CMS Health Reform Updates and Trends in LTSS

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DEHPG: Vision

An effective, sustainable health care system that promotes independence, positive outcomes and quality of life through person-centered services and supports.

- Continued LTSS System Transformation
- Effective Integration of Services
- Promotion of Strong Quality Principles
Key HCBS Milestones

1980s
• Establishment of the Medicaid HCBS Waiver Program

1990s
• The American with Disabilities Act
• The Ticket to Work and Work Incentives Improvement Act
• Olmstead Decision

2000s
• Real Choice Systems Change (RCSC) Grants
• New Freedom Initiative
• Deficit Reduction Act of 2005
• Affordable Care Act of 2010
Growth in Long-Term Care Spending

Percentage of Medicaid LTSS Spending for Institutional Care versus Home and Community-Based Services (HCBS), United States

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<thead>
<tr>
<th>Year</th>
<th>HCBS</th>
<th>Institutional</th>
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<tbody>
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Trends in Medicaid

- Continuing fiscal pressures for Governments
- Long-term care & chronic care expenditures continue to dominate Medicaid spending
- Significant trend toward integrated care delivery for individuals needing LTSS
- Integration of MH/SUD/Physical Health Care/LTSS
- Administrative simplification
- Improved Quality/Lower Cost – Better Value
Trends Influencing LTSS System Reforms

- Olmstead/ADA Enforcement
- Long-term care & chronic care expenditures continue to dominate Medicaid spending
  - Managed LTSS
  - Integration of primary, acute, MH/SUD, LTSS
- Affordable Care Act: new options, new funding for LTSS system reforms
Partnering with States to Achieve a High Performing Medicaid Program

Moving from a safety net program

To a full partner in the health care system

Ensuring better care, better health, lower costs
Efforts underway to implement new opportunities created under the Affordable Care Act
- Health Homes for Individuals with Chronic Conditions
- Community First Choice State Plan Option
- Balancing Incentive Program

Expansion and increased flexibility of current Medicaid programs
- Money Follows the Person
- 1915(i) State Plan Option
Health Homes for Individuals with Chronic Conditions

- New services and service delivery models 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 health home services (first 8 quarters)
Health Homes for Individuals with Chronic Conditions

- 17 Approved Health Home Models in 12 states
  - Missouri (2);
  - Rhode Island (2);
  - New York (3);
  - Oregon (1);
  - North Carolina (1)
  - Iowa (2)
  - Ohio (1)
  - Idaho (1)
  - Maine (1)
  - Wisconsin (1)
  - Alabama (1)
  - Washington (1)
Community First Choice Option

- Optional State plan benefit to offer attendant care and related supports in community settings
- Provides additional opportunities for self-direction
- Includes 6% enhanced FMAP
- NPRM published February 2011; Final rule published May 2012
- California and Oregon are the first states to elect to offer CFC.
Balancing Incentive Program

- Enhanced FMAP to increase diversions and access to HCBS, effective October 1, 2011 through September 2015
  - 2% if less than 50% LTSS spending in non-institutional settings
  - 5% if less than 25% LTSS spending in non-institutional settings
- SMD letter and application published September 12, 2011
- User Manual released October 14, 2011
Balancing Incentive Program

16 States approved

- New Hampshire
- Maryland
- Georgia
- Mississippi
- Missouri
- Iowa
- Texas
- Indiana
- Arkansas
- Connecticut
- Illinois
- Maine
- Ohio
- Louisiana
- New Jersey
- New York
Money Follows the Person

- Affordable Care Act extends and expands through 2016
- Offers States substantial resources and additional program flexibilities to remove barriers
- 44 States plus District of Columbia participate
- More than 31,000 transitioned from institutional settings to home and community based settings
- Enhanced match used to build HCBS capacity and create infrastructure necessary to help sustain rebalancing long-term care systems
Section 1915(i) established by the 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 the Affordable Care Act effective October 1, 2010 to allow comparability waivers, add “other services”
States cannot waive statewideness or cap enrollment
12 States have elected this option; 5 since ACA
Standardizing Across Authorities

- Final regulations 1915(k) - Community First Choice
- NPRM 1915 (i), including proposed characteristics for Home and Community Based Services settings
- NPRM 1915(c)
  - Assessment of need
  - Person-centered planning
  - Self-direction
  - Quality requirements
  - Etc.
LTSS Priorities: System Transformation

- ADA/Olmstead
- HCBS Characteristics
- Affordable Supportive Housing
- Competitive Employment
- Personal Supports
- Person-centered/Consumer directed
- Quality MLTSS
Multi-year effort to define the essential elements that determine whether a setting of care is “home or community-based” for Medicaid LTSS

Four public comment periods and significant federal partner engagement provided input to proposed final “characteristics” regulations for 1915 (c), (i) and (k).
Federal Olmstead Focus

- Department of Justice enforcement efforts – 40 matters in 25 states in recent years
  - Settlement agreements
  - Litigation
  - Findings letters

- HHS Office of Civil Rights
  - Complaints
  - Investigations

- HHS-HUD-DOL-VA-DOJ Collaboration on policy and technical assistance
Housing

❖ Housing Capacity Building Project
   ➢ HHS/CMS collaboration/partnership with HUD to assist federal, state and local agencies and community partners to create effective/efficient coordination between housing and human service agencies.
   ➢ Activities include training, regional meetings/training, intensive TA, etc.

❖ Housing Informational Bulletin – June 2012
Employment

- September 16, 2011 Informational Bulletin – *Updates to the 1915(c) Waiver Instructions and Technical Guide regarding employment and employment related services*

- Represents a two-year effort to provide clarification of existing CMS guidance on development and implementation of §1915 (c) Waivers regarding employment and employment related services.

- Reinforces CMS’ commitment to the importance of competitive work for people with and without disabilities and our goal to promote integrated employment options through the Waiver program.
Managed Long-Term Services and Supports

- Opportunity for service and system improvement
- Significant trend toward integrated care delivery for individuals needing LTSS
- States with MLTSS has grown from 8-16 from 2004 through 2012
Managed Care

States with MLTSS has grown from 8 to 16 from 2004-2012

Source: Truven – Health Analytics - The Growth of Managed Long-Term Services and Supports (MLTSS) Programs: A 2012 Update
Published in Informational Bulletin issued May 21, 2013

Elements will be used to guide review and approval of MLTSS programs using section 1115 demonstration and 1915(b) managed care authorities paired with long-term care authorities.

Standard Terms and Conditions (STCs)/performance requirements will be developed and added to all new MLTSS waivers.
MLTSS Essential Elements

- Adequate planning and transition strategies
- Stakeholder engagement
- Enhanced provision of HCBS
- Alignment of payment structures with MLTSS programmatic goals
- Support for beneficiaries
- Person-centered processes
- Comprehensive and integrated service package
- Qualified providers
- Participant protections
- Quality
Quality management systems should include standards and processes to ensure that:

- **Adequate safeguards** are built into the design of the MLTSS to increase the probability of good outcomes.
- Standard methods are used to define and **measure the quality of services and outcomes**.
- Credible **data and information are routinely collected and analyzed** to assess program performance and identify opportunities for improvement.
- Performance is improved based on the use of **evidence-based practices**.
Informational Bulletin & Guidance


Additional tools for States posted as well:

- An issue brief addressing incorporation of traditional HCBS providers into MLTSS programs.
- Other reports and recommendations from stakeholders
Tutorial for States and CMS on managed long-term services and supports, and supports for community integration


Technical Assistance Center for States on Medicaid Managed Care

- Informational Bulletin – April 12, 2013
- http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Delivery-Systems/Managed-Care/Request-Managed-Care-Technical-Assistance.html