Strengthening Long Term Services and Supports (LTSS): Reform Strategies for States

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Stephanie Anthony, Manatt Health

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Agenda

- Welcome and Introductions
- Background and Context
- Reform Strategies for States
  - Rebalancing Medicaid LTSS: Matching Care Settings to Individuals’ Needs
  - State Reactor: Patti Killingsworth, Assistant Commissioner and Chief of LTSS, Bureau of TennCare
  - Advancing Integration of LTSS with Physical and Behavioral Health Services through Managed Care
  - State Reactor: Tammy Whitlock, Director Integrated Care Division, Virginia Department of Medical Assistance Services
- Q&A
Welcome & Introductions
Meet the Team/Today’s Presenters

Michelle Herman Soper, MHS, Director of Integrated Care, CHCS

Alexandra Kruse, MS, MHA, Senior Program Officer, CHCS

Stephanie Anthony, Senior Advisor, Manatt Health

Tammy Whitlock, Director Integrated Care Division, Virginia Department of Medical Assistance Services

Patti Killingsworth, Assistant Commissioner and Chief of LTSS, Bureau of TennCare
Center for Health Care Strategies is a nonprofit policy center dedicated to improving the health of low-income Americans. It works with state and federal agencies, health plans, providers, and consumer groups to develop innovative programs that better serve beneficiaries of publicly financed care, especially those with complex, high-cost needs.

Manatt Health, a division of Manatt, Phelps & Phillips, LLP, is an integrated legal and consulting practice with over 90 professionals in nine locations across the country. Manatt Health supports states, providers, and insurers with understanding and navigating the complex and rapidly evolving health care policy and regulatory landscape.
Questions?

To submit a question online, please click the Q&A icon located at the bottom of the screen.

Answers to questions that cannot be addressed due to time constraints will be shared after the webinar.
Background & Context
Why Focus on LTSS?

- Medicaid is the single leading payer of LTSS for older adults and persons with disabilities, comprising one-third of program spending or $140 billion annually.

- Projected population growth among individuals age 65 and older — 18 percent by 2020 and doubling by 2060 — will only increase demand.

- State Medicaid programs are increasingly focused on identifying and implementing varied LTSS reform strategies to meet this demand.
Recent Trends in Medicaid LTSS Financing and Delivery

Innovator states have coupled federal and state investments with program design flexibilities to advance LTSS reforms in two key areas:

### REBALANCING
- Money Follows The Person
- Balancing Incentive Program
- New authorities (e.g., Community First Choice)

**Shift from 18 to 55 percent of LTSS delivered in community settings nationally since 1995**

### INTEGRATION
- Growth in use of Medicaid waivers for managed LTSS
- Financial Alignment Initiative (FAI) to promote Medicare-Medicaid integration

**More than 20 states have a program to integrate LTSS with other Medicaid (and in some, Medicare) services; up from 8 states in 2004**
Methodology

- This toolkit provides a targeted menu of existing state LTSS reform strategies

- Manatt Health and CHCS:
  - Conducted interviews with in 10 innovator states and Community Catalyst
  - Consulted with an advisory committee of national experts

- Two major categories of LTSS strategies:
  - Rebalancing Medicaid LTSS: Matching Care Settings to Individuals’ Needs
  - Advancing Integration of LTSS with Physical and Behavioral Health Services through Managed Care
Rebalancing Medicaid LTSS: Matching Care Settings to Individuals’ Needs
Historically, programs were 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
### STRATEGY 1: Develop LTSS System Infrastructure to Promote Greater Access to HCBS

**Impetus:** Expanding coverage, access, and use of HCBS depends on investments in LTSS infrastructure, access points, and workforce.

### STRATEGY 2: Invest in Programs and Services that Help Nursing Facility Residents Return to and Remain in Their Communities

**Impetus:** Nursing facility residents may be able to live safely in the community with appropriate supports, often at lower cost.

### STRATEGY 3: Expand Access to HCBS for “Pre-Medicaid” Individuals

**Impetus:** Providing limited LTSS to those at risk of needing nursing facility care may delay or prevent more expensive service utilization and keep individuals in their homes.
STRATEGY 1: Develop LTSS System Infrastructure to Promote Greater Access to HCBS

**Strategy Elements**
- Access to information and referrals
- One standardized assessment for all settings to create “one stop” entry point
- Direct care and informal caregiver workforce supports
- Development of person-centered care plan

**Examples of Implementation Mechanisms**
- Federal, state, or private foundation grant funding
- Section 1115 waiver authority
- State-based managed care contracting and state regulatory changes
- Pilot programs

**Results to Date**
- Reports on BIP success show expanded access to HCBS
- Some states are focused on sustainability planning as BIP funding ends

**Federal Program Example:**
The Balancing Incentive Program (BIP) provided eligible states with an increased Medicaid federal matching rate for community-based services. Under BIP, 18 states received a total of $2.4 billion to increase access to new or expanded services and infrastructure.

STRATEGY 1: Develop LTSS System Infrastructure to Promote Greater Access to HCBS

Key Lessons

- Understand LTSS infrastructure landscape to leverage existing systems
- Engage leadership across state agencies and other stakeholders early
- Collect program data and ensure staff capacity to analyze impact
- Develop robust sustainability plan for when current funding ends

Case Study: Massachusetts’ One-Stop Information and Referral Network

- Received $135 million in BIP funding in April 2014 and expanded access to HCBS via:
  - Expanded choice counseling through state’s Aging and Disability Resource Consortia (ADRCs)
  - Improved eligibility assistance through co-location of Medicaid eligibility counselors and ADRCs
  - Supported direct care worker training
- Created MassOptions, a single access point for entire LTSS system, which includes several community partners and provides free information via website, call center, and referral form
- HCBS spending as a share of LTSS expenditures rose from 45% in 2009 to 74% in 2017
### STRATEGY 2: Invest in Programs and Services that Help Nursing Facility Residents Return to and Remain in Their Communities

<table>
<thead>
<tr>
<th>Strategy Elements</th>
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<td>State investments in:</td>
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<td>» transition services</td>
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<td>» tenancy-sustaining services</td>
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<td>» affordable housing options</td>
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<tr>
<th>Examples of Implementation Mechanisms</th>
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<tr>
<td>Federal funding (MFP, Section 811 Housing and Urban Development)</td>
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<td>Tax credits</td>
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<td>Section 1915(c) and 1115 waivers</td>
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<td>State-based managed care contracting authority</td>
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<tr>
<th>Results to Date</th>
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<tr>
<td>Through MFP, states have transitioned 63,337 individuals from institutional settings</td>
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<td>Saved an estimated $204 to $978 mil.</td>
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<td>Senate bill proposed in Dec 2017 would renew and expand MFP</td>
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**Federal Program Example:**

Money Follows the Person (MFP) is a national demonstration to support transitions of Medicaid beneficiaries from facility-based to community-based care.

STRATEGY 2: Invest in Programs and Services that Help Nursing Facility Residents Return to and Remain in Their Communities

Key Lessons

- **Work collaboratively** with diverse stakeholders and non-traditional partners
- **Analyze data** to identify opportunities for specific populations
- **Provide pre-transfer services** in addition to tenancy-sustaining services
- Coordinate with state and local housing authorities and private developers to secure affordable housing

Case Study: Texas’ MFP Behavioral Health Pilot

- Created **MFP Behavioral Health Pilot** in 2008 to: integrate community-based behavioral health services into existing HCBS benefit for individuals with serious mental illness / substance use disorders
- As of 2017:
  - Transitioned **454 individuals**; more than two-thirds remain in the community today
  - Saved the state’s Medicaid program **$24.5 million**
- Overall, TX has transitioned more than **46,000 nursing facility residents** to the community with state- and federally-funded MFP programs
**STRATEGY 3: Expand Access to HCBS for “Pre-Medicaid” Individuals**

<table>
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<tr>
<th>Strategy Elements</th>
<th>Provide limited HCBS benefit packages to support at-risk individuals</th>
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<tr>
<td>Examples of Implementation Mechanisms</td>
<td>Section 1115 waivers</td>
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<tr>
<td>Results to Date</td>
<td>Vermont expanded access to HCBS for pre-Medicaid individuals while remaining budget neutral and achieving high program satisfaction</td>
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<td>Washington will track both individual and caregiver outcomes for both the new Medicaid Alternative Care and Tailored Supports for Older Adults benefits</td>
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<td></td>
<td>» State will also evaluate impacts to Medicaid expenditures</td>
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<td>» Implemented in September 2017</td>
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STRATEGY 3: Expand Access to HCBS for “Pre-Medicaid” Individuals

Key Lessons

- Engage providers, beneficiaries, legislators, and others early and often
- Use Medicare and Medicaid data to analyze nursing facility utilization and inform program planning
- Educate medical providers about person-centered care and the impact of HCBS

Case Study: Vermont’s Choices for Care 1115 Waiver Expands HCBS to At-Risk Group

- Maintained access to Medicaid LTSS for those who meet income and clinical criteria
  - Create a new moderate needs group for individuals who meet income requirements and are at “moderate” risk level of needing LTSS
  - Receive limited Medicaid LTSS services and care management
- VT reinvests system savings to better support community-based providers
- Medicaid LTSS users receiving HCBS increased from 30% in 2005 to 56% today
Perspective from Tennessee

Patti Killingsworth, Assistant Commissioner and Chief of LTSS, Bureau of TennCare
Advancing Integration of LTSS with Physical and Behavioral Health Services through Managed Care
About a third of states—up eight in 2004—operate a managed LTSS (MLTSS) program, seeking to:

- Reduce care fragmentation and improve health outcomes
- Deliver person-centered and community-based care
- Reduce overall program costs for LTSS populations

CMS recognized MLTSS in the Medicaid Managed Care Regulations in 2016, with new expectations for: beneficiary protections, stakeholder engagement, enrollment and care management supports, access and quality measurement

Heterogeneous state strategies focus on:

- Better coordination with physical and behavioral health, and social supports
- Diverse populations including those eligible for both Medicaid and Medicare and individuals with intellectual and developmental disabilities
Advancing Integration of LTSS: Overview of Strategies

**STRATEGY 1: Integrate Medicare-Medicaid Benefits for Dually Eligible Beneficiaries**

**Impetus:** Aligning Medicare and Medicaid service delivery, financing, and administration through one managed care plan may improve quality, minimize confusion for beneficiaries, and increase efficiency.

**STRATEGY 2: Integrate Comprehensive Care for Medicaid-Only Beneficiaries under Capitated Managed Care**

**Impetus:** Managed care may help reduce fragmentation, increase access to community services, and improve quality and lower costs.

**STRATEGY 3: Enroll Individuals with Intellectual and Developmental Disabilities in Managed Care**

**Impetus:** The expansion of managed care to special populations has prompted a few states to develop managed care programs for individuals with I/DD.
**STRATEGY 1: Integrate Medicare-Medicaid Benefits for Dually Eligible Beneficiaries**

<table>
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<tr>
<th>Strategy Elements</th>
<th>States align MLTSS programs with Medicare managed care products for dually eligible beneficiaries to streamline access to services, provider networks, and administrative processes</th>
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</table>
| Examples of Implementation Mechanisms | Financial Alignment Initiative  
| | Fully Integrated Dual Eligible Special Needs Plans (FIDE SNPs)  
| | Aligned MLTSS and D-SNPs through state Medicaid agency contracting  
| | Section 1115 waiver  
| Results to Date | Limited findings report lower emergency department and readmission rates, shorter hospital stays, increased preventive care utilization, some evidence of cost savings, and some improvements in client satisfaction  
| | Several implementation challenges to address prior to launch  

**Case Studies: Arizona and New Jersey – Two Paths toward Alignment**

- **Arizona** Long Term Care System (ALTCS) program requires all ALTCS Medicaid health plans to offer companion D-SNP and promotes aligned enrollment for dually eligible beneficiaries

- **New Jersey** required that D-SNPs qualify to be Medicaid health plans in 2012 and uses 1115 waiver authority to enroll dually eligible beneficiaries to FIDE SNPs if they select the same organization’s Medicaid health plan
### STRATEGY 2: Integrate Comprehensive Care for Medicaid-Only Beneficiaries under Capitated Managed Care

**Strategy Elements**

- Include LTSS populations and services in managed arrangements to create comprehensive benefit packages that cover physical and behavioral health services, and LTSS under a single capitated rate.

**Examples of Implementation Mechanisms**

- Section 1932 state plan amendment
- Section 1915(a), 1915(b), 1915(c) and 1115 waivers

**Results to Date**

- One survey of 12 MLTSS programs found in some states: (1) improvements in quality of life; (2) decreases in hospital stays and duration; (3) increases in non-emergency transportation utilization; (4) decreases in waiver wait list times; (5) improved access; and (6) more reliable budget predictability
- Some state consumer advocates report concerns with access to services

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**Case Study: Virginia’s Commonwealth Coordinated Care Plus Program**

- Launched statewide MLTSS program in August 2017, Commonwealth Coordinated Care Plus (CCC Plus)
- Built CCC Plus model on its financial alignment demonstration, Commonwealth Coordinated Care
- Requires CCC Plus plans to offer a companion D-SNP to give dually eligible beneficiaries the option to enroll in the same plan for Medicare services
STRATEGY 3: Enroll Individuals with Intellectual and Developmental Disabilities in Managed Care

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<tr>
<td>- Transition LTSS benefits into existing managed care programs</td>
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<td>- Create care coordination entities</td>
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<td>- Integrate LTSS with all services under new program</td>
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<th>Examples of Implementation Mechanisms</th>
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<tr>
<td>- Section 1115 waiver</td>
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<td>- Section 1945 health home state plan amendment</td>
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<th>Results to Date</th>
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<tr>
<td>- Preliminary, mixed results in a few states</td>
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<td>- AZ: high client satisfaction, improved health outcomes, eliminated waitlists</td>
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<td>- NY: high voluntary enrollment in managed care for individuals with I/DD</td>
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**Case Study: New York’s Integration Effort for Individuals with I/DD**

- New York’s State Department of Health is seeking an **1115 waiver to**:
  - Combine all 1915(c) habilitation services in a more flexible arrangement. Transition the I/DD population to mandatory managed care
  - Concurrently, New York Office for People with Developmental Disabilities is rolling out a new initiative through existing health home authority
Many Lessons from Integration-Focused Strategies Are Relevant Across States

- Conduct **ongoing, targeted** beneficiary, provider, state agency/legislative **stakeholder engagement**
- **Define program goals** and **collect baseline data** to track goals at the outset
- **Collect data to support program planning**, risk adjustment, monitoring, and evaluation
- **Dedicate sufficient resources** and time for careful planning, such as beginning program with voluntary phase-in
- Other lessons specific to different integration strategies:
  - **Medicare-Medicaid Benefits**: ensure state Medicare expertise; identify areas for state and federal program flexibilities; invest in behavioral health integration for individuals with these needs
  - **For individuals with I/DD**: Utilize data reporting and health information technology to engage and connect individuals and their families to providers
Perspective from Virginia

Tammy Whitlock, Director Integrated Care Division, Virginia Department of Medical Assistance Services
Advancing innovations in health care delivery for low-income Americans

Contact Us:

- Michelle Herman Soper, msoper@chcs.org
- Stephanie Anthony, Santhony@manatt.com
- Alexandra Kruse, akruse@chcs.org

Download the full toolkit at CHCS.org

Strengthening Medicaid Long-Term Services and Supports in an Evolving Policy Environment: A Toolkit for States

Founder: The SCAN Foundation and the Milbank Memorial Fund
Author: Stephanie Anthony, Avelle Taduli, Sarah Lewis, and Cindy Mann, Manatt Health, Alexandra Kruse, Michelle Herman Soper, and Stephen A. Soehner, PhD, Center for Health Care Strategies
December 2021 | Toolkit

Long-term services and supports (LTSS) enable more than 12 million people to meet their personal care needs and live with dignity and independence in a variety of community and institutional settings. With Medicaid LTSS expenditures of more than $140 billion annually, and the aging population projected to grow 18 percent by 2030, the increasing demand for LTSS is putting more pressure on Medicaid at both the federal and state levels.

This toolkit, developed with support from The SCAN Foundation and the Milbank Memorial Fund, provides a targeted menu of LTSS reform strategies adopted by state innovators that may be replicated by other states. It identifies concrete policy strategies, operational steps, and federal and state authorities that states have used to advance their LTSS reforms. It also highlights opportunities and challenges that states faced in designing and implementing reforms.
Conclusions

- There is no one-size-fits-all approach to LTSS reform — states start and move at different points and paces
  
  » However, most efforts advance incrementally

- Key lessons apply to most or all states:
  
  » Build and sustain beneficiary engagement and buy-in
  » Invest in administrative capacity — both people and data
  » Invest in federal partnerships
  » Cultivate executive and legislative leadership
  » Think long term — create and drive a vision that transcends administration and policy priorities

- Next steps: 2018 state learning collaborative and toolkit updates
Question & Answer
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