Medicaid Coordination Office. February 2014. Data Analysis Brief Medicare-Medicaid Dual Enrollment from 2006 through 2013.; and Congressional Budget Office. June 2013. *Dual-Eligible Beneficiaries of Medicare and Medicaid: Characteristics, Health Care Spending, and Evolving Policies*.

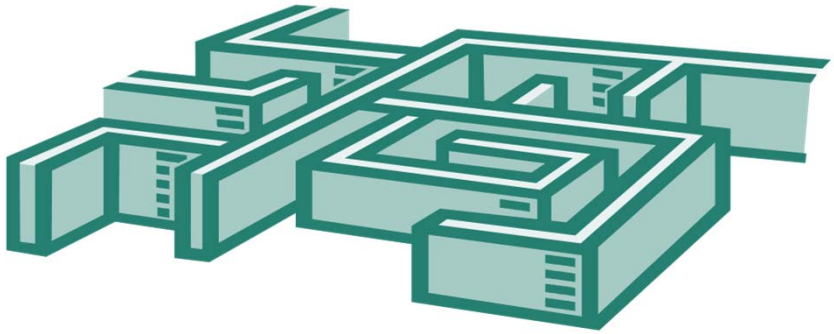
. . . and Account for Disproportionate Enrollment and Spending



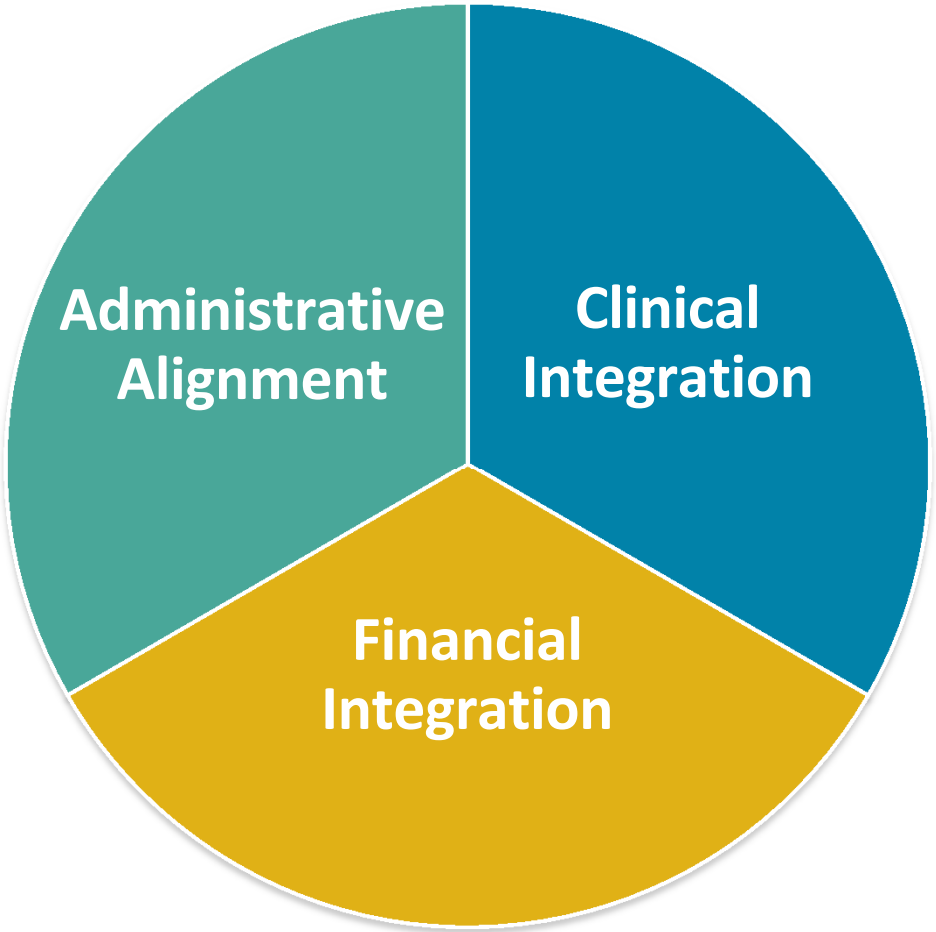
SOURCE: Medicare Payment Advisory Commission and Medicaid and CHIP Payment and Access Commission, Data Book: Beneficiaries Dually Eligible for Medicare and Medicaid (January 2016).

What Does Care Look Like Without Integration between Medicare and Medicaid?

- Gaps, duplication, fragmentation and uncoordinated care and systems
- Not community-oriented or person-centered
- Cost-shifting between states and the federal government and different providers; significant potential savings



Goals of Medicare-Medicaid Integrated Care



Medicare-Medicaid Integration by the Numbers

- 12 states with financial alignment demonstrations
  - 10 states with capitated model demonstrations (CA, IL, MA, MI, NY, OH, RI, SC, TX, VA) and 2 with MFFS demonstrations (CO, WA)
  - 363,585 enrolled in MMPs as of October 2016[1]
- 38 states have D-SNPs that enroll 1,867,270 members[2]
- 9 states have Fully Integrated Dual Eligible (FIDE) SNPs (AZ, CA, ID, IL, MA, MN, NJ, NY, WI)
  - 5 states require plans to be FIDE SNPs (ID, MA, MN, NJ, WI)
  - 131,571 enrolled in FIDE SNPs as of September 2016[3]
- Almost 7 million Medicare-Medicaid enrollees remain in fragmented systems of care

Sources: [1]Monthly Enrollment in Medicare-Medicaid Plans by Plan and by State, October 2015 to October 2016. Integrated Care Resource Center, http://www.integratedcareresourcecenter.com/PDFs/MMP_Enroll_by_State_Oct_2016.pdf. [2,3] CMS SNP Comprehensive Report, October 2016.

Federal Vehicle to Advance Integrated Care: Financial Alignment Demonstrations

Capitated: CA, IL, MA, MI, NY, OH, RI, SC, TX, VA

- Joint procurement of high-performing health plans
- Three-way contract: CMS, state, health plan
- Single set of rules for marketing, appeals, etc.
- Blended payment, built-in savings
- Voluntary, passive enrollment with opt-out provisions

MFFS: CO, WA

- Final Agreement between state and CMS
- FFS providers, including Medicaid health homes or accountable care organizations
- Seamless access to necessary services
- Quality thresholds and savings targets

- Sec. 2602 of ACA created the Medicare-Medicaid Coordination Office (MMCO) at CMS
- Promise of savings and formal evaluations
- Key themes and future focus:
  - » Sustainability of integrated care programs: stakeholder buy-in
  - » Beneficiary and provider engagement
  - » Investments in state oversight/monitoring
  - » Significant unmet need
  - » Information sharing

Medicare Advantage Dual Eligible Special Needs Plans (D-SNPs)

1. D-SNPs are Medicare Advantage plans that provide Medicare services and coordinate Medicaid services
2. Allow for plan-level administrative, clinical, and financial alignment
3. Prompted by MIPPA, states are using D-SNP contracting to create better linkages between Medicare and MLTSS; many by requiring their MLTSS plans to also be D-SNPs

Key themes and future focus:

- New opportunities for leveraging D-SNP contracts
  - Investments in MLTSS programs to encourage aligned enrollment
  - Expansion of MLTSS/D-SNP linkages (e.g., PA, TN, VA)
- Building Medicare expertise across states
- Positive movement at the federal level

Visit CHCS.org to…

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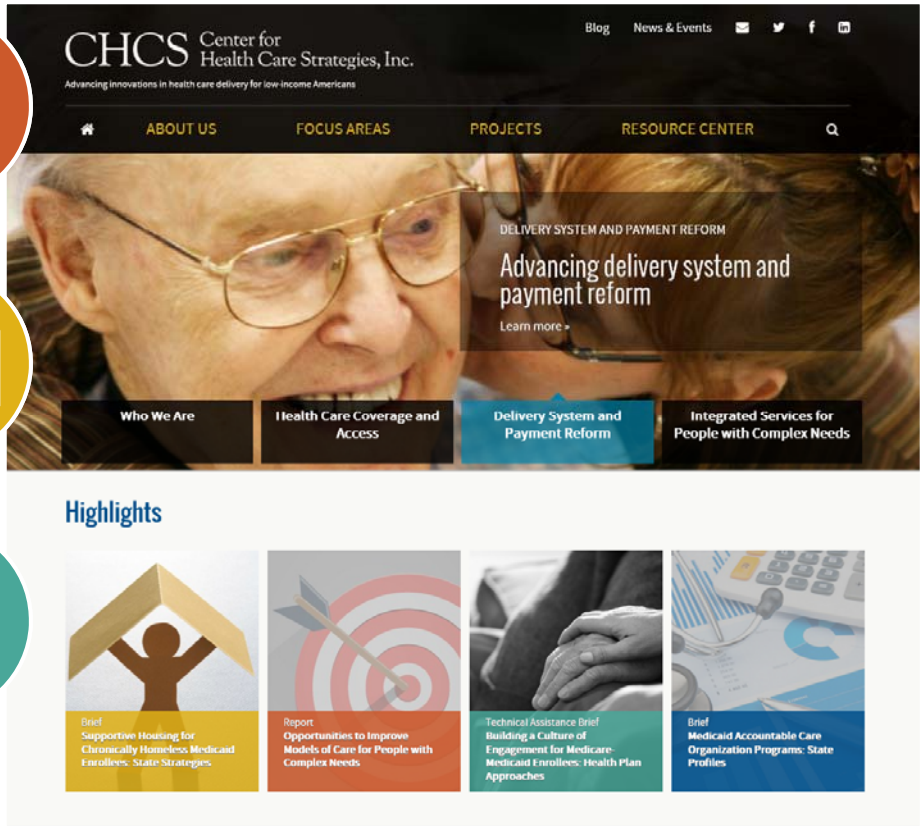
- **Subscribe** to CHCS e-mail, blog and social media updates to learn about new programs and resources
- **Learn** about cutting-edge efforts to improve care for Medicaid's highest-need, highest-cost beneficiaries



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