

A Strong Foundation for System Transformation

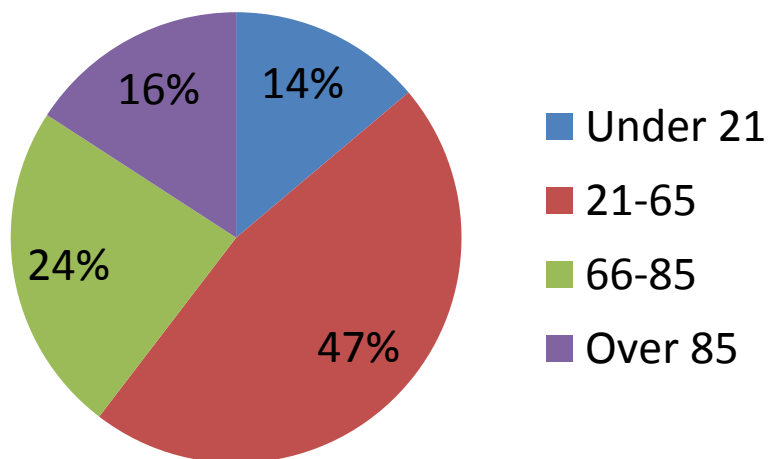
Disabled and Elderly Health Programs Group
Center for Medicaid, CHIP and Survey & Certification
Centers for Medicare & Medicaid Services



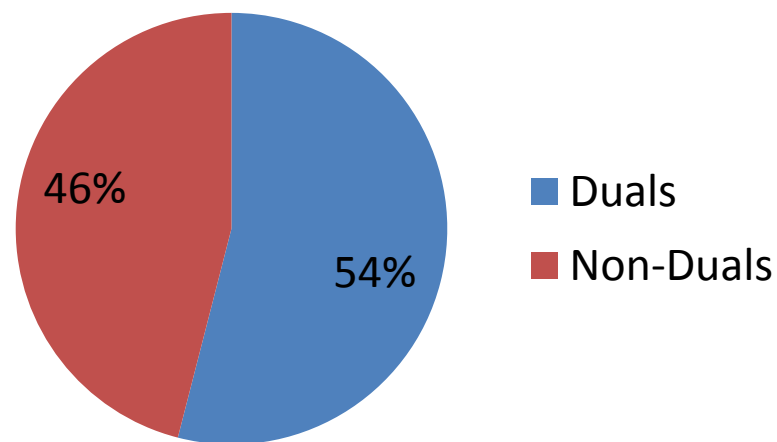
April 7, 2011

Top 5% in Medicaid Expenditures

Age



Duals vs Non-Duals



Source: CMS Analysis of MSIS data FY2008

The Current Landscape: Medicaid LTC

- LTC = 32% of total Medicaid spending, \$115 b 2009
- Institutional LTC (NFs) still the entitlement, though the Americans with Disabilities Act (ADA) makes it a civil right for individuals with disabilities to receive public services in most integrated community setting

Source: Thomson Reuters, Medicaid Long-Term Expenditures in FY 2009

Provisions of The Affordable Care Act

- Supports most integrated setting appropriate
 - Offers new option for integrating and linking services for complex, high cost populations
 - Offers new or improved HCBS State Plan options
 - Offers enhanced FMAP to help states modify delivery systems

Provisions of The Affordable Care Act:
**Section 2703: Health Homes for Individuals
with Chronic Conditions**

- Option for individuals with multiple chronic conditions or Serious Mental Illness effective January 1, 2011
- Coordinated, person-centered care
- Primary, acute, behavioral, long term care, social services = whole person
- Enhanced FMAP (90%) is available for the health home services (first 8 quarters)

The Affordable Care Act (ACA) opens MFP to more States

- Extends and expands MFP through 2016
- Offers States substantial resources and additional program flexibilities to remove barriers
- Enhanced FMAP for community services for first year following transition from facility
- 43 States and the District of Columbia now participating in the demonstration

Provisions of The Affordable Care Act: Section 2402: Removing Barriers to HCBS

- Section 1915(i) established by DRA of 2005
- State option to amend the state plan to offer HCBS as a state plan benefit; does not require institutional LOC
- Modified under ACA effective October 1, 2010 to allow comparability waivers, add “other services”
- States cannot waive statewideness or cap enrollment

Provisions of The Affordable Care Act: Section 2401: Community First Choice Option

- Adds Section 1915(k)
- Optional State Plan benefit to offer Attendant Care and related supports in community settings, providing opportunities for self-direction
- Does not require institutional LOC under 150% FPL
- Includes 6% enhanced FMAP

Provisions of The Affordable Care Act: Section 10202: Balancing Incentive Program

- Effective October 1, 2011
- Enhanced FMAP to increase diversions and access to HCBS
 - 2% if less than 50% LTSS spending in non-institutional settings
 - 5% if less than 25% LTSS spending in non-institutional settings
- CMS Guidance and Application targeted for mid-2011

Dual Eligibles

- Federal Office of Coordinated Health Care
- Demonstrations - \$1 million to up to 15 states to design integrated models (including shared savings)
- Supported by Center for Innovations
- Health homes and MCOs/SNPs models for dual integration

CMCS Assistance to States

- Continuing serious budget concerns for States
- Secretary Sebelius' letter to Governors - committed to help States implement effective cost control
 - Modify benefits
 - Manage care for high cost enrollees
 - Purchase drugs more effectively
 - Assure program integrity

LTSS System Transformation

- A key element of effective cost management
- Key to State compliance with obligations under Olmstead/ADA
- CMCS will offer TA to leverage ACA and other available tools of transformation
- Sec. 1115 waiver template to put HCBS first
- Guidance on managed care for persons living with chronic and disabling conditions

SMDs and Regulations

Medicaid Prescription Drug Rebates SMD 10006,SMD 10019

Community Living Initiative (Olmstead Tool Kit) SMD 10008

Money Follows The Person Extension SMD 10012

1915(i) SMD 10015

Concurrent Hospice Care for Children SMD 10018

**5yr Approval or Renewal Period for Certain Medicaid Waivers
SMD 10022**

**Health Homes for Enrollees with Chronic Conditions SMD
10024**

Code of Regulations Rx AMP Withdrawal Reg CMS-2238-P2

Additional Information

CMS: Community Services and Long-Term Supports

 http://www.cms.gov/CommunityServices/01_Overview.asp#TopOfPage

State Medicaid Director Letters

 <http://www.cms.gov/SMDL/SMD/list.asp#TopOfPage>

MFP Technical Assistance Website

 <http://mfp-tac.com/>