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)

- **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)
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:**
### Who Uses LTSS?

<table>
<thead>
<tr>
<th>Medicaid Enrollee Population</th>
<th>Percent Using LTSS</th>
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<tbody>
<tr>
<td>Elderly</td>
<td>51%</td>
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<tr>
<td>Individuals with Disabilities Under Age 65</td>
<td>43%</td>
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<tr>
<td>Children</td>
<td>5%</td>
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<tr>
<td>Non-Disabled Adults</td>
<td>1%</td>
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- 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.

Medicaid is the Primary Payer for LTSS

- Medicaid, 51%
- Other Public, 21%
- Out-of-Pocket, 19%
- Private Insurance, 8%

Total National LTSS Spending = $310 billion

### What LTSS Does Medicaid Cover?

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

**Financial**
- Income
- Assets
- Spend down

**Functional**
- NF level of care
- # of ADLs/IADLs
- Specific conditions

LTSS Users Drive Spending in Medicaid

**Enrollees**
- 66 million

**Benefit spending for all LTSS and acute services**
- $388.6 billion

- **Using LTSS:**
  - Institutional only: 2%
  - Non-institutional only: 4%
  - Enrollees with no LTSS service use: 94%

**Using LTSS:**
- Institutional only: 23%
- Non-institutional only: 23%
- Enrollees with no LTSS service use: 55%

**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

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*

*Populations and services included vary by state

MLTSS in place for some or all populations
Moving to MLTSS
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
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:
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

<table>
<thead>
<tr>
<th>65 AND OVER</th>
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<tr>
<td>More likely to have been diagnosed with 3+ chronic conditions</td>
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<td>25% have a behavioral health disorder</td>
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<td>Number of full benefit Medicare-Medicaid enrollees over the age of 65 has increased 8% since 2006</td>
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<table>
<thead>
<tr>
<th>UNDER 65</th>
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<tbody>
<tr>
<td>40% have a behavioral health disorder</td>
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<tr>
<td>Number of full benefit Medicare-Medicaid enrollees under the age of 65 has increased 20% since 2006</td>
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</tbody>
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and Account for Disproportionate Enrollment and Spending

**Share of Enrollment and Spending in Medicaid, 2011**

- **Non-Duals**
  - Population: 69.9 million
  - Total Medicaid Spending: $350.0 billion
  - 86% of Enrollment
  - 33% of Spending

- **Non-Duals**
  - Population: 69.9 million
  - Total Medicaid Spending: $350.0 billion
  - 14% of Enrollment
  - 33% of Spending

**Share of Enrollment and Spending in Medicare, 2011**

- **Non-Duals**
  - Population: 50.4 million
  - Total Medicare Spending: $521.9 billion
  - 80% of Enrollment
  - 35% of Spending

- **Non-Duals**
  - Population: 50.4 million
  - Total Medicare Spending: $521.9 billion
  - 20% of Enrollment
  - 35% of Spending

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

- Administrative Alignment
- Clinical Integration
- Financial Integration
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 2016¹
- 38 states have D-SNPs that enroll 1,867,270 members²
- 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 2016³
- Almost 7 million Medicare-Medicaid enrollees remain in fragmented systems of care

### Federal Vehicle to Advance Integrated Care: Financial Alignment Demonstrations

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<tr>
<th>Capitated: CA, IL, MA, MI, NY, OH, RI, SC, TX, VA</th>
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<td>- Joint procurement of high-performing health plans</td>
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<td>- Three-way contract: CMS, state, health plan</td>
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<td>- Single set of rules for marketing, appeals, etc.</td>
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<td>- Blended payment, built-in savings</td>
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<td>- Voluntary, passive enrollment with opt-out provisions</td>
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<tr>
<th>MFFS: CO, WA</th>
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<tr>
<td>- Final Agreement between state and CMS</td>
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<td>- FFS providers, including Medicaid health homes or accountable care organizations</td>
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<td>- Seamless access to necessary services</td>
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<td>- Quality thresholds and savings targets</td>
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- 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...

- **Download** practical resources to improve the quality and cost-effectiveness of Medicaid services

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- **Learn** about cutting-edge efforts to improve care for Medicaid’s highest-need, highest-cost beneficiaries

**Contact Information**

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