Medicaid Managed Long-Term Services and Supports Programs: State Update

Medicaid is the nation's largest payer of long-term services and supports (LTSS), funding these services for nearly five million people. An increasing number of state Medicaid agencies are providing LTSS through capitated contracts with managed care organizations, with roughly 1.2 million individuals enrolled in comprehensive managed care plans that include LTSS or managed LTSS-only plans.[1,2] These managed LTSS (MLTSS) programs cover services like personal care, home-delivered meals, and transportation that are used by children and adults with functional limitations and/or chronic illnesses who need assistance with bathing, dressing, shopping, and housework, as well as other activities. By shifting LTSS from fee-for-service to managed care financing arrangements, states are seeking to reduce fragmentation of care, promote access and community inclusion, and provide high-quality, person-centered, and cost-effective care.[3]

State Migration to MLTSS

Currently, 22 states (AZ, CA, DE, FL, HI, IA, ID, IL, KS, MA, MI, MN, NJ, NM, NY, OH, RI, SC, TN, TX, VA, WI) have MLTSS programs for some or all of their populations who need this level of care.[4] Other states are currently developing MLTSS programs—Pennsylvania, for example, plans to launch its program in August 2017. States can use a variety of Medicaid managed care authorities (i.e., Section 1115, 1915(a), concurrent 1915(b)/(c) waivers, and the 1932(a) state plan authority) to create MLTSS programs.[5]
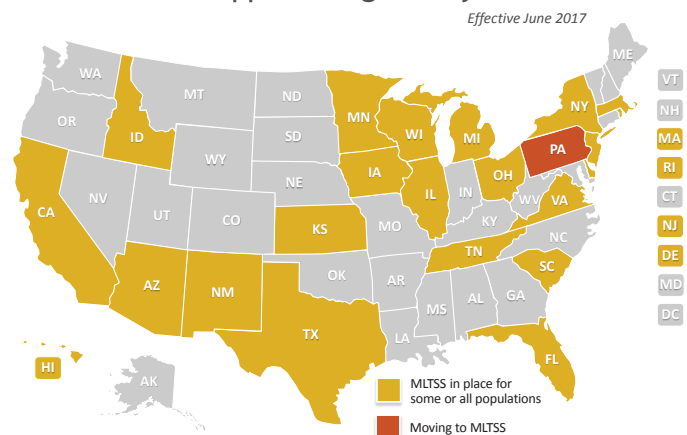
Goals of MLTSS Programs

Medicaid Managed Long-Term Services and Supports Programs by State

Effective June 2017

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

States implement MLTSS programs with a variety of goals in mind. State Medicaid programs have made great strides in rebalancing the provision of LTSS from institutions to home- and community-based settings, and are increasingly using MLTSS payment rates to provide incentives for plans to care for people in the community. MLTSS programs offering comprehensive benefits can increase the integration of primary care, behavioral health services, and LTSS and encourage providers to work together in delivering person-centered care. MLTSS programs can improve beneficiary outcomes by using care management, interdisciplinary care teams, and value-based purchasing arrangements as well as other design elements. Also, most states require MLTSS plans to conduct comprehensive assessments of individuals' needs and use person-centered care planning approaches. These requirements can advance the coordination of the services and supports that enrollees need to achieve the outcomes that matter most to them and target the right resources in the right setting to beneficiaries. By improving quality in this way, MLTSS programs can work toward decreasing the costs of care and providing more predictability to state budget processes.

A Foundation for Medicare-Medicaid Integration

Individuals dually enrolled in Medicare and Medicaid receive most of their primary and acute care services from Medicare and LTSS and other services from state Medicaid programs, often leading to fragmented, uncoordinated care. Because dually eligible individuals make up a large portion of MLTSS program enrollees, states are looking for ways to increase the coordination of these programs. State contracts with Medicare Advantage Dual Eligible Special Needs Plans (D-SNPs) that

offer companion Medicaid MLTSS plans create a platform for integration in which one health plan is responsible for and delivers both Medicare- and Medicaid-covered services. Medicare-Medicaid integration not only provides beneficiaries with a more seamless experience, but it can also help states to monitor the overall quality of care provided to these beneficiaries.

Future Directions for MLTSS Programs

More and more states are using MLTSS programs to deliver care and services for beneficiaries with LTSS needs and encourage the shift from institutional to home- and community-based care. States are designing increasingly sophisticated programs by using risk adjustment models for rate setting and alternative payment models such as value-based purchasing to improve quality of care.[6] States are also linking MLTSS programs with D-SNPs in order to integrate Medicare and Medicaid services. Moving forward, states will need to continue to work with stakeholders to gain buy-in and effectively build programs that will meet the diverse needs of individuals using LTSS.

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[1] S. Eiken. "Medicaid Long-Term Services and Supports Beneficiaries in 2012." Truven Health Analytics, September 2016. Available at: https://www.medicaid.gov/medicaid/ltss/downloads/ltss-beneficiaries-2012.pdf.

[2] Centers for Medicare & Medicaid Services. "Medicaid Managed Care Enrollment and Program Characteristics, 2014." Table 6. Spring 2016. Available at: https://www.medicaid.gov/medicaid-chip-program-information/by-topics/data-and-systems/medicaid-managed-care/downloads/2014-medicaid-managed-care-enrollment-report.pdf.

[3] S. Barth, B. Ensslin, and N. Archibald. "State Trends and Innovations in Medicaid Long-Term Services and Supports." Center for Health Care Strategies, December 2012. Available at: http://www.chcs.org/media/State_Trends_and_Innovations_in_Medicaid_LTSS_12_17_12_FINAL.pdf.

[4] Virginia is currently operating an MLTSS program in certain regions through its Medicare-Medicaid Financial Alignment Initiative demonstration *Commonwealth Coordinated Care*. When the demonstration concludes at the end of 2017, these beneficiaries will be transitioned into its new MLTSS program *Commonwealth Coordinated Care Plus*, which eventually will be available statewide.

[5] Centers for Medicare & Medicaid Services. "At-a-Glance Guide to Federal Medicaid Authorities Useful in Restructuring Medicaid Health Care Delivery or Payment." April 2012. Available at: https://www.medicaid.gov/State-Resource-Center/Medicaid-State-Technical-Assistance/Health-Homes-Technical-Assistance/Downloads/At-a-glance-medicaid-Authorities.pdf.

[6] Center for Health Care Strategies. "Managed Long-Term Services and Supports Rate-Setting Resource Center." August 2016. Available at: http://www.chcs.org/resource/rate-setting-managed-long-term-services-supports-programs-resource-center/.