# Managed Long-Term Services and Supports 101

*Marisa Scala-Foley*

*Shawn Terrell*

*Administration for Community Living*

*May 29, 2012*

# Agenda

- Housekeeping/Introductions
- Overview of managed long-term services and supports (MLTSS)
- Vehicles for program change to MLTSS
- Setting the stage: Where are we now?  Where are we headed?
- Why now?
- Opportunities and challenges for home and community-based services (HCBS) within MLTSS
- Getting engaged in the process
- Questions/Comments

# Presenters

- Marisa Scala-Foley, Center for Disability and Aging Policy, Administration for Community Living
- Shawn Terrell, Center for Disability and Aging Policy, Administration for Community Living

# **What is managed care?**

- Way of paying for and delivering health care and/or long-term services and supports (LTSS)
- Generally, payer gives a managed care organization (MCO) a set (capitated) monthly payment per member, which the MCO uses to provide services and supports to its members
- Provide an array of services to members through an established network of contracted providers
- MCOs assume and manage some or all of the financial risk for their members
  - As such, they have a financial incentive to keep members healthy, and to coordinate members' care

# **What is managed care? (continued)**

- Under Medicaid, managed care has taken 3 forms
  - *Comprehensive, risk-based capitation* (State Medicaid agency [SMA] pays a per member per month rate/premium to an MCO to provide a comprehensive set of services for members)
  - *Non-comprehensive* (SMA pays MCO to provide certain types of services – e.g., behavioral health only)
  - *Primary care case management* (SMA pays certain primary care providers a monthly fee to provide care management)

# **What is managed LTSS?**

- Payer – typically the SMA – contracts with an MCO to coordinate and provide LTSS

- May cover home and community-based services (HCBS) as well as institutional care

- May serve different populations: older adults, people with physical disabilities, and/or people with developmental/intellectual disabilities, or behavioral health needs.

# CMS authorities for MLTSS

- Social Security Act (SSA) Section 1115 demonstrations (for comprehensive or targeted Medicaid program redesign)

- SSA 1915(b) + (c) Medicaid waiver combinations

- Affordable Care Act (ACA) -- Integration and Financial Alignment demonstrations for dual eligibles through Centers for Medicare & Medicaid Services (CMS) Medicare-Medicaid Coordination Office (MMCO)

# **Where are we now?**

- MLTSS experience is limited, as is our evidence base

- 29 states operate Programs for All-Inclusive Care for the Elderly (PACE), but only serve about 200,000 people nationwide

# **Where are we now? (continued)**

- As of May 2012, 16 states offer MLTSS programs (19 programs; 7 statewide)
  - AZ, CA, DE, FL, HI, ID, MA, MN, NM, NY, NC, PA, TN, TX, WA, WI
  - All 16 target seniors, 11 target people with disabilities
  - Represented 5% of total Medicaid LTSS expenditures in FY2009

Administration for Community Living
*For seniors and people with disabilities*

# **Where are we headed?**

- Interest in MLTSS is growing rapidly

- Many other states indicating interest in implementing MLTSS in 2012-2013

- Duals' Financial Alignment Initiative: 26 states have posted draft proposals for public comment
  - 11 have submitted official proposals to CMS (IL, MA, OH, MN, MI, NC, OH, OR, TN, VT, WA, WI)

# **Medicaid Integration**

- Most states are planning on using 1115 authority

- 1115 authority allows greater flexibility to design programs

- "Flexibility" is a double edged sword
  - It could mean cutting or increasing HCBS. This will vary from state to state depending on many factors such as stakeholder input processes, budget considerations, etc.

# Dual Eligible Integration

- As per the ACA, MMCO has broad authority to waive aspects of the Medicare and Medicaid rules

- State flexibility is similar to 1115s

- There are strong requirements for stakeholder input

# Why now?

- State budget deficits
- Growth in Medicaid spending
- Current LTSS spending trends are unsustainable
  - People receiving Medicaid LTSS represent only 6 percent of the Medicaid population, they account for a disproportionate share of Medicaid spending – nearly half of Medicaid spending overall
- ACA: Incentives to states to develop new service delivery and payment models
  - MMCO financial alignment, medical homes/health homes; 2014 Medicaid expansion
- Current system issues:
  - FFS incentives to maximize expensive services, institutional bias, inflexible service packages, little incentive for oversight, etc.

# Potential benefits of MLTSS

- More care coordination
- Improved integration between acute care and LTSS
- More flexible benefits packages
- Accelerated rebalancing through global budgets
- Improved community alignment
- Improved quality management

# Challenges in MLTSS

- Limited experience
- Process is moving very quickly in some states
  - Are states ready? Are plans ready?
  - Contracting terms and standards
- Transitioning beneficiaries from fee-for-service to capitated systems
- Network adequacy
- What happens to existing community-based organizations and networks?
- Re-medicalization of disability
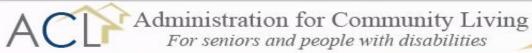- Loss of focus on independence, community living, recovery

# Challenges in MLTSS (continued)

- Meeting people's needs
- Ensuring person-centered planning is the basis for service authorization and delivery.
- Ensuring service authorizations are made by qualified people
- Avoid compounding existing problems (e.g., lack of affordable housing)
- Ensuring that important HCBS features are not lost in integration with acute care
- Quality and oversight
- <u>Meaningful</u> consumer engagement and participation

# Getting engaged in the process

- *Duals' Financial Alignment Initiative:*
  - Required "ongoing and meaningful" stakeholder engagement (e.g., meetings, workgroups, focus groups, etc.) throughout proposal development including 30-day state level public comment period prior to submission to CMS, as well as a 30-day comment period after submission to CMS
  - This stakeholder engagement must continue throughout the demonstration
  - Stakeholders include beneficiaries and their families, beneficiary advocates, consumer organizations, providers, plans and more.

# Getting engaged in the process (continued)

- *1115 waivers:*
  - ACA Section 1020(i) included new requirements related to providing opportunities for feedback into the review and approval process for states' section 1115 demonstration applications; went into effect on April 27, 2012
  - Requirements include standardized application elements; state level public input prior to submission to CMS; and federal level public input

# Getting engaged in the process (continued)

- *Ongoing*
  - As demonstrations move forward, there should be continued opportunities to provide input and feedback – throughout contracting and implementation

# Resources: *MLTSS*

- CMS Medicare-Medicaid Coordination Office resources:
  - http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/StateDemonstrationstoIntegrateCareforDualEligibleIndividuals.html  (State Demonstrations to Integrate Care for Dual Eligible Individuals)
  - http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialModelstoSupportStatesEffortsinCareCoordination.html (Financial Alignment Initiative)
- http://www.integratedcareresourcecenter.net/  (CMS Integrated Care Resource Center)
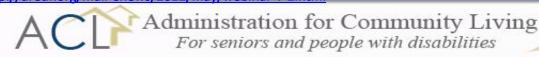
# Resources: *MLTSS*

- http://dredf.org/mail-enews/2012/may/webinar-v-2.html (Registration for June 11 Webinar by Disability Rights, Education & Defense Fund [DREDF])

- http://www.nasuad.org/medicaid_reform_tracker1.html (NASUAD State Medicaid Reform Tracker)

- http://www.nasuad.org/documentation/nasuad_materials/AARP732_OntheVerge_REPORTFeb1v33.pdf (AARP/NASUAD report -- On the Verge: The Transformation of Long-Term Services and Supports)

- http://www.npaonline.org/website/download.asp?id=1741 (National PACE Association list of PACE programs in the states)

# Resources: *MLTSS*

- http://dualsdemoadvocacy.org/ (NSCLC resource website on dual eligible integrated care demonstrations)
- Kaiser Family Foundation resources:
  - http://www.kff.org/medicaid/upload/8243.pdf (Issue Brief: Examining Medicaid Managed Long-Term Service and Support Programs)
  - http://www.kff.org/medicaid/upload/8278.pdf (Issue Brief: People with Disabilities and Medicaid Managed Care)
  - http://www.kff.org/medicaid/upload/8290.pdf (Policy Brief: An Update on CMS's Capitated Financial Alignment Demonstration Model For Medicare-Medicaid Enrollees
- http://www.chcs.org/info-url_nocat5108/info-url_nocat_list.htm?attrib_id=16308 (Center for Health Care Strategies MLTSS resources)

Administration for Community Living
*For seniors and people with disabilities*

# Resources: *1115*

- http://www.medicaid.gov/Federal-Policy-Guidance/Downloads/SHO-12-001.pdf (State Medicaid Director letter providing guidance on revised review processes for Section 1115 demonstrations)

- http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/Waivers.html?filterBy=1115#waivers (Database of CMS Medicaid waivers and demonstrations website)

- http://cmsideas.uservoice.com/forums/141980-medicaid-gov (CMS Idea Factory to post comments on some of the 1115s submitted by states)

Administration for Community Living
*For seniors and people with disabilities*

# Resources: *Affordable Care Act*

- http://www.aoa.gov/Aging_Statistics/Health_care_reform.aspx (AoA's Health Reform web page – where webinar recordings, transcripts and slides are stored)

- http://www.healthcare.gov/news/factsheets/2010/11/affordable-care-act-americans-disabilities.html (Fact sheet on the Affordable Care Act for Americans with Disabilities)

- http://www.healthcare.gov (Department of Health and Human Services' health care reform web site)

- http://www.thomas.gov/ (Affordable Care Act text and related information)

- http://www.healthcare.gov/blog/2012/04/disability041812.html (Disability, Disparities and the Health Care Law)

# **Next Training**

- We will continue our series on MLTSS throughout the summer
  - June date TBD; watch your email in early-mid June for registration information

Administration for Community Living
*For seniors and people with disabilities*

# **Questions/Comments/Stories/ Suggestions for Future Webinar Topics?**

Send them to:

[AffordableCareAct@aoa.hhs.gov](mailto:AffordableCareAct@aoa.hhs.gov)