National Overview of State LTSS Reform Strategies

Michelle Herman Soper, Director of Integrated Care
Center for Health Care Strategies
NASHP 31st Annual State Health Policy Conference
August 17, 2018

About the Center for Health Care Strategies

A non-profit policy center dedicated to improving the health of low-income Americans
Why Focus on LTSS Cost Containment?

- Medicaid is the single leading payer of LTSS for older adults and persons with disabilities, comprising about one-third of program spending or $167 billion annually.

- Projected population growth among individuals age 65 and older — 18 percent by 2020 and doubling by 2060 — will only increase demand.

- State Medicaid programs are increasingly focused on identifying and implementing varied LTSS reform strategies to meet this demand.

Recent Trends in Medicaid LTSS Financing and Delivery


- Innovator states have coupled federal/state investments with

<table>
<thead>
<tr>
<th>REBALANCING</th>
<th>INTEGRATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trend</td>
<td>Shift from 18 to 57 percent of LTSS spending on home and community-based services nationally from 1995 to 2016</td>
</tr>
<tr>
<td>Examples of authorities/mechanisms</td>
<td>Section 1915(c) and 1115 waivers; Money Follows the Person; Balancing Incentive Program; Community First Choice, etc.</td>
</tr>
</tbody>
</table>
State Strategies for Rebalancing Medicaid LTSS

1: Develop LTSS System Infrastructure to Promote Greater Access to HCBS

**Impetus:** Expanding coverage, access, and use of HCBS depends on investments in LTSS infrastructure, access points, and workforce.

2: Invest in Programs and Services that Help Nursing Facility Residents Return to and Remain in Their Communities

**Impetus:** Nursing facility residents may be able to live safely in the community with appropriate supports, often at lower cost.

3: Expand Access to HCBS for “Pre-Medicaid” Individuals

**Impetus:** Providing limited LTSS to those at risk of needing nursing facility care may delay or prevent more expensive service utilization and keep individuals in their homes.

---

Rebalancing Medicaid LTSS: State Examples

<table>
<thead>
<tr>
<th>STRATEGY</th>
<th>STATE EXAMPLES</th>
</tr>
</thead>
</table>
| Develop LTSS System Infrastructure to Promote Greater Access to HCBS | • Massachusetts’ one-stop information and referral network  
• Tennessee’s LTSS workforce strategy |
| Invest in Programs and Services that Help Nursing Facility Residents Return to and Remain in Their Communities | • Texas’ MFP behavioral health pilot  
• New York’s 1915(c) Waiver to divert and transition Medicaid enrollees from nursing facilities |
| Expand Access to HCBS for “Pre-Medicaid” Individuals | • Washington’s waiver to expand access to services for individuals at-risk of needing LTSS  
• Hawaii’s Kūpuna Caregivers Program |
Nearly half of states—up from eight in 2004—operate a managed LTSS (MLTSS) program, seeking to:

- Reduce care fragmentation and improve health outcomes
- Deliver person-centered and community-based care
- Reduce overall program costs and/or increase budget predictability for LTSS populations

CMS recognized MLTSS in the Medicaid Managed Care Regulations in 2016, with new expectations for: beneficiary protections, stakeholder engagement, enrollment and care management supports, access and quality measurement

Heterogeneous state strategies focus on:

- Better coordination with physical and behavioral health, and social supports
- Diverse populations including those eligible for both Medicaid and Medicare and individuals with intellectual and developmental disabilities

*Populations and services included vary by state*
Other Opportunities to Use MLTSS to Improve Quality and Cost-Effectiveness

- Promote Medicare-Medicaid integration
- Use rate-setting strategies to incentivize rebalancing
- Experiment with value-based payment models for LTSS
- Encourage “value-added services” to address other health-related issues or social determinants of health

Conclusions for States Seeking LTSS Reforms

- **There is no one-size-fits-all approach to LTSS reform** — states start at different points and move at different paces
  - However, most efforts advance incrementally

- **Key lessons apply to most or all states:**
  - Build and sustain beneficiary engagement and buy-in
  - Invest in administrative capacity — both people and data
  - Invest in federal partnerships
  - Cultivate executive and legislative leadership
  - Think long term — create and drive a vision that transcends administration and policy priorities
Visit CHCS.org to...

- **Download** practical resources to improve the quality and cost-effectiveness of Medicaid services
- **Learn** about cutting-edge efforts to improve care for Medicaid's highest-need, highest-cost beneficiaries
- **Subscribe** to CHCS e-mail, blog and social media updates to learn about new programs and resources
- **Follow** us on Twitter @CHCShealth