Medicaid Long-Term Services and Supports: Moving Forward

Mike Nardone
Director
Disabled and Elderly Health Programs Group
Center for Medicaid and CHIP Services
Centers for Medicare & Medicaid Services

August 31, 2016
DEHPG Priorities

- Continued balancing of the system toward HCBS versus institutional services
- Implementation of the HCBS Settings Final Rule
- Implementation of the Medicaid Managed Care Final Rule
- Support for State Delivery System Reform Efforts
- Quality Improvement
Institutional and Home and Community-Based Services (HCBS) as a Percentage of Long-Term Services and Supports (LTSS), FFY 1995-2014
How Did We Get Here?

- **OBRA of 1981** establishes Medicaid 1915(c) waivers to cover HCBS
- **OBRA 1987** protects nursing home residents and alters 1915(c) waiver cost-neutrality formula for people with DD
- **Cold-bed rule limiting 1915(c) waiver slots is repealed (1994)**
- **Olmstead vs. L.C. (1999)** requires community services in certain circumstances
- **BBA of 1997** allows states to cover workers with disabilities up to 250% of FPL
- **TEFRA of 1982** enables states to cover certain disabled children living at home
- **AACA 2010** establishes Balancing Incentive Program and Community First Choice

- **HCBS**
- **Institutional**
Managed LTSS in 2013

States with MLTSS grew from 8 to 19 from 2004-2013

Source: Truven – Health Analytics - The Growth of Managed Long-Term Services and Supports (MLTSS) Programs: A 2012 Update
Medicaid Managed LTSS Expenditures, in billions, FY 2009-2014

Source: Medicaid Expenditures for Long Term Services and Supports in 2014: Prepared for CMS by Truven Health Analytics, April 22, 2016
Final rule is the first update to Medicaid and CHIP managed care regulations in over a decade. The health care delivery landscape has changed and grown substantially since 2002.

Predominant form of Medicaid is managed care – risk-based arrangements for delivery of Medicaid services.

States have expanded managed care in Medicaid to enroll new populations, including seniors and persons with disabilities who need long-term services and supports, and individuals in the new adult eligibility group.

In 1998, 12.6 million (41%) of Medicaid beneficiaries received Medicaid through capitation managed care plans.

In 2013, 45.9 million (73.5%) of Medicaid beneficiaries received Medicaid through managed care (MCOs, PIHPs, PAHPs, PCCMs).
Managed LTSS Protections

1. State planning process
2. Stakeholder engagement
3. Compliance with ADA and HCBS settings requirements
4. Alignment of payment structures and goals
5. Beneficiary support system
6. Person-centered processes
7. Integrated service package
8. Network adequacy and accessibility
9. Health and welfare
10. Quality
Medicaid Delivery System Reform

Program Areas

- Improving Care for Medicaid Beneficiaries with Complex Needs and High Costs
- Promoting Community Integration Through Long-Term Services and Supports
- Supporting Physical and Mental Health Integration
- Reducing Substance Use Disorders

Functional Areas

- Data Analytics
- Quality Measurement
- Performance Improvement
- Payment Modeling and Financial Simulations
Additional Areas of Focus

- Supporting the needs of the growing aging population
- Meeting the specialized needs of those with Alzheimer’s and related dementias
- Quality framework
- Workforce issues
- Ideas for future innovation (HCBS, delivery system, etc.)