Session 90 PD, The Latest in Medicaid Long Term Supports and Services

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This presentation is based upon work that was performed while employed by the State of Hawaii, Department of Human Service, MedQUEST Division. The information presented does not represent the opinion of the State of Hawaii nor current employer Kaiser Permanente.
MEDICAID

- Federal-State partnership medical coverage for low-income state residents
- Under Social Security Act (SSA)-Titles XIX and XXI (in some states)
- Administered by Centers for Medicare & Medicaid Services (CMS)
- Financing opportunities for LTSS include:
  - State Plan Amendments- 1915 (i) and 1915(j)
  - Waivers- 1115 demonstration waiver, 1915 (b), 1915 (c), and 1915(k)
- Every state in different place with LTSS implementation
Information:
8 primary islands
Population: 1.45 million
Approximately 65% of state lives on Oahu
7 of 8 islands are rural...2 islands with no Medicaid service providers (Ni’ihau and Kaho’olawe)
Medicaid in Hawaii

- Each State has a different Medicaid program based upon needs of their residents.
- Hawaii’s program is called QUEST Integration or QI.
- Almost 100% of Medicaid beneficiaries in QI.
- Capitation payments to health plans for healthcare services.
- Managed care in place almost 23 years (since August 1, 1994).
- Approximately 356,000 beneficiaries- 1 in 4 Hawaii residents.
BASIC FACTS

- Hawaii runs Medicaid program under a 1115 waiver
  - Long term services and supports (LTSS)
  - Managed care
- CMS approval for federal funds:
  - State Plan Amendment
    - Details
    - Supports nursing facility services
  - Waiver from Social Security Act (SSA)
    - Broad
    - Supports Home and Community Based Services (HCBS)
- Hawaii’s 1115 waiver recognizes the state plan
### History of Medicaid in Hawaii

<table>
<thead>
<tr>
<th>Medicaid =</th>
<th>QUEST</th>
<th>QExA</th>
<th>QI</th>
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<tbody>
<tr>
<td>QI = QUEST + QExA</td>
<td>- Started 1994 - primary &amp; acute care, and behavioral health through managed care plans</td>
<td>- Started 2009 - ABD into managed care health plans</td>
<td>- 1/15 - Combine QUEST and QExA to QI program. Health Plans to provide primary &amp; acute care, behavioral health and LTSS across all eligibility categories</td>
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<tr>
<td>- Authority- 1115 waiver</td>
<td>- Primary &amp; acute care, behavioral health, and LTSS through managed care plans</td>
<td>- Separate program from QUEST</td>
<td>- Goals:</td>
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<td>- Aged (65 or older), Blind, Disabled (ABD) received all services through FFS (including LTSS)</td>
<td>- Managed care delivery system to provide service coordination, outreach, improved access, enhanced quality over FFS</td>
<td>- Improve health outcomes by integrating programs and benefits</td>
<td>- Streamline care for when health status change</td>
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<td>Quality care</td>
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<td>- Minimize admin burdens</td>
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<td>Universal access</td>
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LTSS: Hawaii Medicaid program

• Pre-managed care
  o Fee for service model
  o State Plan Nursing Facility benefits
  o Five 1915(c) waivers for home and community based services (HCBS)
  o Established silos- unable or slow to move within the system

• Post-managed care
  o All LTSS in one managed healthcare plan (except one 1915(c) waiver for individuals with Developmental/Intellectual Disabilities (DD/ID)
  o Smoothed movement from:
    o Community to nursing facility
    o Nursing facility to HCBS
    o Community to HCBS
    o HCBS or nursing facility back to community
Complexity of LTSS population

Complexity of the LTSS population

• Change of circumstances
  • Health
  • Unable to care for self anymore
  • Unable to care for each other
  • Limited family support
  • Reduced income
  • Failure to plan for change

• Requires qualitative vs. quantitative thinking....
Hawaii Medicaid LTSS benefits

- Meet at-risk criteria (gap group) to support Instrumental Activities of Daily Living (IADLs):
  - Personal Care (both Chore and ADLs)
  - Adult Day Care and Health
  - Skilled Nursing
  - Personal Emergency Response System (PERS)
  - Home Delivered Meals

- Meet nursing facility LOC to receive:
  - Nursing facility (ICF/SNF/subacute)- Institutional
  - Home and Community Based Services
    - All at-risk (listed above)
    - Residential settings (Assisted Living and Foster Homes)
    - Environmental Adaptations
    - Respite
    - Moving Assistance

- Self-direction of services
Capitation payments to MCOs for LTSS: Original

**Methodology**
- Two LTSS capitation payments
  - Nursing Facility (NF)
  - Home and Community Based Services (HCBS)

**Description**
- New beneficiaries start at NF cap (if in a NF when gain eligibility)
- HCBS cap for all LTSS except new beneficiaries in a NF
- Increase to NF cap at 12 months when in a NF
- One day in the community, revert back to HCBS cap
- Even if readmitted to NF shortly afterwards

**Problems**
- MCOs did not promote D/C from NF to community
- Fear of reduction of capitation payments
- Many individuals apply for Medicaid when admitted to NF
- Administrative burden for eligibility workers
Capitation payments to MCOs for LTSS: Revisions

**Revision #1**
- LTSS capitation payment for both NF and HCBS

**Final**
- Blended rate for all ABD population
  - NF capitation rate for low-income adult population

**Reasons for change**
- Reduced administrative burden on eligibility workers
- Supported provision of LTSS services while eligibility worker was performing conversion
- Promoted right care, right setting for beneficiary
- Allowed trial of different settings
Community Involvement

- Identify stakeholders
- Community forums
- Public input
- Build time into process
- Listen, listen, listen
And things will change.....

• Combine QUEST and QExA = QUEST Integration
• Added “at risk” program
• Qualitative not always quantitative:
  ➢ Analysis gaps
  ➢ Community input
  ➢ Change in regulations
  ➢ New legislation
➢ A lot of times little to no data for actuaries
Take Away

• LTSS is complicated
• Each state is unique based upon their residents, geography, governance....
• Many state leaders/staff do not think the same way as actuaries....
• Many ways to develop capitation payments for LTSS
• Capacity to shift based upon state’s every changing perspectives
• Opportunity to work closely with state to develop their LTSS program
Questions?