MACPAC

Draft Chapter: Managed Long-Term Services and Supports Programs

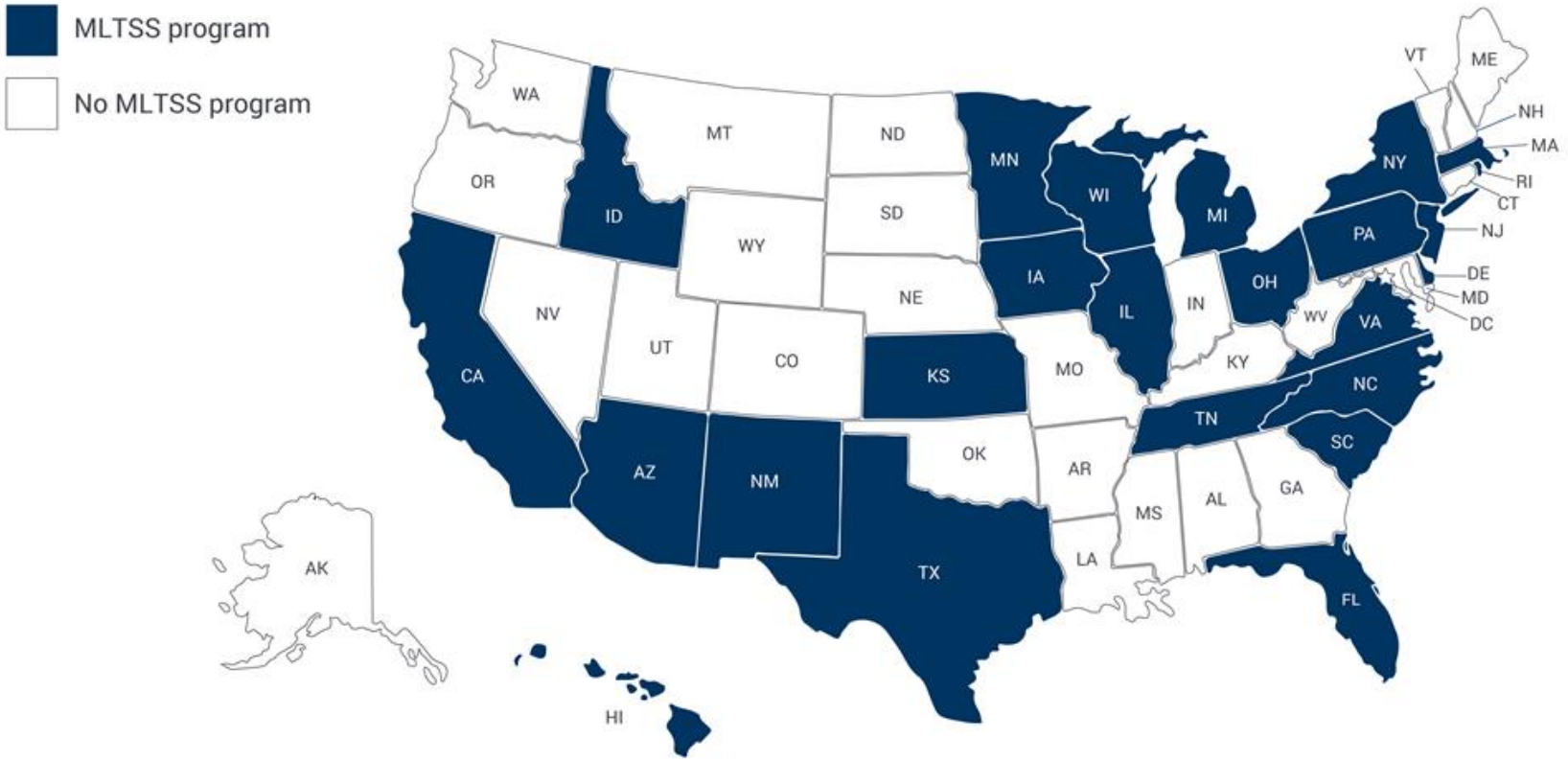
Medicaid and CHIP Payment and Access Commission

Kristal Vardaman

Background

- In fiscal year (FY) 2015, long-term services and supports (LTSS) accounted for almost a third ($158 billion) of Medicaid benefit spending
  - approximately 18 percent ($29 billion) of this was delivered through managed care
- As of January 2018, 24 states operate managed LTSS (MLTSS) programs
  - Up from just 8 states in 2004

States with MLTSS, January 2018



Source: MACPAC analysis of Lewis, E., S. Eiken, A. Amos, and P. Saucier. 2018. *The growth of managed long-term services and supports programs: 2017 update*. Ann Arbor, MI: Truven Health Analytics/IBM Watson Health. https://www.medicaid.gov/medicaid/managed-care/downloads/ltss/mltssp-inventory-update-2017.pdf.

LTSS Users

- LTSS users are a diverse group of individuals, spanning many ages, with different types of physical and cognitive disabilities
- State and federal policy makers have sought ways to manage LTSS spending while maintaining and improving beneficiaries' quality of care and quality of life
- MLTSS is one tool being employed toward these goals

Common Issues in Delivering LTSS

- Several principles are important for serving this population regardless of the delivery system (fee for service or managed care) chosen
  - self-directed care options
  - person-centered planning
  - the dignity of risk
- Common challenges include state capacity to meet demand for home and community-based services (HCBS) and workforce shortages

Reasons States Pursue MLTSS

- In a recent survey of 12 states with MLTSS, states reported that their goals included:
  - rebalancing LTSS spending (12 states);
  - improving beneficiaries' care experience by increasing care coordination to improve health and quality of life (12 states);
  - reducing or eliminating HCBS waiver waiting lists (6 states); and
  - providing budget predictability and potentially containing costs (7 states)

Medicaid Authorities Used to Implement MLTSS

- MLTSS programs can operate under several Medicaid authorities
- Managed care regulations apply to MLTSS
- In addition, CMS has codified guidance targeted to MLTSS programs and added specific MLTSS provisions to broader managed care regulations

Key Factors in MLTSS Implementation

- The mix of services and intense needs of LTSS users adds complexity to managed care
- Initial implementation of MLTSS, and later re-procurements, are critical periods
- CMS has stressed the importance of adequate transition planning to minimize care disruptions
  - many beneficiaries will need services on the day the MLTSS program begins

Key Factors in MLTSS Implementation

- States often include requirements to promote continuity of care
  - contract with any willing provider for period of time
  - requiring that plans pay fee-for-service rates
- Stakeholders have said a successful rollout of MLTSS is carefully planned, deliberate, and incremental
  - e.g., phasing in by geographic region or by LTSS subpopulation

Key Factors in MLTSS Implementation

- MLTSS represents a significant change in the delivery system for providers and requires appropriate training
- Stakeholder engagement of beneficiaries, their advocates, and providers is commonly cited as a key factor in successful transitions to MLTSS
- Payment policy is important in determining the financial viability of MLTSS plans

Setting Capitation Rates and Payment Incentives

- LTSS users' needs can be difficult to predict
- Functional assessment data can contribute to risk-adjusted rates, but many factors may drive costs
- Many state contracts incentivize rebalancing by paying a blended capitation rate that assumes a certain mix of HCBS and institutional care

Care Coordination

- Key element of MLTSS programs
- Care coordinators are typically nurses or social workers who either work for a plan or a community-based organization that contracts with the plan
- Care coordination also enforces principles important to delivering LTSS
- Within state requirements plans have flexibility to use a variety of approaches

MLTSS Outcomes and Oversight

- There have been few rigorous research studies on MLTSS
  - partially due to a lack of baseline data
- State reports show some evidence of successes, but a lack of standardized outcome measures limits comparisons across states
  - such measures need to be appropriate for the LTSS population and address beneficiaries' experiences

Progress in HCBS and MLTSS Measure Development

- Experience of Care Survey testing completion
- National Core Indicator surveys on beneficiary quality of life and outcomes
- National Quality Forum identification of domains for HCBS quality measure development
- CMS released technical specifications of four MLTSS quality measures, more in testing phase
  - CMS has not indicated that it will require implementation and reporting of these measures

Federal Oversight of MLTSS

- Increasing attention is being paid to federal oversight
- GAO recently found that five of six state MLTSS programs' payment rates supported rebalancing, but most states did not link payments directly to performance
- GAO has also found inconsistencies in CMS reporting requirements for key elements of MLTSS programs across states

Tailoring LTSS for Individuals with IDD

- State programs are increasingly expanding their scope to include services for individuals with intellectual and developmental disabilities (IDD)
- Draft chapter reviews key findings of MACPAC-contracted research (shared at March meeting)
  - most frequent contract requirements specific to IDD related to training of care coordinators
  - stakeholder engagement emphasized by interviewees, including ongoing activities beyond the implementation period

Integrating Care for Dually Eligible Beneficiaries

- States use several strategies to integrate care for dually eligible beneficiaries
  - Financial Alignment Initiative
  - alignment of managed care (including MLTSS) with Medicare Advantage dual-eligible special needs plans (D-SNPs)
- Alignment with D-SNPs occurs on a continuum
  - e.g., states may require MLTSS plans to offer a companion D-SNP
- D-SNP authority now permanent; removal of uncertainty may prompt more state interest

Next Steps

- How are states aligning MLTSS with D-SNPs to integrate care for dually eligible beneficiaries?
- How do the federal government and states oversee MLTSS programs?
- How do the costs and quality of MLTSS compare to LTSS delivered under fee for service?
- How do different state design decisions influence outcomes?
- How do plans manage care and costs?

MACPAC

Draft Chapter: Managed Long-Term Services and Supports Programs

Medicaid and CHIP Payment and Access Commission

Kristal Vardaman