

MEDICAID TRENDS

2010 ADD TA INSTITUTE:

PATHWAYS TO FUTURE PARTNERSHIPS

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Current & Future Drivers

- Legislation: DRA, CHIPRA, Health Care Reform
- Quality Measurement
- Meaningful Use/Evidence-based Decision Making
- Pay for Performance
- HIT-HIE
- Medical Health Records, Personal Health Records
- Managed long term care
- Transparency
- HCBS, Deinstitutionalization
- Integration Across Service Delivery Systems
- New Provider Models: Accountable Care Organizations, Medical/Health Homes
- Focus on New & Creative Ideas to Meet Future Demands and Challenges (MFP, other grants to demonstrate new models)

Centers for Medicare & Medicaid Services

- Administers the Medicare, Medicaid, and State Children's Health Insurance Programs

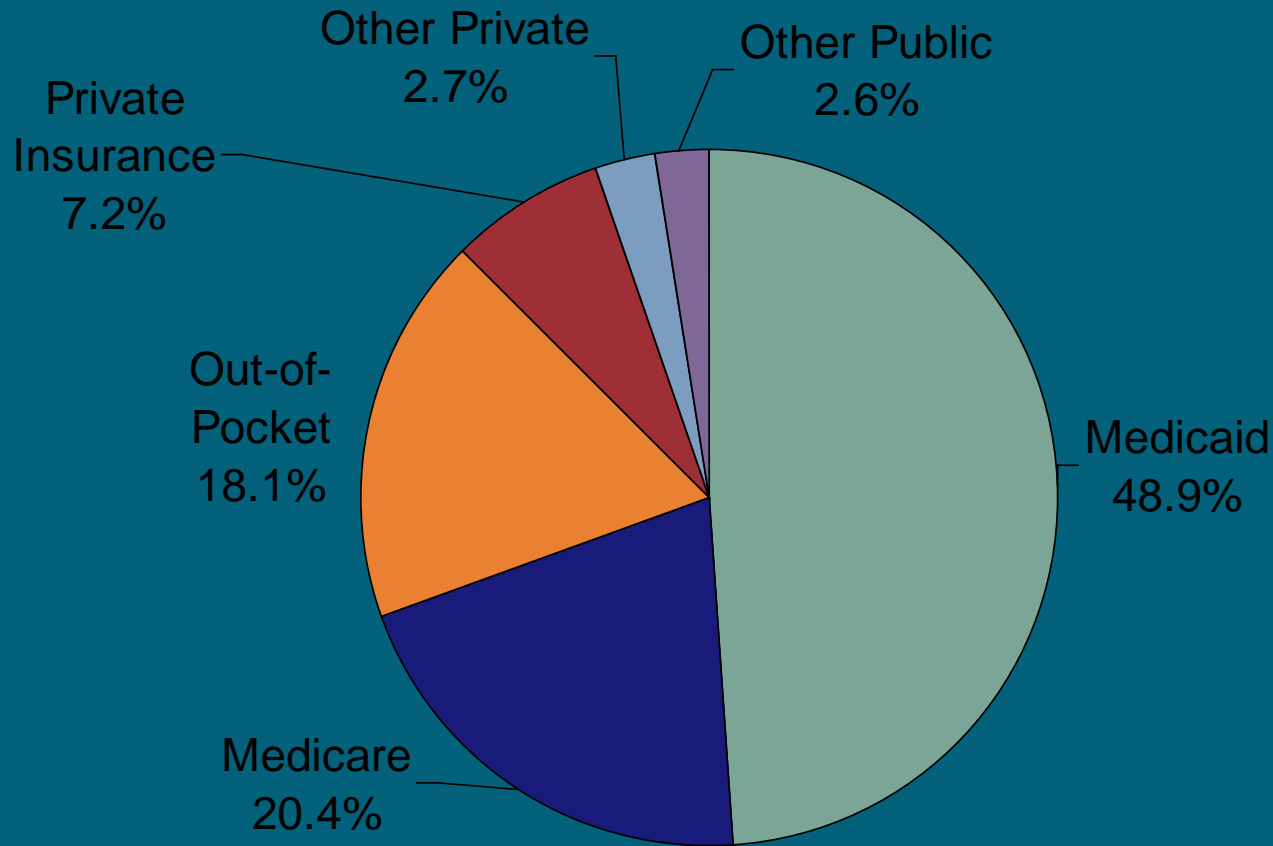
CMS' Mission

- To ensure effective, up-to-date health care coverage and to promote quality care for beneficiaries

CMS' Vision

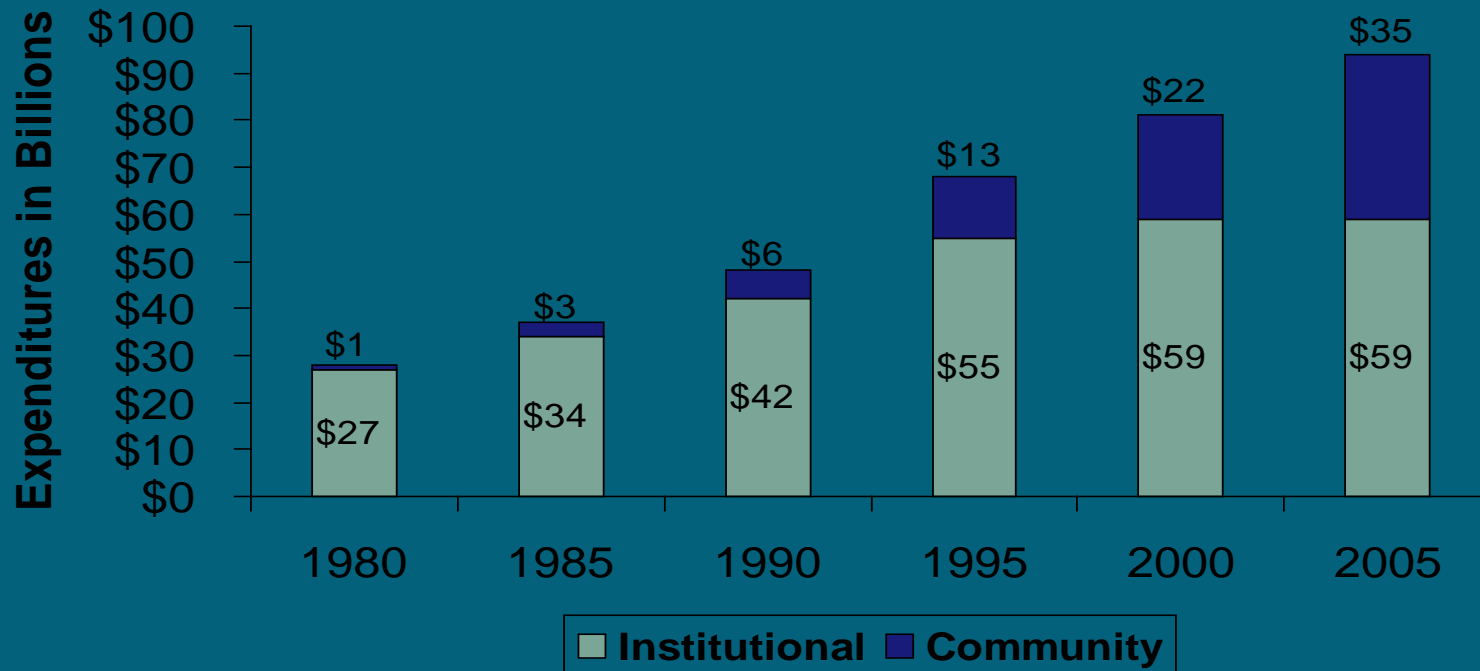
- To achieve a transformed and modernized health care system
- CMS will accomplish this mission by continuing to transform and modernize America's health care system

LTC Expenditures by Payer: United States, 2005



Source: Georgetown University Long-Term Care Financing Project

Medicaid Institutional and Community-Based Expenditures in 2005 Dollars: FFY 1980-2005



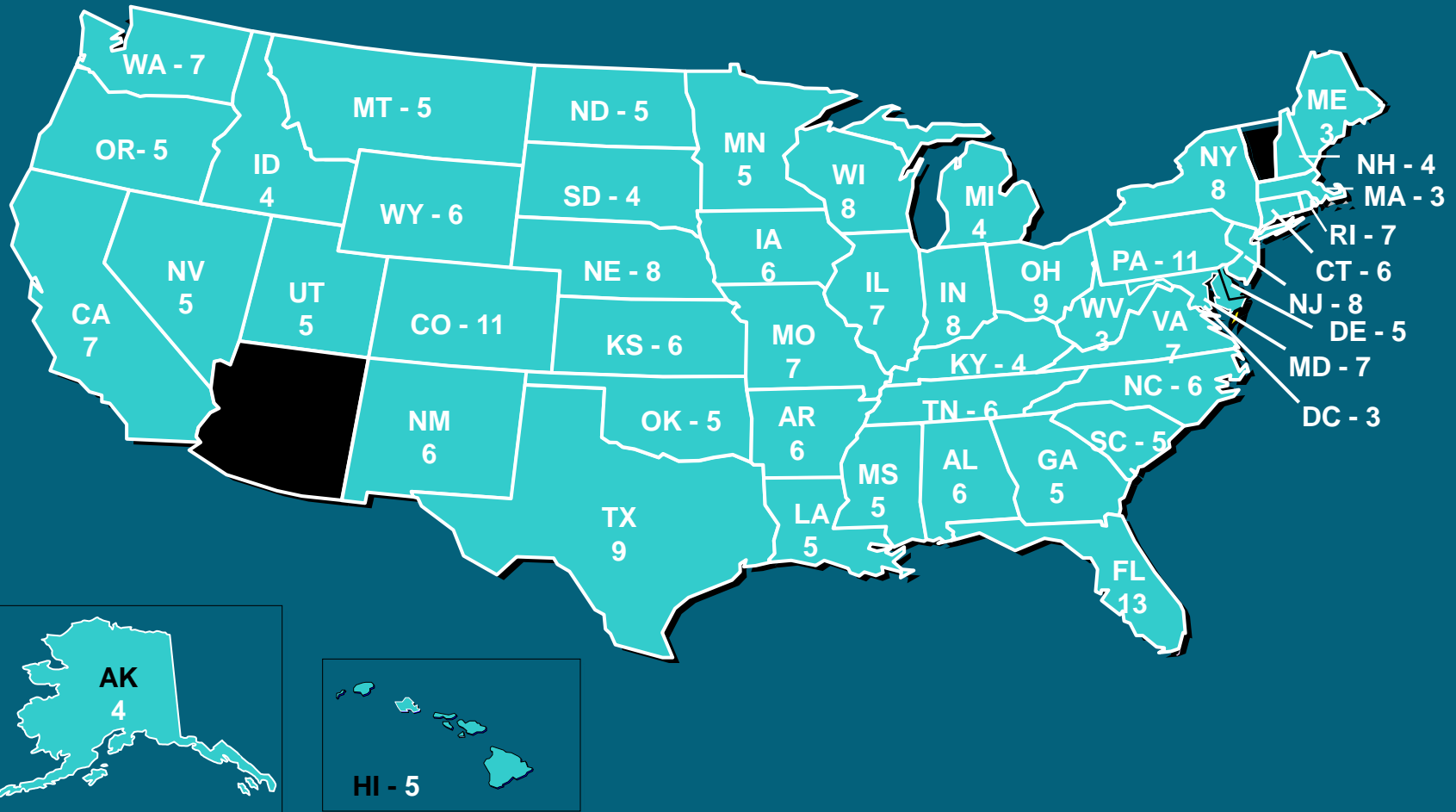
Source: CMS Form 64 Reports, adjusted for price increases based on the Skilled Nursing Facility Input Price Index.

HCBS WAIVERS

National Overview

- 300 Waiver Programs
- More than 1 million participants
- More than \$23 Billion
- 7.5% of total Medicaid spending
- 37% of all Medicaid long-term services spending
- 67% of all Medicaid community service spending

Number of Active HCBS Waivers Per State



Arizona and Vermont provide similar services as part of Research and Demonstration Waivers.
 Source: Medstat review based on CMS Waiver and Grant Management Database (WGMD); CMS 64 Reports; and Medstat review of state and CMS Web sites

Creative Medicaid Funding for Long Term Care & Family Support: Mixed HCBS Authorities

MEDICAID LONG TERM CARE

INSTITUTIONS

HCBS



MANAGED CARE

- 1915(a)
- 1915(b)
- 1932(a)
- 1115 Demos
- PACE



FEE FOR SERVICE

- 1915(c)
- 1915(i)
- 1115 Demos



COMBO

- 1915(b)(c)
- 1915(a)(c)
- 1115

MANAGED CARE OPTIONS in LTC

- Voluntary or mandatory enrollment
- Statewide or limited geographic areas
- Selective Contracting with providers (limit provider choice to certain groups of providers)
- Option to provide additional service through savings
- Cost effectiveness (1915b)
- Renewal options

FEE FOR SERVICE LTC

1915c

- 1905(a) HCBS services plus “other”
- Can waive state-wideness
- Can limit number of participants
- Can target population groups
- Freedom of choice of providers
- Institutional LOC criteria
- Renewal options
- Cost neutrality

1915i

- 1905(a) HCBS services only
- Can waive state-wideness
- Can limit number of participants
- Freedom of choice of providers
- Needs-based criteria
- No renewal
- No cost neutrality

CREATIVE USE OF MEDICAID AUTHORITIES: Combining Financing Methods and/or Primary/LTC

SYSTEM BARRIERS

- Complex
- Mix and match
- Administratively cumbersome: Work around to realize optimal program

SYSTEM BENEFITS

- Allows flexibility through a variety of options
- Challenges States to Become familiar with statutory nuances
- Enables cost management along with FFS benefits
- Health Care Reform and Section 1915i offers some help

Concurrent 1915(b)(c) Waivers

Operate in:

- Florida (LTC),
- North Carolina (MI),
- Michigan (MI, SA, DD),
- Wisconsin (LTC),
- New Mexico (MI),
- Texas (LTC),
- Kansas (children with MI),
- Minnesota (LTC, TBI)

1115 DEMONSTRATIONS – LTC & MANAGED CARE

- Many states are using the 1115 managed care authority to integrate primary/acute health care and long term care under one program.
- Managed Care Demonstration allows states to use incentives , bring institutional and HCBS costs under one program.
- Incentives are for a community-based bias when rates are capitated with state/provider risk.

1115 DEMONSTRATIONS – LTC & MANAGED CARE

Recent Examples:

- Vermont
- Rhode Island
- Tennessee
- Hawaii

PACE

Program of All-Inclusive Care for the Elderly

Key Components

- Focus on Frail, Nursing Home Eligible Population
- Comprehensive Medical and LTC Services
- Integrated Team Management Care
- Integrated Medicare and Medicaid Financing
- Provider Assumption of Financial Risk
- <http://www.cms.hhs.gov/pace/>



What services do participants receive?

- All Medicaid-covered services in State Plan
- All Medicare-covered services in Part A, Part B, and Part D



RECENT LEGISLATION

DRA: DEFICIT Reduction Act

HCBS Measures Mandate

- Quality of Care Measures
 - Section 6086(b) of the DRA
- Directs AHRQ, in consultation with stakeholders to:
 - *develop indicators/measures...with respect to HCBS offered under State Medicaid programs.*
- Directs the Secretary to:
 - Use measures to assess outcomes (including “**health & welfare**”) and overall system
 - Make available best practices and comparative analysis of the system in each state
- By September 2010 and for **\$1 million**

DRA HCBS Measures Mandate: Project Concept & Plan

- Goal – assess the “health and welfare” of HCBS participants
- How:
 - Data source: hospital inpatient (claims/encounter) data - used as a window into the community
 - Based on “tweaking” AHRQ developed/NQF endorsed measures
 - Uses the established AHRQ quality indicator (QI) development process

DRA-HCBS Data Sources

- Medicaid Analytic eXtract (MAX) 2005 use to:
 - Create the denominator of all types of HCBS populations
 - For Medicaid only HCBS populations, the numerator for the indicators (version 1) (derived from hospital inpatient claims/encounter data)
 - Identify important HCBS sub-population (ID/DD, elderly, etc.) for risk adjustment/stratifications and validation efforts
- Medicare 2005
 - For the dually eligible, create the numerator for the indicators (version 1) (derived from hospital inpatient FFS claims)

ARRA: Recovery Act

- Incentives for Meaningful HER Users
 - 100% FMAP for eligible providers who purchase, implement, and operate certified EHRs;
 - 90% FMAP for associated State Admin expenses
- HIT-HIE

CHIPRA

- Covers all children under CHIPRA and Medicaid
- Incentives
- Pediatric Quality Measures
- Electronic Health Records
- Reporting
- Outreach Grants
- Quality Demonstration grants

HEALTH CARE REFORM: Medicaid Long Term Care Provisions

- Community First Choice
- Changes to 1915(i) HCBS as a State Plan Benefit
- Extend Money Follows the Person demonstration
- Improved protection against spousal impoverishment
- Increased funding for ADRCs
- Sense of the Senate regarding LTC
- Integration opportunities for Medicare-Medicaid

HEALTH CARE REFORM

- Quality:
 - National Strategy for Quality Improvement in Health Care: *potential for improving the health outcomes, efficiency, and patient-centeredness of health care for all populations, including children and vulnerable populations*
 - Adult Health Quality Measures: establishment of a Medicaid Quality Measures Program
 - Interagency Work group on Health Care Quality
 - Convene Multi-stakeholder Groups to provide input on quality measures

HEALTH CARE REFORM

- Increase oversight
- Support Comparative Effectiveness Research
- Improve care coordination for dually eligible individuals (new Office within CMS)
- CLASS Act
- HCBS Balancing Incentives
- Workforce

FOR MORE INFORMATION:

- Senate bill: http://dpc.senate.gov/dpcdoc-sen_health_care_bill.cfm.
- Reconciliation bill:
http://www.rules.house.gov/111_hr4872_secbysec.html

OTHER FEDERAL INITIATIVES

Community Living Initiative Activities

- Formation of HHS Coordinating Council led by the Office on Disability
- Community forums across the country
- Cross agency collaboration
- Comments and questions may be sent to Community.Living@hhs.gov

Open Government Initiative

- 01/21/2009: President Obama signed his first Executive action, the Open Government Memorandum
 - Government should be transparent.
 - Government should be participatory.
 - Government should be collaborative.
- CMS is committed to fulfilling the goals of the Open Government Initiative and recognizes the importance of collaboration and partnership to the success of our programs.

OPPORTUNITIES FOR UCEDDS

POTENTIAL UCEDD CONTRIBUTIONS

Integrate Efforts to Increase Impact:

- Unify Priorities Across ADD Agencies in concert with the State's Medicaid and DD Agencies
- Join Forces with Other State and ADD Entities to Realize Synergy of Efforts : Re-Teach supportive/educational model over sanction approach
- Integrate ADD Agency Efforts to Provide a National Focus on LTC and Disabilities

Use Expertise of UCEDDS to Advance Quality Agenda

- Advance quality improvement & oversight practices
- Provide expertise & staff training on basic research practices: sampling, survey administration, methods for collecting and reporting data
- Assist in development of QI processes and measures – face validity, creation of needed measures at the local level, analysis of trends, aggregation and development of activities to improve performance; meaningful use

POTENTIAL UCEDD CONTRIBUTIONS

Use Expertise of UCEDDS to Advance Quality Agenda (CONT.)

- Report on Best Practices and Their Impact;
- Develop strategies to Integrate Information Across Service Delivery Systems and the Life Span of Service Beneficiaries
- Provide Process Expertise
- Conduct Look-Behind Quality Activities for State Medicaid Agencies
- Use Powerful Administrative Databases to Understand Information and Create Linkages /Correlations (Medicare and Medicaid Claims)
- Needs Surveys – Help State Know Its Constituency and Work With DD Councils to Advocate for Improved Services

POTENTIAL UCEDD CONTRIBUTIONS

Planning : help states plan for the future – analyze and assess impact of new legislation, work across ADD Agencies to Set Future Agendas

Training: Develop Written Manuscripts and Training Curricula, Train the Trainer seminars on key topics

POTENTIAL UCEDD CONTRIBUTIONS

Research:

- Needed Research & Evaluations - Health Disparities, HCBS Provider Compare; Transparency for Beneficiaries
- Families and Caregivers
- Effectiveness Research in LTC: Better Understand Outcomes, Quality of Care and Processes
- Meaningful Use - How to Use Information Once We Have it
- Provide Research on Comparative Interventions/Measures, Reliability Testing of Implementation Strategies to Improve Quality

POTENTIAL UCEDD CONTRIBUTIONS

Meaningful Use – How Can HCBS Providers Participate in This Effort?

- Health Information Technology- Health Information Exchange
- Electronic and Personal Health Records
- How can HCBS Providers Participate in the Health Information Exchange and Incentives: Participation in the Primary Health Care Effort
- What Information Is Crucial to People Receiving HCBS LTC?

POTENTIAL UCEDD CONTRIBUTIONS

- Scope:

- Understand the Larger Picture in Which the DD System Exists – LTC, Health Care
- Consider How Your Efforts Can Have an Impact Across Those with Similar Needs: Labeling Can Artificially Segregate Those with Similar Needs

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