



Integration of Care and Financing for Medicare and Medicaid Beneficiaries

RI Executive Office of Health and Human Services
Monday, April 23, 2012
Global Waiver Task Force Meeting



Presentation Outline

- Overview of Reports
- Overview of Proposed Strategies for Integrated Care
- Dual-eligible Overview
- Misalignment of current service delivery and financing
- Legislative Mandate and CMS Opportunity
- Components of Person-Centered Service Delivery Models
- Potential Purchasing Models
- Key Design Features
- Phased Approach
- Draft Demonstration Proposal: Integrated Care for Medicare and Medicaid Beneficiaries
- Next Steps



Organization of the Reports

- EOHHS has prepared two documents on Integration of Care and Financing for Medicare and Medicaid Beneficiaries
 - Report for the RI General Assembly
 - Demonstration Proposal for CMS



Overview of the Reports

○ Presentation of the Reports

- Both reports will be available on the EOHHS website this week
- Two open Meetings for Public comments on the CMS Demonstration Proposal
- Written and Oral comments encouraged

Report to the General Assembly: Overview

- This report highlights the range and complexity of the issues EOHHS must address for the integration of care and financing for Medicare and Medicaid-only beneficiaries of Rhode Island.
- The report outlines opportunities to improve systems of care and to improve the cost effectiveness of care for Rhode Islanders.
 - Improve the integration and coordination of the acute, behavioral and long-term-care systems
 - Address the fragmentations in coverage between the Medicare and Medicaid programs
 - Ensure alignment of incentives for the development of a more person-centered system of care with quality outcomes

Overview of Proposed Strategies for Integrated Care for Medicare and Medicaid and Medicaid-only Beneficiaries

Phased Approach

- Managed Long Term Care for Medicaid-only members and dual eligible members (capitated and enhanced FFS)
- Submit demonstration application to CMS for Fully Integrated Care for Medicare and Medicaid Beneficiaries
- Integrated Care for Medicare and Medicaid for Persons with Developmental Disabilities and Serious and Persistent Mental Illness

Dual Eligibles: Eligibility Pathways

Medicare:

- Taxes paid and reaching age 65; regardless of income or health status; or
- Receipt of 24 months of Social Security Disability Insurance (SSDI) payments (under age 65); or
- Diagnosed with ALS, Lou Gehrig's or End Stage Renal Disease (ESRD).

Medicaid:

- Significantly limited income and resources (Assets)
- Low income and disability status along with somewhat higher income limits, or high medical or long-term care expenses relative to income
- Medicare beneficiaries qualify for full Medicaid benefits as Social Security Income (SSI) participants
- Slightly higher income individuals can qualify for partial Medicaid coverage through "Medicare Savings Programs".



Benefits Coverage

- Medicare covers: acute care services, such as hospital and physician services and prescription medicine
- Medicaid covers: cost-sharing; other benefits (transportation); and long-term supports and services



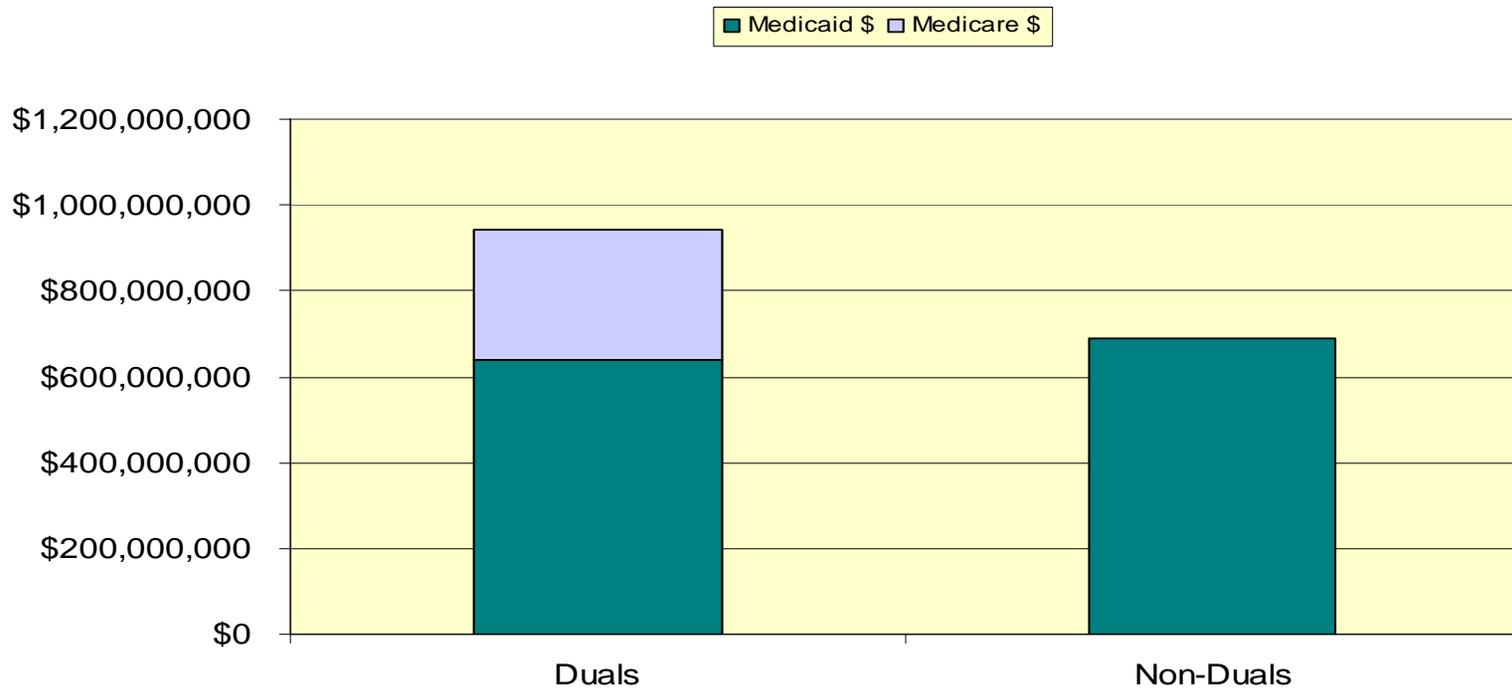
Dual Eligibles in Rhode Island

- 61% of Duals live alone; 3.5 times higher than Medicaid-only individuals who live alone
- 45% live in poverty
- 43% live in annual Household Incomes of < \$15,000
- 1.7 times more likely than Medicaid-only individuals to live in poverty households

People with Medicare and Medicaid live with the most serious disabilities

- 41 % live with cognitive disabilities
 - Serious difficulty concentrating, remembering, or making decisions
- 47 % live with serious ambulatory disabilities
 - Serious difficulty walking or climbing stairs
- 47% need assistance with independent living
 - Serious difficulty visiting a doctor's office or shopping
- 26% need assistance with self care and direction
 - Serious difficulty dressing or bathing
 - Vision and Hearing Impairments

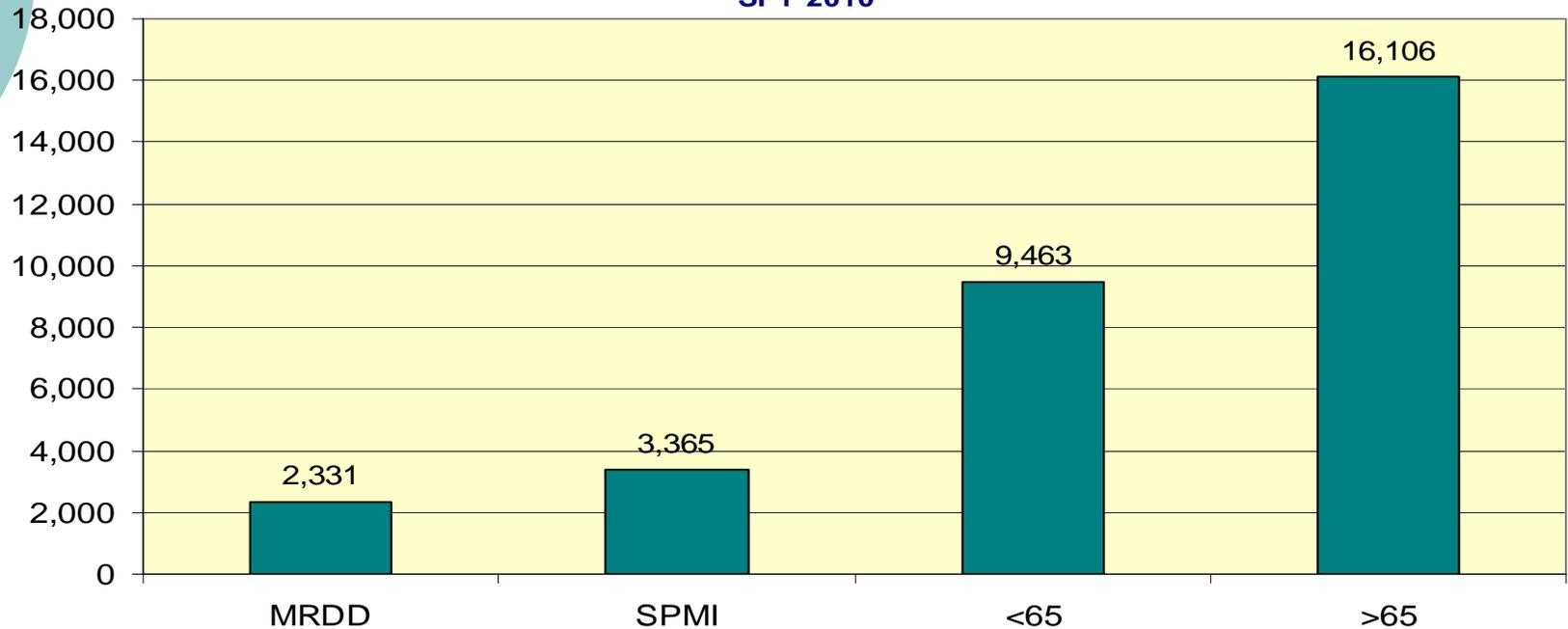
Expenditures for Medicare and Medicaid Members in Rhode Island



Data Source: Medicaid Management Information System CY 2009

Medicare and Medicaid Member Populations

People with Medicare and Medicaid
Average Eligibles By Population Group
SFY 2010



Data Source: Medicaid Management Information System CY 2009



Our success with Integration and Coordination of Care has been inadequate

Rhode Island can do better for

- Our Dually Eligible Citizens
- Our Taxpayers
- Alignment of our Health Care System



Misalignment of Current Service Delivery and Financing

- Behavioral Health: difference in coverage and providers
- Durable medical Equipment: Medicaid provides in the home care and long-term supports context; Medicare covers DME to serve a medical purpose
- Home health: Medicare pays a 60-day case-mix adjusted episode bundled payment for all home health services
- Nursing Home – Hospital transfers

Legislative Mandate and CMS Opportunity

**Rhode Island Enacted State Fiscal Year 2012 Budget
Article 16, Section 3 requires the Department to:**

- **By July 2012: Establish a contractual agreement between the Medicaid agency and a contractor (e.g., managed care entity) to manage primary, acute and long term care services for Medicaid-only beneficiaries and for individuals dually eligible for Medicaid and Medicare.**

**State Medicaid Directors Letter-CMS creates a new opportunity for
Financial Alignment models for Integrated Care for Medicare and
Medicaid Beneficiaries (July 2011)**



Important Considerations for Program Design in Rhode Island Medicaid

- Preserving Choice
- Ensuring quality and access for all populations
- Provision and coordination of all Medicare and Medicaid benefits – primary, acute, prescription drug, behavioral health and long-term services and supports
- Waiver Services coordination



Key Design Features for Integrated Models

- Strong Consumer Protections
- Comprehensive Care Coordination (e.g. person-centered plan of care, comprehensive needs assessments)
- Coordination of BH, primary, acute and LTC
- Quality assurance
- Access to and choice of provider network
- Aligned financial incentives
- Effective transitions across settings
- Benefit comprehensiveness and flexibility
- Robust monitoring and oversight



Potential Purchasing Models

- Capitated Models
 - contracts with a managed care entity
- Bundled Purchasing
 - contracts for certain functions with an accountable entity



Delivery System Options

- EOHHS will continue pursuit and evaluation of each of these opportunities to assess their feasibility for Rhode Island and for potential federal support for the investments needed to perform the critical functions of a maximally effective integrated system
- Determining how best to serve adults with developmental disabilities and SPMI adults through each of these models will require additional study with BHDDH to ensure that the needs of adults with developmental disabilities will be well served by any option for integrating care the state chooses to pursue.

Enhanced PCCM Models

- Builds on the demonstrated capacity and experience with the care needs of medically complex individuals within the Connect Care Choice (CCC) program
- CCC model encompasses primary care/nurse case management teams and co-located behavioral health to provide quality focused and holistic care to beneficiaries
- A bundled service contract would be sought to build a Community Health Care Team (CHCT) that would focus on long term care services and supports
- EOHHS will also work to further evolve the capacity and commitment of this model by contracting with a CHCT as “Health Homes”, seeking federal approval for the enhanced federal cost sharing provide for under ACA



Enhanced PCCM Models

- For non-duals, the Enhanced PCCM will be a direct expansion of the existing CCC program to include a sharper focus on long term care services.
- For dual eligibles the contracted entity will take core responsibility for ongoing care coordination and integration, service authorizations and modifications and supporting successful transitions through the Community Health Care Team
- Pursuit of this option would require an investment of state resources; staffing in particular. Community Health Care Team staff would need to be contracted out in this model



Capitated Models

- PACE
- Managed Long Term Care
- Fully Integrated Medicaid and Managed Care Program for Dual Eligibles



Capitated Models-PACE

- Preserve and expand the existing PACE program, taking advantage of unique qualifications and experience of PORI serving the dual eligibles population and supporting expansion of PORI capacity wherever possible.



Capitated Models

Managed Long Term Care

- *For non-duals*, extend covered benefits beyond the current acute care benefit package to include long term care services and supports
- *For dual eligibles*, contract with a managed care entity for all long term care services and supports paid for by Medicaid and for all acute care services paid by Medicaid as wraparound of Medicare coverage. This would include defined requirements for active coordination with Medicare covered services to minimize fragmentation. This could be facilitated where dual eligibles are currently enrolled in Medicare Advantage plans.
- The population for inclusion in this model would be all dual eligibles who have a level of care determination as the highest, high or preventive levels



Capitated Models- Fully Integrated Medicaid and Managed Care Program for Dual Eligibles

- Comprehensive managed care program including all Medicare and Medicaid covered services within a single contract.
- Three-year Centers for Medicaid and Medicare Services (CMS) demonstration for a capitated payment model
- Three way contract between CMS, the state and qualified health plans
 - shared savings for both programs
- Clients who are not “full-duals” would be not be included for enrollment (SLMBs, and QIs) in the capitated model. (approximately 5000 people)



Capitated Models

- Capitated Model builds on the Rhody Health Partners proficiencies and capabilities gained since 2008 in serving adults with disabilities
- Identification, Targeting and Care management and service integration functions will be embedded in the managed care model as a fundamental performance requirement, whether performed directly by the managed care organization or through the work of contracted providers
- Enhanced and specific requirements will need to be developed to meet the increased complexity of the needs of beneficiaries across the full continuum of services
- Any effort will be closely coordinated with BHDDH



Phased Approach

- Enhanced PCCM Models
- Managed Long Term Care Models
- Fully Integrated Medicaid and Managed Care Program for Dual Eligibles
- Integrated Managed Care for Persons with Developmental Disabilities and Severe and Persistent Mental Illness



Draft Integrated Care for Medicare and Medicaid Beneficiaries Demonstration Proposal

- The CMS demonstration for fully integrated managed care programs holds considerable potential for transforming systems of care but, as noted, many questions remain to be answered
- Proposed approach is to pursue the CMS demonstration with an effective date of January 1, 2014
- Proposal deadline is May 31, 2012



Coordination with Related Initiatives in Rhode Island

- Money Follows the Person Demonstration Grant
- Rebalancing Long-Term Care efforts under the Global Waiver
- Health Homes
- Patient-Centered Medical Homes
- ADRC/The POINT
- DEA Care Transitions
- BHDDH Project Sustainability



Stakeholder Engagement To Date

- Entities with current or prior experience with Medicare managed care delivery systems
- Members/Family Caregivers
- Advocates
- Providers
- Practitioners
- CMS
- Narragansett Indian Tribe
- Best Practice States



Next Steps

- Draft CMS Demonstration proposal will be posted to EOHHS website this week
- Public comment period is 30 days
- Proposal due to CMS on May 31, 2012
- Open Meetings scheduled:
 - Thursday May 3, 2012
11:00 a.m. – 1:00 p.m.
Arnold Conference Center, Cranston
 - Tuesday May 15, 2012
4:00 – 6:00 p.m.
DaVinci Center, Providence



How We Will Keep You Informed

RI Executive Office of Health and Human
Services website “duals integration” section

All public documents will be posted to this site:

<http://www.ohhs.ri.gov>