

# Risk Adjustment for Dual Eligibles: New York's Experience

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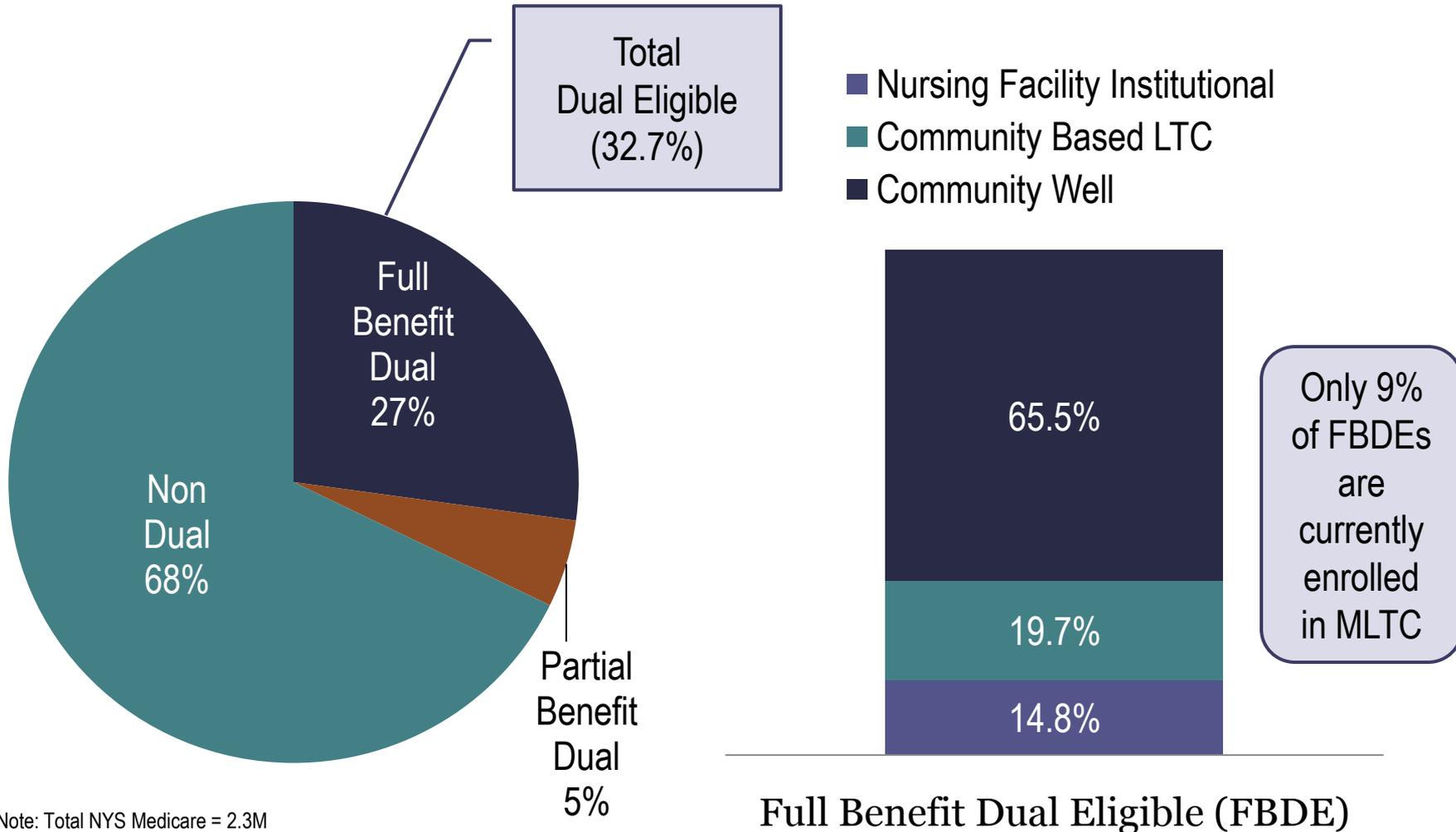


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# New York's Medicaid Program

- NY ranks first nationwide on per capita spending, almost twice the national average.
- Current spending is \$53 billion, providing health care to more than 4.7 million beneficiaries.
- 15 percent of Medicaid beneficiaries are dual eligible (approximately 700,000) comprising 45 percent of Medicaid spending and an estimated 41 percent of Medicare.
- Community based home care and personal care services are two of the fastest growing sectors in Medicaid, however, the number of persons utilizing these services has declined over the last five years.
- New York spends far more each year on nursing facility care than any other state in the nation.

# New York's Medicare Population



Note: Total NYS Medicare = 2.3M

# New York's Managed Long Term Care Options

Program Name	Description
<p><b>Partial Managed Long Term Care (Partial MLTC)</b></p> <ul style="list-style-type: none"> <li>• Medicaid only</li> <li>• Age 18 years and older.</li> </ul>	<p>Long-term care, ancillary and ambulatory care services.</p>
<p><b>Program for All Inclusive Care for the Elderly (PACE)</b></p> <ul style="list-style-type: none"> <li>• Dual-eligible</li> <li>• Medicare &amp; Medicaid capitation</li> <li>• Age 55 years and older</li> </ul>	<p>A comprehensive system of health care services. PACE is responsible for directly providing or arranging all primary, inpatient hospital and long-term care services.</p>
<p><b>Medicaid Advantage Plus (MAP)</b></p> <ul style="list-style-type: none"> <li>• Dual-eligible</li> <li>• Age 18 years and older</li> </ul>	<p>Integrated care through MA SNP. Full scope of acute and long term care services.</p>

Note: Any Medicaid service not covered in by Partial MLTC capitation is available to the enrollee on a Medicaid fee-for-service basis.

# MLTC Eligibility and Enrollment

## Eligibility

- Medicaid recipients are currently eligible to enroll in MLTC if they are (at the time of enrollment):
  - Nursing home eligible;
  - Able to stay safely at home;
  - Expected to need long-term care services for at least 120 days from the date of enrollment;
  - Meet the health plan age requirement;
  - Live in the health plan service area.
- Program Options are Statewide.
- Participation is Voluntary.

## Annualized Growth Rate (2008-2011)

Year	Partial MLTC	PACE	MAP
2008	22,174	3,006	403
2009	25,510	3,248	441
2010	28,735	3,529	1,163
2011	39,487	4,036	1,671
<b>Annualized Growth Rate</b>	<b>21.2%</b>	<b>10.3%</b>	<b>60.7%</b>

## Semi-Annual Assessment of Members (SAAM)

- Partial MLTC, PACE & MAP health plans submit electronically twice per year.
- Similar to CMS Outcome and Assessment Information Set data (OASIS).
- Contains health care status, primary diagnoses, and Activities of Daily Living (ADLs).
- Enrollees can be assessed in community, nursing facility or hospital setting.
- First reported in January 2006.

# Medicaid Encounter Data

- Medicaid managed care encounter data has been collected by NYS since 1996.
- MLTC health plans have been required to submit encounter data since 2004.
- All health plans operating in NYS are required to submit encounter data on a monthly basis for the full range of Medicaid covered benefit services and costs.

# Medicaid MLTC Risk Adjustment

- In April 2010 New York State transitioned Partial MLTC and PACE plans from a negotiated to a risk-based method of premium payment.
- Every health plan within a region receives the same regional average base payment with a health plan-specific risk adjustment factor applied that accounts for differences in severity of illness.

# MLTC Risk Rate Methodology



The acuity factor (“risk score”) is applied to the MLTC services and care management components of the premium rate.

Similar payment design for other NYS Rate Reform Initiatives.

Four Year Blended Risk Phase In: (25%; 50%; 75%; 100%)

# MLTC Services Included in Risk Adjustment

1. Home Health Care
2. Personal Care
3. Nursing Facility Care
4. Other MLTC Services

- ✓ Adult Day Health Care
- ✓ Audiology
- ✓ Dental
- ✓ Durable Medical Equipment
- ✓ Home Delivered & Congregate Meals
- ✓ Outpatient Physical Rehab/Therapy
- ✓ Personal Emergency Response Services (PERS)
- ✓ Podiatry
- ✓ Social Day Care
- ✓ Transportation
- ✓ Vision Care (including Eyeglasses)

Excluded from Risk Adjustment are Acute Care Services

# Necessary Steps

## Encounter Data

- Identify Covered Services
- Apply Standardized Pricing for Zero Paid Encounter Records
- Validate Against Submitted Cost Reports for Inclusion in Model Development
- Summarize Costs at the Enrollee Level

## Model Development

- Develop Risk Adjustment Model with Outcome of MLTC PMPM Costs
- Model Predictors Derived from SAAM Assessment Data
- Creation of MLTC Cost Index Using Regression Coefficients
- Calculate Cost Index Scores at the Enrollee Level (Enrollee Risk Score)

## Relative Payment Weights

- Link Enrollee Risk Score with membership & costs.
- Combine scores based on monotonicity of membership and costs and calculate average PMPM.
- Relative Payment Weight = Avg Group PMPM / Overall PMPM.

## Risk Score

- Raw Risk Scores by Health Plan and Region
- Relative Risk Score = Raw Health Plan Score / Regional Raw Risk Score
- Application of Relative Risk Score to Base Rate for Risk Adjusted Premium

# Assessment Model Predictors

- ***Socio-Demographic***

- Interaction between Female and Aged 80+

- ***Functional***

- Ambulation/Locomotion
- Bathing
- Bowel Incontinence
- Continuous Positive Airway Pressure Therapy
- Dressing Lower Body Limitation
- Dressing Upper Body Limitation
- Feeding/Eating
- Grooming Limitation
- Medication Management
- Number of Disruptive Behaviors Demonstrated
- Number of Impaired Behaviors Demonstrated

- Speech Limitations
- Toileting
- Transferring
- Urinary Incontinence

- ***Disease Conditions***

- Alzheimer's Disease and Other Dementias
- Cerebrovascular Diseases
- Chronic Joint and Musculoskeletal Diagnoses
- Chronic Neuromuscular Diagnoses
- Chronic Renal Failure
- Diabetes with Complications
- History of Hip Fracture Age > 64 Years
- Neurodegenerative Chronic Conditions
- Other Paralysis
- Quadriplegia and Persistent Vegetative State

# Relative Payment Weights

<b>Cost Index Group</b>	<b>Unique Enrollees</b>	<b>Percent of Total</b>	<b>Member Months</b>	<b>Cost Weight</b>
0-4	889	3.72%	9,379	0.4070
5-5	672	2.82%	6,683	0.5011
6-7	1,346	5.64%	13,904	0.5244
8-8	1,124	4.71%	11,539	0.5826
9-9	892	3.74%	9,498	0.6023
10-10	1,047	4.39%	11,079	0.6560
11-12	2,219	9.30%	23,714	0.6902
13-13	952	3.99%	10,143	0.7677
14-15	2,011	8.43%	21,239	0.8085
16-17	1,596	6.69%	17,245	0.8947
18-18	747	3.13%	7,888	0.9414
19-19	677	2.84%	7,288	0.9675
20-21	1,216	5.09%	13,290	1.0052
22-23	1,096	4.59%	12,044	1.0814
24-24	544	2.28%	5,966	1.1422
25-26	1,045	4.38%	11,358	1.2053
27-29	1,306	5.47%	14,178	1.3083
30-33	1,226	5.14%	13,124	1.4804
34-39	1,227	5.14%	13,104	1.6050
40-44	869	3.64%	9,266	1.8473
45+	1,167	4.89%	12,687	2.0653
<b>Total</b>	<b>23,868</b>	<b>100.00%</b>	<b>254,616</b>	<b>1.0000</b>

# SFY 2010-2011 PMPM Impact (25% Risk Blend with Trend Applied\*)

## PACE

Health Plan	Previous	Risk Adjusted	Pct Change
A	\$ 3,750.13	\$ 3,926.65	4.71%
B	\$ 3,656.86	\$ 3,783.58	3.47%
C	\$ 4,142.17	\$ 4,359.10	5.24%
D	\$ 3,778.95	\$ 3,876.26	2.58%
E	\$ 3,799.39	\$ 3,955.54	4.11%
F	\$ 3,659.24	\$ 3,770.03	3.03%

## Partial MLTC

Health Plan	Previous	Risk Adj	Pct Change
A	\$ 2,975.12	\$ 3,080.56	3.54%
B	\$ 3,671.06	\$ 3,646.21	-0.68%
C	\$ 2,505.52	\$ 2,763.08	10.28%
D	\$ 3,612.36	\$ 3,724.76	3.11%
E	\$ 2,471.78	\$ 2,584.33	4.55%
F	\$ 3,252.19	\$ 3,463.74	6.50%
G	\$ 3,657.04	\$ 3,627.31	-0.81%
H	\$ 3,083.99	\$ 3,307.24	7.24%
I	\$ 5,224.14	\$ 5,030.73	-3.70%
J	\$ 3,553.15	\$ 3,471.73	-2.29%
K	\$ 1,673.54	\$ 1,706.46	1.97%
L	\$ 2,533.41	\$ 2,459.20	-2.93%
M	\$ 3,645.69	\$ 3,708.43	1.72%
N	\$ 3,968.90	\$ 4,037.03	1.72%
O	\$ 3,556.38	\$ 3,509.27	-1.32%

\*Note: SFY 2010-2011 premiums are a blend of 75% of 2009 rate, adjusted for phase-in of an administrative cap and trended to 2010 by 2.2%, plus 25% of the risk-adjusted rate.

# In Summary

- Implementing a risk based premium methodology has simplified the annual rate setting process and has created a transparent methodology by working in partnership with health plans for a successful transition.
- New York is in year 3 of a 4 year phase in for MLTC risk adjusted rates.
- Health plan submission of robust and reliable encounter data is still an issue for some health plans.

## Next Steps

- Fee-for-Service dual eligible beneficiaries with community-based LTC needs will be transitioned into fully integrated Managed Long Term Care or other care coordination models.
- As a recipient of a CMS Innovation Center Dual Demonstration Planning Grant, New York is currently working on a fully integrated program, implemented in phases, to assure a reasonable transition.

# Contact Information

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A Summary of Methods document that provides additional detail on New York's MLTC risk adjustment methodology is available upon request.

