



March 28, 2018

The Honorable Dominick J. Ruggerio
Senate President
State House 318
Providence, RI 02903

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

Dear President Ruggerio and Speaker Mattiello:

On behalf of the Executive Office of Health and Human Services (EOHHS), I am pleased to provide a report titled, "Executive Office of Health and Human Services State Annual Progress Report on Long-Term Care System Reform and Rebalancing, May 2017." The report provides 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, 2013 to June 30, 2017.

The report has 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 Patrick.Tigue@ohhs.ri.gov if you have any questions about this report.

Sincerely,

Patrick Tigue
Medicaid Director

Cc: The Honorable William J. Conley, Jr., Chair, Senate Finance
The Honorable Marvin L. Abney, Chair, House Finance
The Honorable Brian P. Kennedy, Co-Chair, Joint Committee on Healthcare Oversight

Attachment



Executive Office of Health and Human Services
State Annual Progress Report on Long-Term Care System Reform and Rebalancing, April 2018

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.

Note: The data in this report will differ from previous reports due to several program changes. First, the LTC/LTSS Evaluation Workgroup worked extensively with all EOHHS divisions (including LTC Program staff, IT, Finance, Program Integrity, Policy, Analytics and Senior Leadership), the Department of Human Services (DHS) and the Division of Elderly Affairs (DEA) to establish standard operational definitions of LTC/LTSS that distinguished Institutional Care (LTC) from Home and Community Services (LTSS) that assure consistency and continuity in report on these services (see “Developing Metrics that Matter: Defining Long-term Care Services and Supports in RI Medicaid”, EOHHS Division White Paper, March 2017). Secondly, outstanding issues with the state’s UHIP continue to impede the accuracy and completeness of our data - especially in the most current fiscal year (SFY 2017). As such, the observed decline in LTC/LTSS spending in SFY 2017 is more likely due to missing data than accurate trends in LTC/LTSS utilization. Finally, data from SFY11-SFY13 have been removed from the trend analysis due to changes in the claims system, the data reported here are the most accurate and complete years of data.

Background:

In accordance with Governor Gina Raimondo’s Reinventing Medicaid initiative, the Reinventing Medicaid final report articulated principles and goals that included 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

EOHHS has implemented Reinventing Medicaid initiatives that focus on investments in long-term care to promote rebalancing in the areas of payment reform, home and community-based service capacity and coordination of care. Further infrastructure and program investments are necessary to provide stability to the existing system and 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.

The tables, charts, and notes on the following pages present information relevant to the Reinventing Medicaid effort. EOHHS is actively working on proposals for SFY 2019 to promote rebalancing efforts by restructuring the delivery system for individuals who have Medicare and Medicaid coverage, streamlining the current LTSS eligibility processes and making investments in payment rates. This initiative (described below, at the end of this report) builds on the work that started with the Global Waiver Taskforce in 2009 and the Reinventing Medicaid Working Group in 2015, to rebalance Rhode Island’s long-term care system and expand access and options for community living for Rhode Island’s elders and adults with disabilities.

Definitions:

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

Home and Community Based Services (HCBS): Long term care services delivered at home or in the community

Exclusions: Services for those who only receive Non-Emergency Medical Transportation (NEMT); services provided by BHDDH, which includes most of the services provided to individuals with developmental disabilities; services in State Hospitals

Dates of service: 7/1/13-6/30/17, paid through November 2017

Table 1. Medicaid Long Term Support Services by Type and Age Category: SPENDING				
	SFY14	SFY15	SFY16	SFY17
Total Spending				
Total Age 21-64				
64	\$59,501,768	\$62,204,562	\$62,516,421	\$52,049,479
HCBS	\$30,873,691	\$30,192,935	\$29,668,347	\$23,694,941
Institutional	\$28,628,077	\$32,011,627	\$32,848,074	\$28,354,538
Total Age 65+	\$296,611,622	\$301,436,576	\$288,448,436	\$252,478,052
HCBS	\$49,864,209	\$51,479,141	\$53,236,967	\$43,684,269
Institutional	\$246,747,413	\$249,957,435	\$235,211,469	\$208,793,783
Total	\$356,113,390	\$363,641,138	\$350,964,857	\$304,527,531
Spending, %				
HCBS				
Age 21-64	51.8%	48.5%	47.5%	45.5%
Age 65+	16.8%	17.1%	18.5%	17.3%
Total	22.7%	22.5%	23.6%	22.1%

Percent of Spending on Home and Community Based Long Term Services and Support, SFY14-SFY17

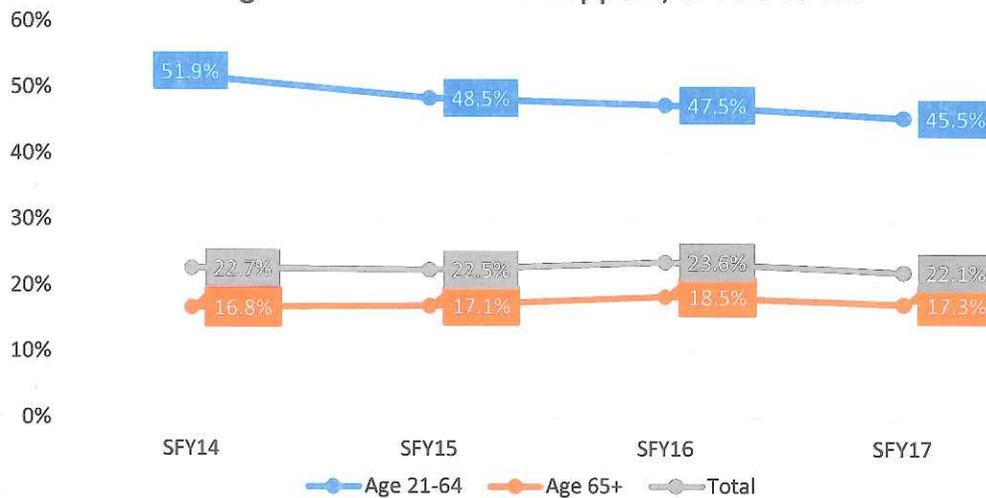
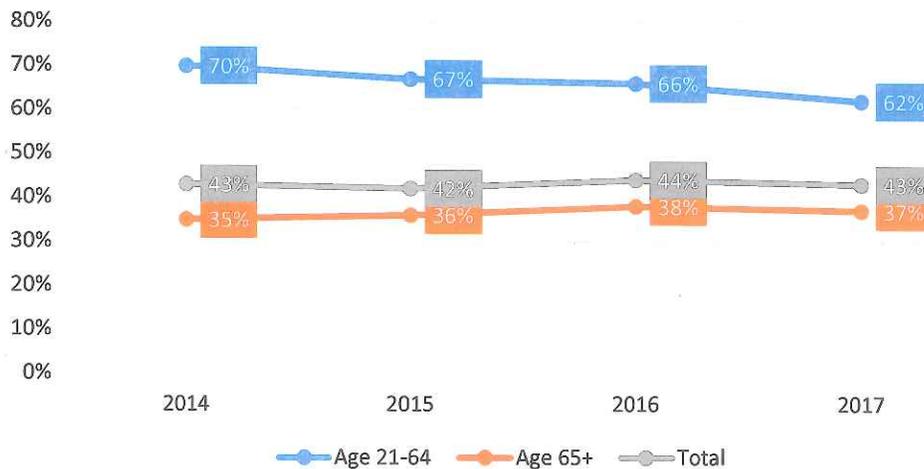


Table 2. Medicaid Long Term Support Services by Type and Age Category:
PATIENTS

	SFY14	SFY15	SFY16	SFY17
Total LTSS Patients				
Age 21-64	2,516	2,557	2,599	2,391
HCBS	1,754	1,703	1,720	1,476
Institutional	859	940	969	967
Age 65+	9,597	9,473	9,269	8,563
HCBS	3,393	3,375	3,519	3,199
Institutional	6,431	6,339	5,947	5,523
Total	12,113	12,030	11,868	10,954
HCBS	5,157	5,078	5,239	4,675
Institutional	7,290	7,279	6,916	6,490
LTSS Patients, %HCBS				
Age 21-64	70%	67%	66%	62%
Age 65+	35%	36%	38%	37%
Total	43%	42%	44%	43%

Percent of Patients with Home and Community Based Long Term Support Services, SFY14-SFY17



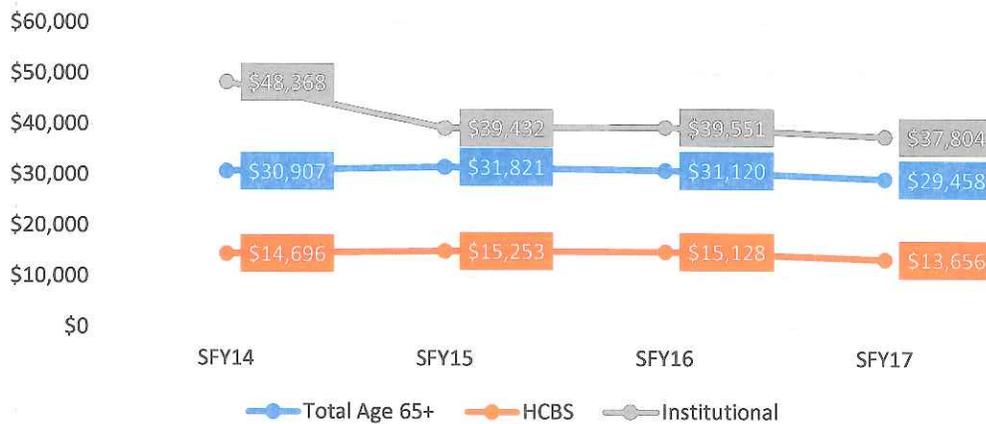
The data above shows a slow, yet steady decrease in patients in the 21-64 age group across the four state fiscal years. While patients aged 65+ remained stable. The same trends are seen in financial costs for these age groups. The trends reveal that the 65+ age group appears to be driving both the patient and financial trends, in that the combined age group total mimics that of the 65+ age group.

Note that due to implementation complications within the new RI Bridges system there are concerns over the accuracy of financial costs of those in institutional long-term care. Overall costs, however, have remained stable.

Table 3. Medicaid Long Term Support Services by Type and Age Category: SPENDING PER PATIENT

	SFY14	SFY15	SFY16	SFY17
Spending Per Patient (all services and stays of any length)				
Total Age 21-64	\$23,649	\$24,327	\$24,054	\$21,769
HCBS	\$17,602	\$17,729	\$17,249	\$16,053
Institutional	\$33,327	\$34,054	\$33,899	\$29,322
Total Age 65+	\$30,907	\$31,821	\$31,120	\$29,458
HCBS	\$14,696	\$15,253	\$15,128	\$13,656
Institutional	\$48,368	\$39,432	\$39,551	\$37,804
Total	\$29,399	\$30,228	\$29,572	\$27,801
HCBS	\$15,686	\$16,084	\$15,825	\$14,413
Institutional	\$37,774	\$38,737	\$38,759	\$36,541

Spending per person, Age 65+, on Long Term Support Services, SFY14 - SFY17



HCBS data reflect only spending for members who are enrolled in a HCBS waiver and includes services that are provided only by HCBS certified providers. Of note, the numbers above, both long-term care and HCBS, cannot be interpreted as the annual cost of a nursing home or other institutional stay or a year of HCBS, these costs reflect the average cost per member per group, not the annualized cost.

The LTSS Rebalancing System Redesign

Governor Raimondo has proposed in the SFY 2019 budget repurposing a portion of anticipated savings from restructuring the delivery system for individuals who have Medicare and Medicaid coverage or Medicaid coverage due to a disability, chronic condition or require an institutional level of care and receive LTSS. The redesign will achieve a more cost-effective transitional managed arrangement as a foundation for new innovative permanent arrangement to be developed for SFY 2020. Additionally, the budget proposal recommends streamlining the current LTSS eligibility processes and making investments in payment rates for nursing homes and home and community-based care to achieve the goal of rebalancing the long-term care system.

Why LTSS Rebalancing System Redesign Initiatives are Important:

- **RI fares poorly in national AARP rankings**
The 2017 AARP State Scorecard for long-term care ranks Rhode Island as #32, near the bottom compared to most states. Moreover, RI's rate among those 65 and older in nursing homes is highest in New England and third highest in the nation.
- **Spending heavily weighted toward institutional care**
In RI, 79% of Medicaid long-term care spending pays for institutional care and 21% for home and community based services (HCBS). Nine states (plus DC) spend over 50% of Medicaid long-term care dollars on HCBS.
- **Significant investments to date with limited impact**
Nursing home days per thousand have been declining over the last 5 years, however total nursing home expense continues to grow.
- **A growing aging population brings increasing urgency to this challenge**
The 65+ population in RI is projected to grow 2.5-3.0% per year over the next 10 years. Medicaid enrollment of elders is projected to increase by 14% in 5 years and 32% increase in 10 years.

LTSS System Redesign Initiatives Under Consideration:

- Focus on better coordination of care for clients with LTSS needs, specifically dual eligible
- Explore enhanced federal match for home and community-based services
- Modernize LTSS eligibility processes by automation of asset verifications, expansion of expedited eligibility, elimination of retroactive coverage and elimination of loopholes in the LTSS resource test
- Develop alternative payment models to expand efforts to identify and provide preventive services to persons at risk of LTSS and other high-risk interventions