



April 6, 2016, 2016

The Honorable M. Teresa Paiva-Weed  
Senate President  
State House 318  
Providence, RI 02903

The Honorable Nicholas A. Mattiello  
Speaker of the House  
State House 323  
Providence, RI 02903

Dear Madam President Paiva-Weed and Speaker Mattiello:

On behalf of the Executive Office of Health and Human Services (EOHHS), I am pleased to provide a report titled, "Medical Assistance: Long-Term Care Services and Finance Reform." The reports provide information on Institutional and Home and Community Based Support Long Term Care expenditures, unique patients, and spending per patient incurred by Medicaid from July 1, 2010 to June 30, 2015, paid through November 2015.

The reports have been prepared in response to RIGL § 40-8.9.6. Reporting requirements. – "Annual reports showing progress in long-term care system reform and rebalancing shall be submitted by April 1st of each year by the department to the Joint Legislative Committee on Health Care Oversight as well as the finance committees of both the senate and the house of representatives and shall include: the number of persons aged sixty-five (65) years and over and adults with disabilities served in nursing facilities; the number of persons transitioned from nursing homes to Medicaid supported home and community based care; the number of persons aged sixty-five (65) years and over and adults with disabilities served in home and community care to include home care, adult day services, assisted living and shared living; the dollar amounts and percent of expenditures spent on nursing facility care and home and community-based care; and estimates of the continued investments necessary to provide stability to the existing system and establish the infrastructure and programs required to achieve system-wide reform and the targeted goal of spending fifty percent (50%) of Medicaid long-term care dollars on nursing facility care and fifty percent (50%) on home and community-based services."

Please do not hesitate to contact me at [Anya.Wallack@ohhs.ri.gov](mailto:Anya.Wallack@ohhs.ri.gov) if you have any questions about these reports.

Sincerely,

Anya Rader Wallack, PhD  
Medicaid Director

ARW/jjb

Cc: The Honorable Daniel Da Ponte, Chair, Senate Finance  
The Honorable Raymond E. Gallison, Jr., Chair, House Finance  
The Honorable Joshua Miller, Chair, Senate Health & Human Services  
The Honorable Brian P. Kennedy, Chair, House Corporations

Attachment(s)



**Executive Office of Health and Human Services  
State Annual Progress Report on Long-Term Care System Reform and Rebalancing | April 2016**

Pursuant to the RIGL § 40-8.9.6., the EOHHS annual report displays the progress in long-term care system reform and rebalancing for the following reporting categories.

**Definitions:**

*Institutional:* Long term care services delivered in a nursing home or inpatient hospital.

*HCBS:* Long term care services delivered at home or in the community

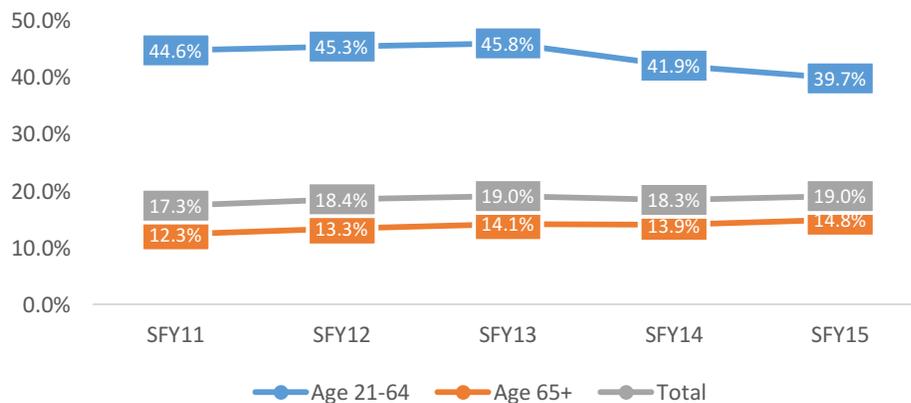
*Exclusions:* Transportation, services provided by BHDDH, which includes most of the services provided to the developmentally disabled

*Dates of service:* 7/1/10-6/30/15, paid through November 2015

**Medicaid Long Term Support Services by Type and Age Category: SPENDING**

	SFY11	SFY12	SFY13	SFY14	SFY15
<b>Total Spending</b>					
<b>Total Age 21-64</b>	<b>\$63,701,332</b>	<b>\$67,328,481</b>	<b>\$68,773,125</b>	<b>\$72,049,539</b>	<b>\$77,781,042</b>
HCBS	\$28,385,541	\$30,497,018	\$31,498,501	\$30,176,802	\$30,915,876
Institutional	\$35,315,791	\$36,831,463	\$37,274,624	\$41,872,737	\$46,865,167
<b>Total Age 65+</b>	<b>\$343,951,353</b>	<b>\$359,704,091</b>	<b>\$370,153,159</b>	<b>\$384,618,436</b>	<b>\$383,265,184</b>
HCBS	\$42,226,102	\$47,906,765	\$52,067,841	\$53,502,514	\$56,578,178
Institutional	\$301,725,251	\$311,797,326	\$318,085,318	\$331,115,921	\$326,687,006
<b>Total</b>	<b>\$407,652,685</b>	<b>\$427,032,572</b>	<b>\$438,926,284</b>	<b>\$456,667,974</b>	<b>\$461,046,226</b>
<b>Spending, % HCBS</b>					
Age 21-64	44.6%	45.3%	45.8%	41.9%	39.7%
Age 65+	12.3%	13.3%	14.1%	13.9%	14.8%
<b>Total</b>	<b>17.3%</b>	<b>18.4%</b>	<b>19.0%</b>	<b>18.3%</b>	<b>19.0%</b>

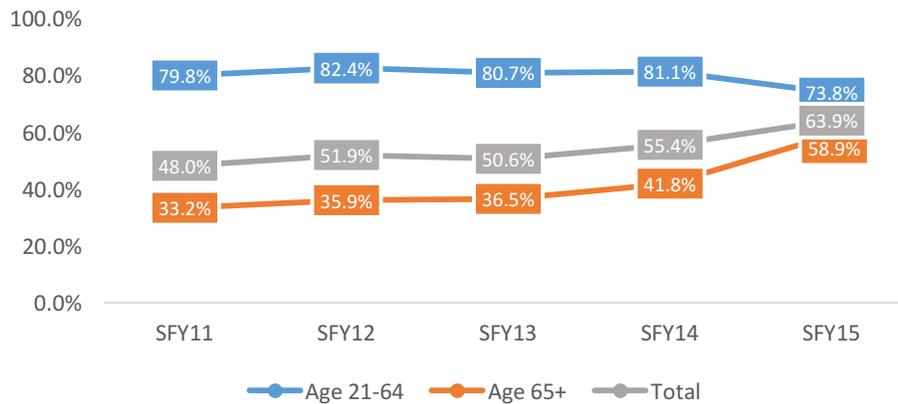
**Percent of Spending on Home and Community Based Long Term Support Services, FY11-FY15**



Medicaid Long Term Support Services by Type and Age Category: PATIENTS

	SFY11	SFY12	SFY13	SFY14	SFY15
<b>Total Patients</b>					
<b>Age 21-64</b>	<b>4,813</b>	<b>5,513</b>	<b>4,985</b>	<b>5,699</b>	<b>4,680</b>
HCBS	3,842	4,540	4,021	4,622	3,453
Institutional	1,243	1,312	1,309	1,525	1,758
<b>Age 65+</b>	<b>10,768</b>	<b>11,109</b>	<b>11,207</b>	<b>11,291</b>	<b>11,034</b>
HCBS	3,578	3,992	4,087	4,720	6,504
Institutional	7,933	7,970	7,962	7,807	7,568
<b>Total</b>	<b>15,456</b>	<b>16,444</b>	<b>16,038</b>	<b>16,854</b>	<b>15,582</b>
HCBS	7,349	8,421	7,997	9,243	9,878
Institutional	9,122	9,215	9,227	9,293	9,271
<b>Patients, %HCBS</b>					
Age21-64	79.8%	82.4%	80.7%	81.1%	73.8%
Age65+	33.2%	35.9%	36.5%	41.8%	58.9%
<b>Total</b>	<b>48.0%</b>	<b>51.9%</b>	<b>50.6%</b>	<b>55.4%</b>	<b>63.9%</b>

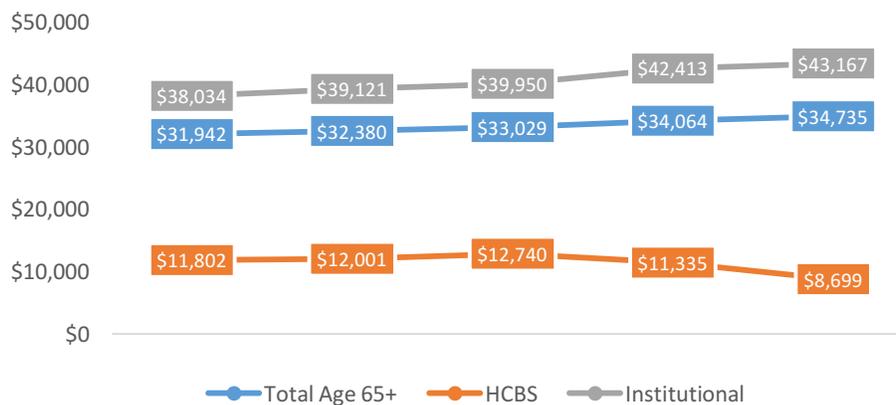
Percent of Patients with Home and Community Based Long Term Support Services, FY11-FY15



Medicaid Long Term Support Services by Type and Age Category: SPENDING PER PATIENT					
	SFY11	SFY12	SFY13	SFY14	SFY15
<b>Spending Per Patient (all services and stays of any length)</b>					
<b>Total Age 21-64</b>	<b>\$13,235</b>	<b>\$12,213</b>	<b>\$13,796</b>	<b>\$12,642</b>	<b>\$16,620</b>
HCBS	\$7,388	\$6,717	\$7,833	\$6,529	\$8,953
Institutional	\$28,412	\$28,073	\$28,476	\$27,458	\$26,658
<b>Total Age 65+</b>	<b>\$31,942</b>	<b>\$32,380</b>	<b>\$33,029</b>	<b>\$34,064</b>	<b>\$34,735</b>
HCBS	\$11,802	\$12,001	\$12,740	\$11,335	\$8,699
Institutional	\$38,034	\$39,121	\$39,950	\$42,413	\$43,167
<b>Total</b>	<b>\$26,375</b>	<b>\$25,969</b>	<b>\$27,368</b>	<b>\$27,096</b>	<b>\$29,588</b>

Note that the Institutional data above reflect all stays, including short and long-term stays. Similarly, HCBS data reflect all spending for all members who receive HCBS services, which is not provided for a predetermined length of time. As such, the numbers above cannot be interpreted as the annual cost of a nursing home or other institutional stay or a year of HCBS, but rather the average cost for all stays or all services.

**Spending per person, age 65+, on Long Term Support Services, FY11-FY15**



In accordance with Governor Gina Raimondo's Reinventing Medicaid initiative, the Reinventing Medicaid final report articulates principles and goals that include the following as context for rebalancing the long term care system:

- Pay for value, not for volume
- Coordinate physical, behavioral, and long-term health care
- Rebalance the delivery system away from high-cost settings
- Promote efficiency, transparency, and flexibility

A number of Reinventing Medicaid initiatives have been implemented that focus on investments in long term care rebalancing in the areas of payment reform, home and community-based service capacity and coordination of care. Further investments necessary to provide stability to the existing system include:

- Further increase in home and community-based service capacity
- Streamlined information and referrals
- Transportation
- Resources for improved eligibility processing
- Diversion strategies
- Continued payment and system deliver reforms and investments
- Behavioral Health alternatives in the community

The infrastructure and programs required to achieve system-wide reform to meet the targeted goal of spending fifty percent (50%) of Medicaid long-term care dollars on nursing facilities care and fifty percent (50%) on home and community-based services will be informed by the EOHHS Long Term Services and Supports evaluation of rebalancing strategies that is being conducted at the direction of the Governor. The EOHHS is seeking a vendor to evaluate both state and national strategies to rebalance the state's long term care delivery system away from institutional care towards home and community based services (HCBS). The Money Follows the Person grant will fund this project and will evaluate the Medicaid population of those over 65 years of age and the physically disabled. Individuals who receive services through the Dept. of Behavioral Health, Developmental Disabilities and Hospitals, which includes most of the services provided to the intellectually and/or developmentally disabled, are excluded from this analysis.

Additionally, infrastructure and programs necessary for achieving rebalancing include:

- Adoption of the principles of a "No Wrong Door" system
- Improved data sharing for care coordination
- Advance models of housing with supportive services
- Develop payment models incentive for home and community services
- Linkages to services that address social determinants of care
- Human resources to build capacity
- Infrastructure to support HCBS providers
- Targeted HCBS workforce development