

Commonwealth of Massachusetts

Executive Office of Health and Human Services



Public Payer Commission

October 27, 2014



Outline

- Approval of minutes (VOTE)
- Reminder of statutory charge and schedule of work
- Focus on long term services and supports
- Presentation by Executive Office of Elder Affairs
- Discussion of findings and recommendations (VOTE)



Statutory Charge

EOHHS

- Section 270 of Chapter 224 of the Acts of 2012 created the Special Commission to review public payer reimbursement rates and payment systems for health care services and the impact of such rates and payment systems on providers and on health insurance premiums in the Commonwealth.
- The Commission's charge was further amended by Section 153 of Chapter 38 of the Acts of 2013.



Updated Draft Workplan

January	Overview of Commission Administrative Tasks Introduction to MassHealth Payment
March	Prioritization of Areas for Payment/Cost Analysis Overview of Medicare Payment Issues (Dr. Katherine Baicker)
April	Innovations in Payment (Medicaid Managed Care Entities)
May	Issues in Payment Integration in Medicaid (Tricia McGinnis; MassHealth)
June	Cost-Shifting and Price Variation Interim Discussion: Draft Findings and Recommendations
September	Behavioral Health Draft Findings and Recommendations
October	Long Term Services and Supports Finalize Findings and Recommendations/Report



Focus on Long Term Services

- Long term services (LTS) refer to a wide range of services and other supports to help individuals meet their daily needs and improve the quality of their lives
- LTS include, among other things, case management, home care, nursing facility care, respite, and personal care assistance.
- People who need LTS include elders and people with disabilities who require assistance with self-care and independent living

Focus on Long Term Services

- Need for services
 - In 2013, one in seven people in Massachusetts was age 65 or older
 - 34% of those age 65 or older report having a disability
 - 9% of adults aged 18-64 reported having a disability

People with disabilities in Massachusetts, by age group, 2013

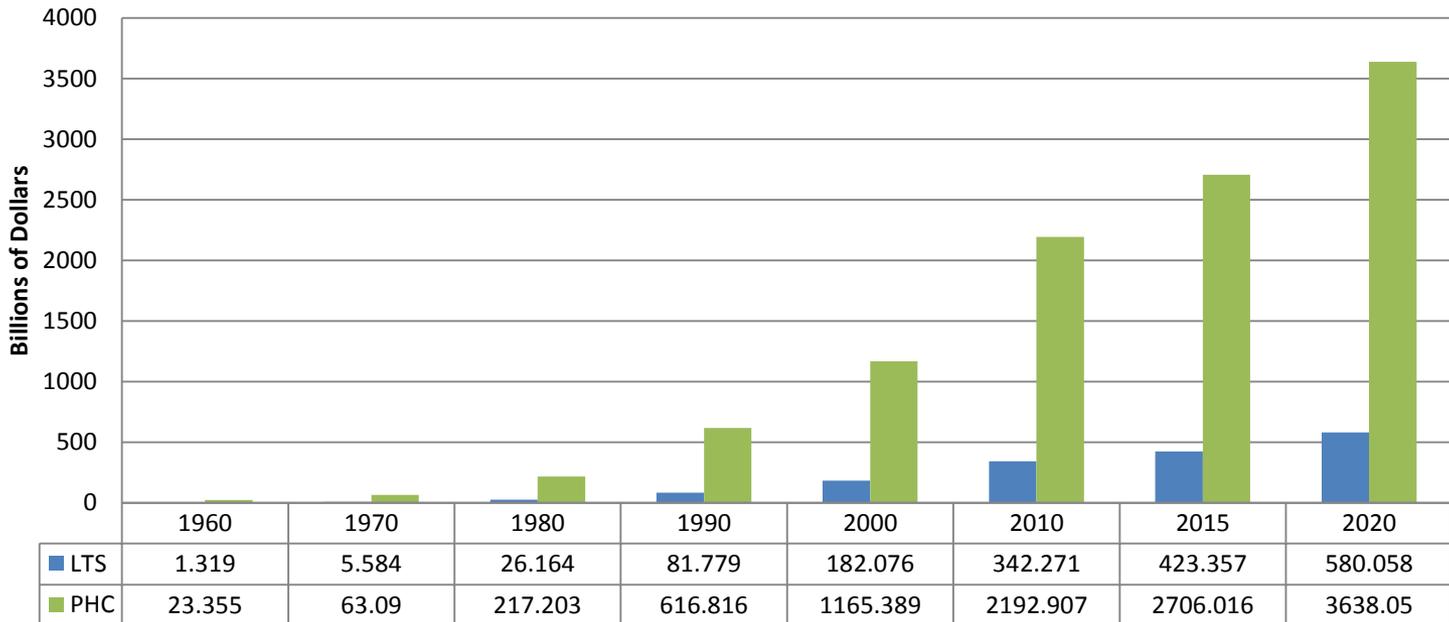
Age	Total non-institutional population	With any disability	With a self-care disability	With an independent living disability	Percent with any disability
5 to 17	1,025,339	63,762	10,805		6.2%
18 to 64	4,272,843	389,873	74,674	147,888	9.1%
65 or over	951,646	324,695	77,412	144,693	34.1%
Total	6249828	778330	162891	292581	12.5%

Source: American Community Survey

Focus on Long Term Services

- Over time, LTS expenditures have grown faster than health care expenditures

Estimated national long term services and personal health care spending, 1960-2020



Long Term Services as
% of PHC

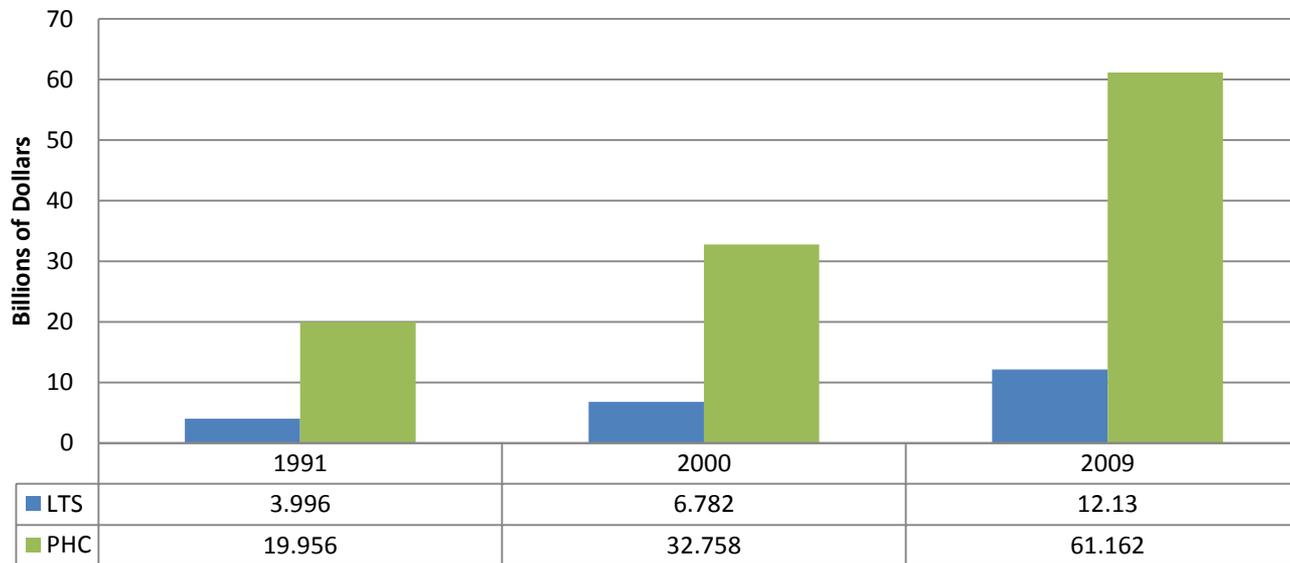
5.6% 8.9% 12.0% 13.3% 15.6% 15.6% 15.6% 15.9%

Source: CMS Office of the Actuary

Focus on Long Term Services

- Compared to national trends, Massachusetts spends a higher percentage on long term care

Estimated Massachusetts long term services and personal health care spending, 1991-2009



Long Term Services as % of PHC 20.0% 20.7% 19.8%

Source: CMS Office of the Actuary



Focus on Long Term Services

Public payers, particularly Medicaid, play an important role in paying for LTS

Medicare:

- Only pays for long-term care if you require skilled services or rehabilitative care:
- In a nursing home for a maximum of 100 days, however, the average Medicare covered stay is much shorter (22 days).
- At home if you are also receiving skilled home health or other skilled in-home services. Generally, long-term care services are provided only for a short period of time.
- Does not pay for non-skilled assistance with Activities of Daily Living (ADL), which make up the majority of long-term care services
- Must meet Medicare eligibility requirements

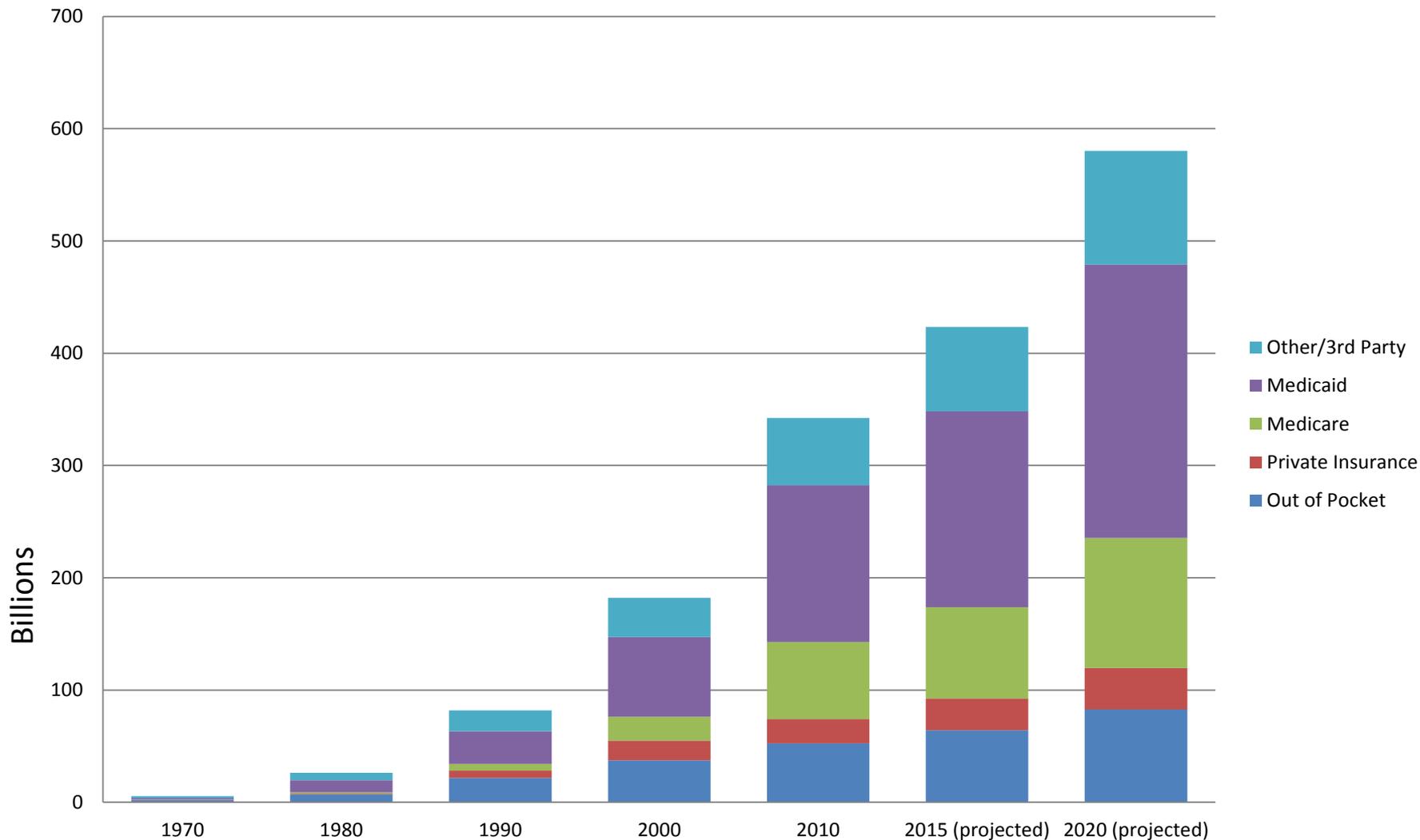
Medicaid:

- Pays for the largest share of long-term care services, but to qualify, your income must be below a certain level and you must meet minimum state eligibility requirements and an asset test at age 65
- Such requirements are based on the amount of assistance you need with ADLs

Health Insurance:

- Most employer-sponsored or private health insurance, including health insurance plans, cover only the same kinds of limited services as Medicare
- There are additional private payment options such as long-term care insurance

Long Term Services Expenditures by Payer, United States 1970-2020



Source: CMS Office of the Actuary

Long Term Services in MassHealth

MassHealth covers a broad array of long term services and supports, across a number of programs. Types of services provided include:

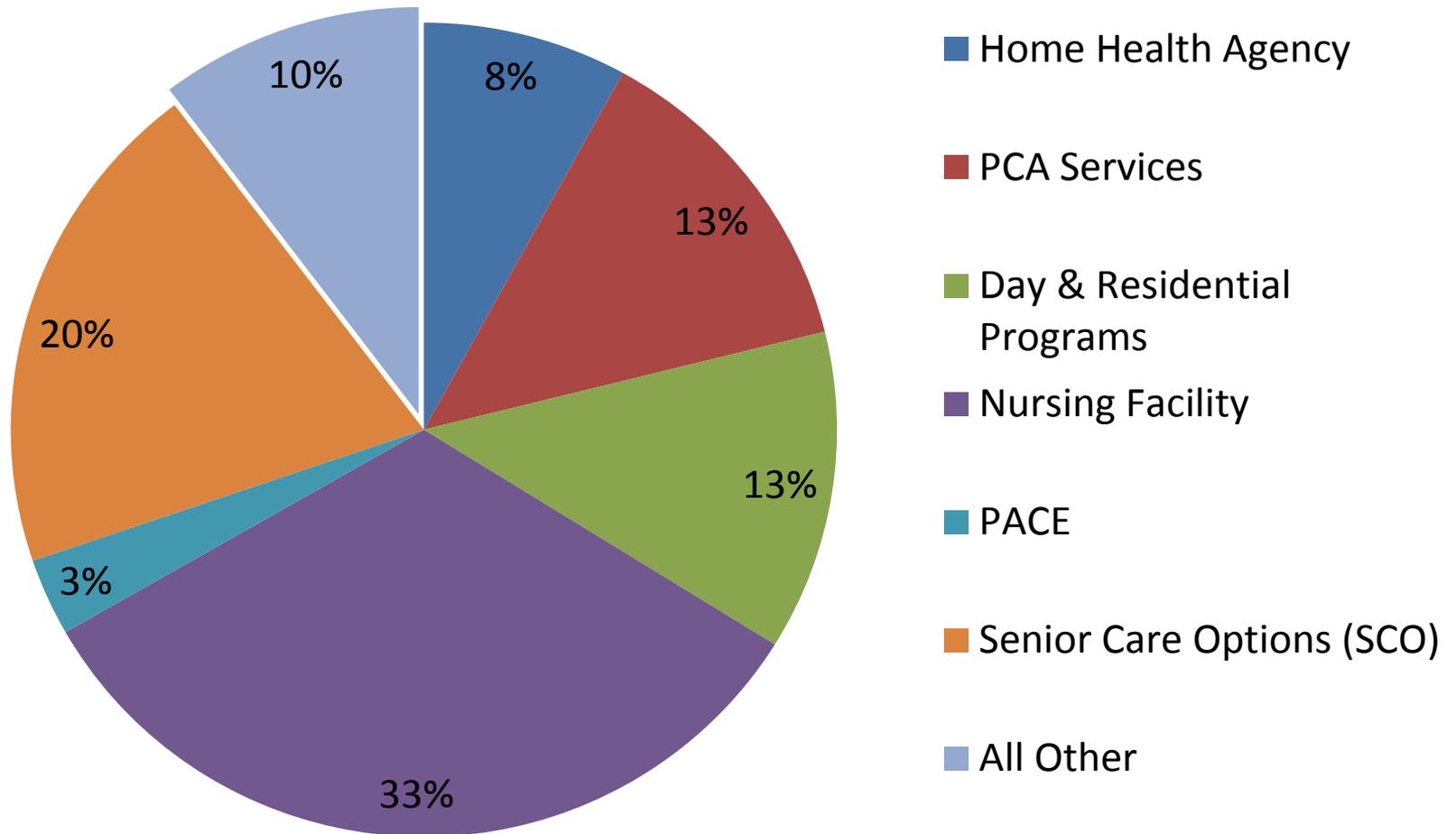
- Coordinated care programs: PACE, SCO and One Care
- Facility based care, including nursing facilities, chronic and rehabilitation hospitals, psychiatric hospitals, and Intermediate Care Facilities
- Day and residential programs, such as adult day health and adult foster care
- Community services, such as home health, durable medical equipment, PCA services, therapy services
- Home and Community-Based Services Waivers
- Grants/Demonstrations, such as Money Follows the Person (MFP) and the Balancing Incentive Payment Program (BIP)

Expenditure and utilization trends suggest:

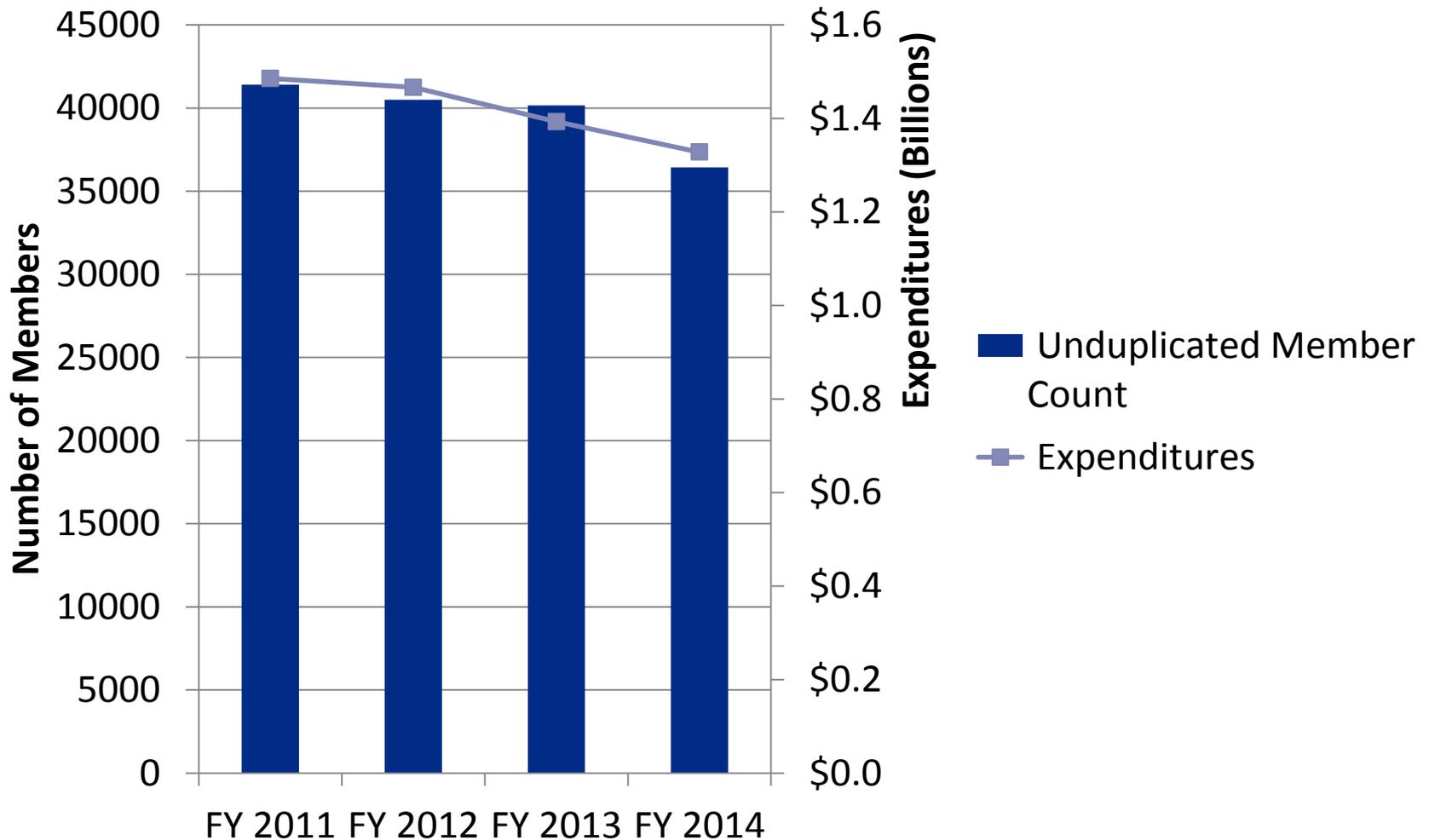
- Decrease in institutional spending
- Increase in community based and innovative care models

MassHealth LTSS Expenditures FY 2014

Total=\$4 billion

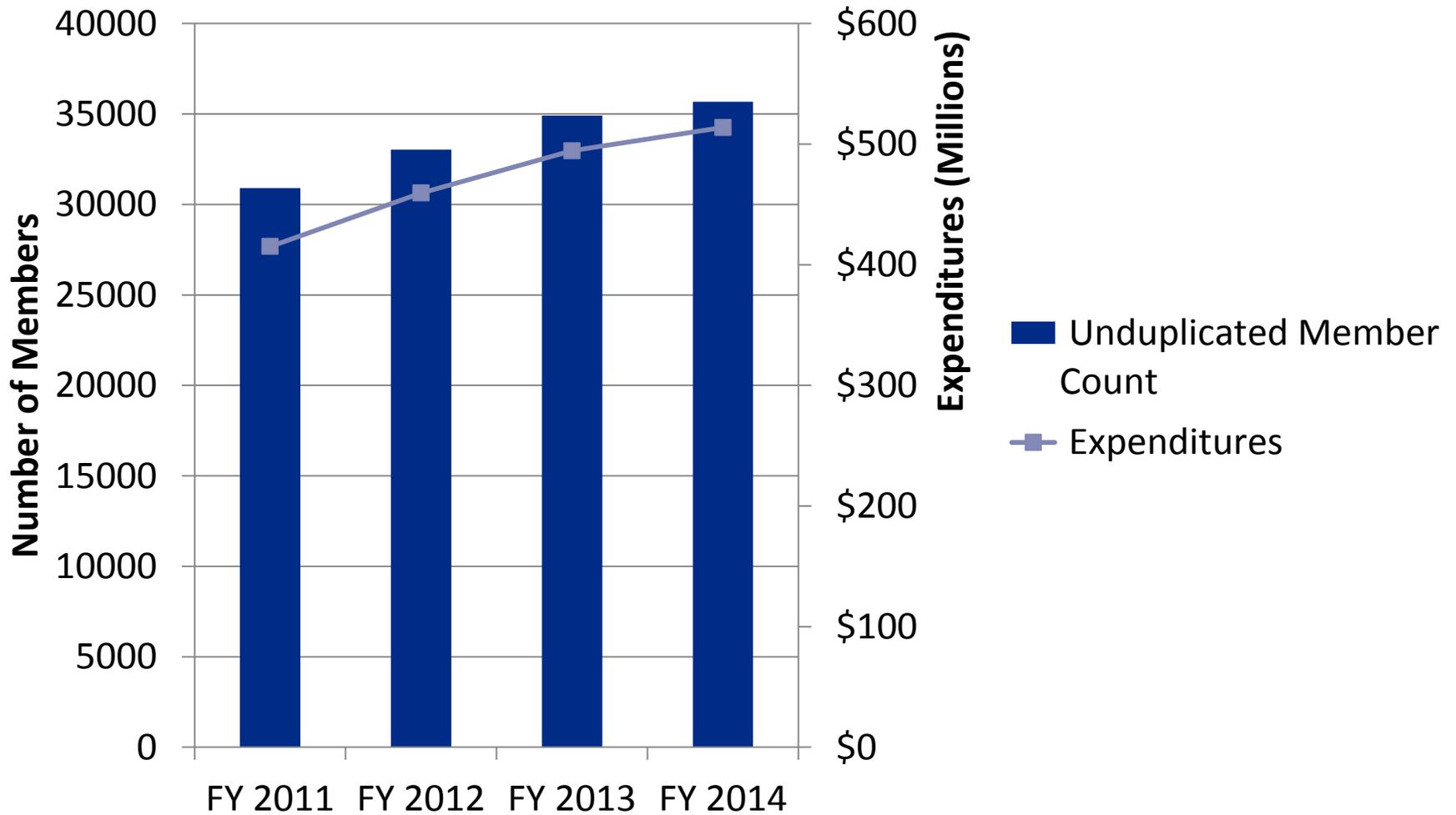


Nursing Facilities FY 2011-FY 2014



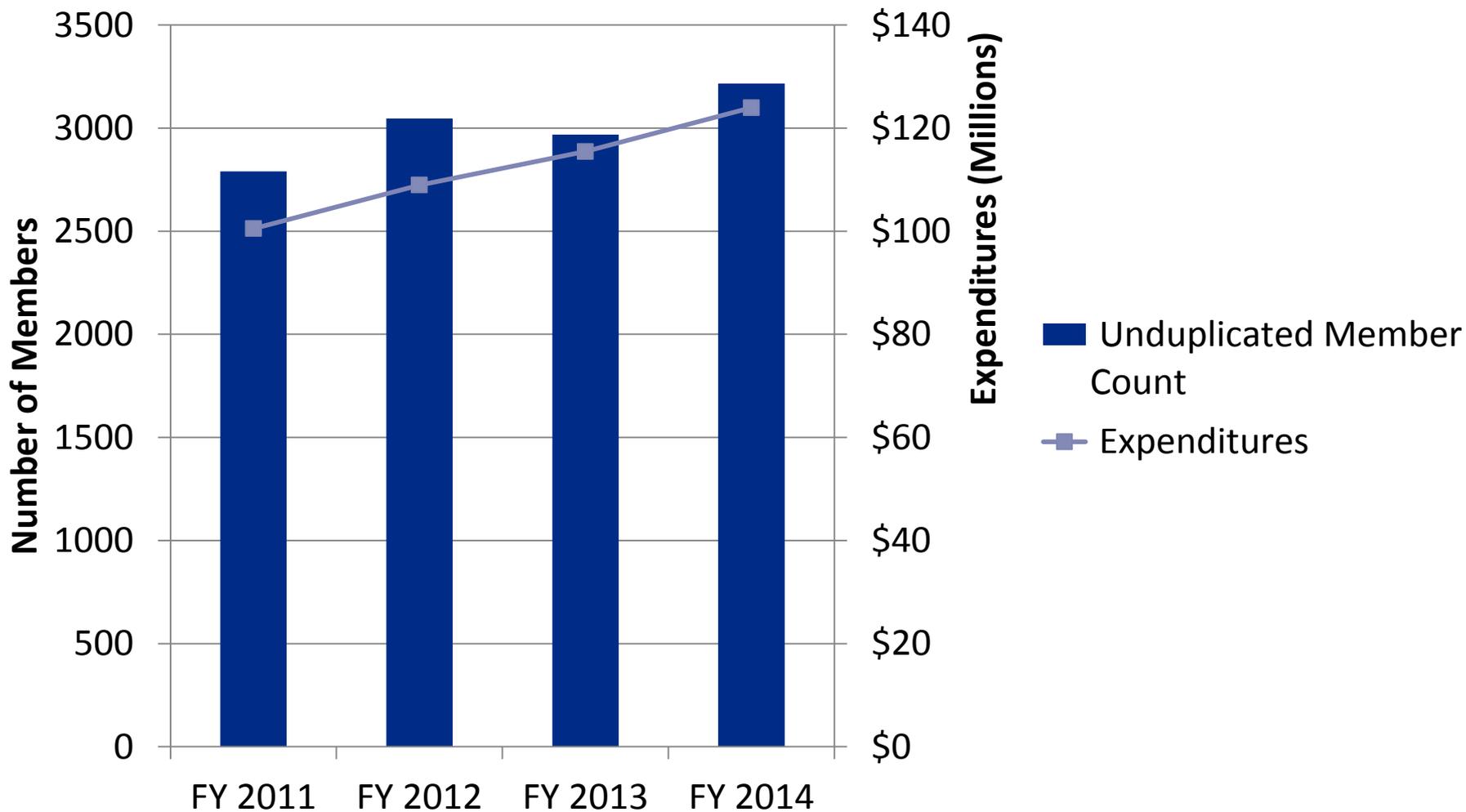
Source: OLTSS

Day & Residential Programs FY 2011-FY 2014



Source: OLTSS

Program of All-Inclusive Care for the Elderly (PACE) FY 2011-FY 2014

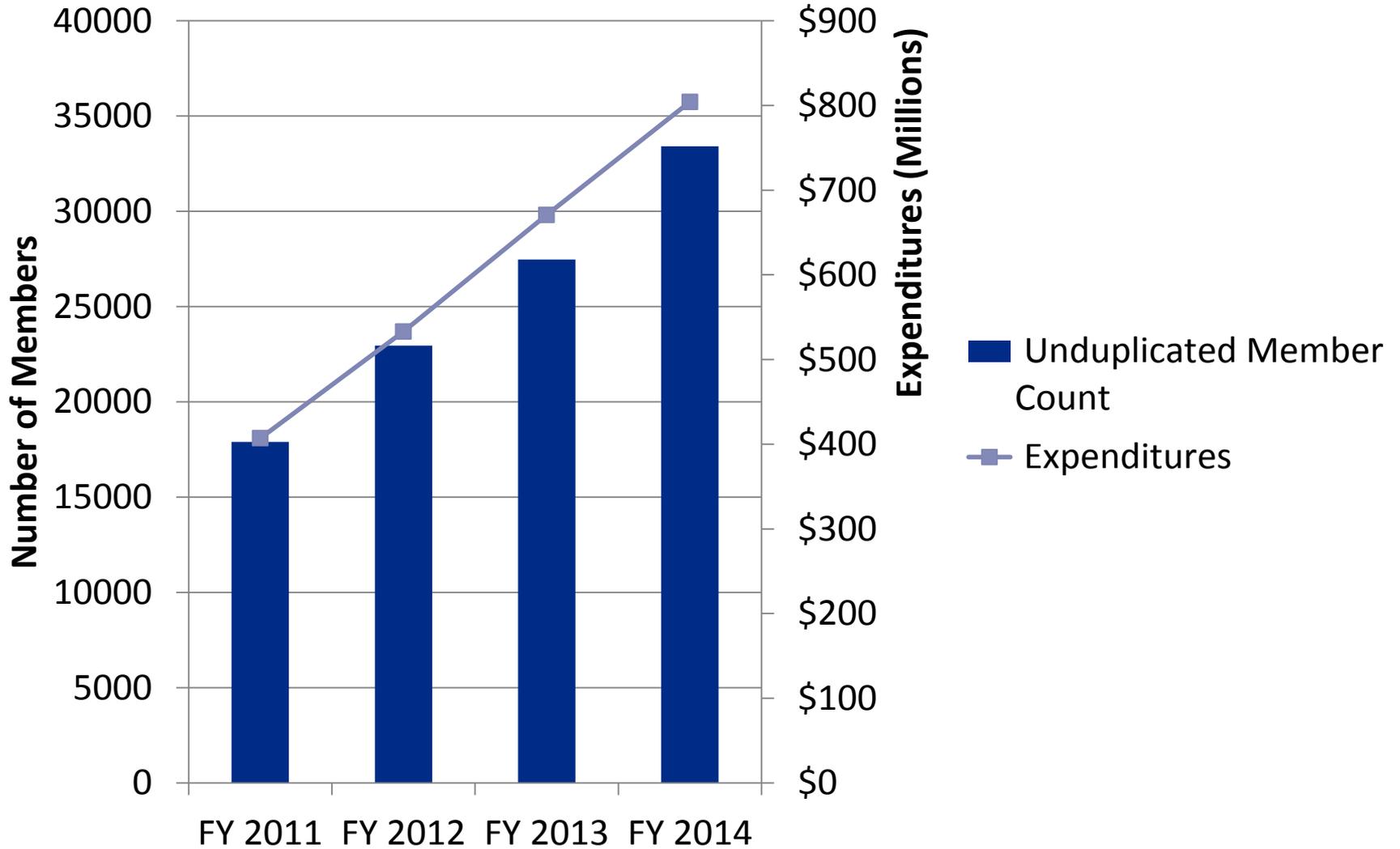


Source: OLTSS



Senior Care Options (SCO) FY 2011-FY 2014

EOHHS



Source: OLTSS



LTS Payment Methods Vary

EOHHS

Type of Service	Payment Type	Applicable Population for Payment Type
Community Services (e.g. DME, home health, O2, PCA, therapy)	Fee for service	FFS, PCC, MCO (wrap services*)
Day and Residential Programs	Fee for service	FFS, PCC, MCO (wrap services*)
Facility Based Programs	Fee for service	FFS, PCC, MCO (wrap services*)
Coordinated Care (PACE, SCO, OneCare)	Capitated rate	PACE, SCO, OneCare members

*MCO covered services are paid according to contracts between the MCO and the vendor



Innovative LTS Models

EOHHS

One Care

- Integrated, capitated health plan option for adults with disabilities ages 21-64 eligible for both MassHealth and Medicare
- Plans contract with community-based organizations for independent LTS Coordinators
 - LTS Coordinators work with the member to identify and understand the member's needs, identify available community services and resources, develop a personal care plan, and help connect members to services
- Program started October 2013 and covers over 17,000 members as of September 2014

Senior Care Options

- Integrated and complete package of health care and support services for low-income seniors
- Members get services from their plan's network of medical and other professionals, including a primary care doctor, nurses, specialists, and a geriatric support coordinator.
- Enrollment of ~33,000

Program of All-inclusive Care for the Elderly

- Comprehensive medical and social services to frail elders so that they can live in their communities instead of in nursing homes. These elders have been certified as eligible for nursing home care.
- Services are usually provided in an adult day health center that is part of the PACE program, but may be given in the elder's home or other facility.
- Enrollment of ~ 3,200



Innovative LTS Models

EOHHS

Home and Community Based Services Waivers

- Allow states to develop creative community based service alternatives for individuals who would otherwise require care in a nursing facility, intermediate care facility, or hospital.
- Massachusetts currently operates 10 HCBS waivers, including: Frail Elder Waiver, Traumatic Brain Injury Waiver, children's autism spectrum disorder waiver, three waivers for adults with intellectual disability, two waivers for adults with acquired brain injury, and two waivers for members enrolled in the Money Follows the Person (MFP) Demonstration.
- Roughly 25,000 members in these waivers (for waiver year 2012)

Money Follows the Person (MFP)

- Funded in 2011 to support the transition of MassHealth members from nursing facilities and other long-stay facilities to the community with community-based long term services and supports
- MassHealth to support certain housing-related costs for members
- Since its inception, MFP has transitioned nearly 900 members to the community

Home Health

- Episode based payment pilot with Boston VNA
- Telehealth



Challenges in payment design for long-term services and supports

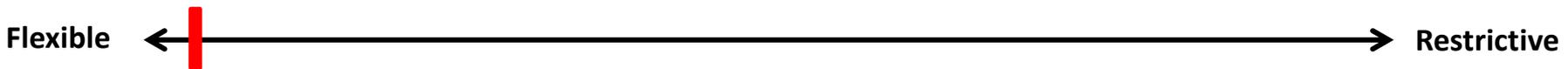
- Siloed payments, across multiple payment streams, makes it difficult to track overall impact of interventions
- Opportunities for standardization and measurement
 - Different assessment tools (data instruments), quality measures
- Informal care is a key component
- Payment integration challenging, though some promising examples

Findings and Recommendations

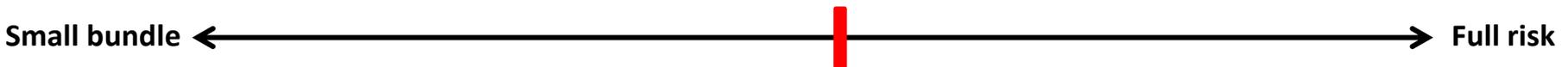
- Draft findings and recommendations from last session were circulated to Commissioners for their independent review.
- Feedback received from Commissioners is summarized in the comment grid.
- Staff have incorporated this feedback in the updated findings and recommendations.
- We are requesting Commissioners' approval of findings and recommendations at today's meeting.

ACO Design Worksheet Results

MassHealth’s ACO can be designed to be as flexible as possible, allowing participation by all providers within the Commonwealth; on the other hand, it can be designed restrictively, to accommodate only a few sophisticated provider entities. My recommendation on the optimal balance between these two is:



ACO models are partly defined by payment mechanisms, generally structured around a bundle of at-risk services. MassHealth’s ACO can be based around a small bundle of services (e.g., primary care, like for Tier 1 PCPR providers) or can place ACOs at risk for the full range of covered services. My recommendation on the optimal balance between these two is:



MassHealth’s ACO can closely mimic pre-existing ACO models, like MSSP or Medicare Pioneer, achieving close alignment for providers who are already part of these other programs; alternatively, MassHealth can adapt these models, recognizing underlying differences in the member population. My recommendation on the optimal balance between these two is:

