

What would strengthen Medicaid LTSS

Testimony to the Commission on Long-Term Care
respectfully submitted by Patti Killingsworth
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I. Context

A. The Triple Aim:

- A. Improving the patient experience of care (including quality and satisfaction)
- B. Improving the health of populations
- C. Reducing the per capita cost of health care

The triple aim can only be accomplished and Medicaid LTSS can only be strengthened within the context of the broader health care system.

B. The majority of Medicaid Nursing Facility (NF) residents are:

- Age 65+ (84% of TennCare CHOICES NF residents)
- Medicare eligible (92% of TennCare CHOICES NF residents)
- Admitted to Medicaid NF following Medicare SNF stay
- In fee-for-service Medicare

II. Recommendations

A. Eliminate/reverse the institutional bias in the Medicaid program design

1. LTSS Benefits

- a. Change NF services to an optional (versus mandatory) benefit
- b. Allow states to limit the number of institutional “slots or placements,” divert to HCBS, and maintain waiting lists for NF services, if applicable
- c. To ensure maintenance/expansion of LTSS *system* capacity, require that any reduction in institutional “slots” be paired with the addition of one or more community “slot(s)”
- d. Continue to offer flexible HCBS authorities which support the development of adequate community-based infrastructure and allow states to manage limited resources
- e. Mandate individual cost neutrality for HCBS in order to stretch limited resources to serve more people

2. LTSS Settings

- a. Change freedom of choice requirements to default to HCBS rather than institutional care, i.e., a person cannot be placed in an institution (NF or ICF/IID) without being advised by a neutral entity of freedom of choice of available HCBS alternatives and affirmatively choosing institutional placement over available HCBS alternatives

- b. Require enrollment in HCBS *first* (before permitting institutional placement) absent extenuating circumstances
- c. Allow FFP for limited room and board supplements in a community-based residential alternative setting (not just in an institution as currently permitted under the law), particularly for persons with income at or below the SSI FBR

3. LTSS Quality

- a. Encourage/require the development of values-based purchasing for LTSS (NF and HCBS) in order to align payments with key measures of performance, including the member's experience of care
- b. Allow State exception to any willing qualified provider and freedom of choice of provider requirements for NFs with lower quality rankings (including all special focus facilities)

B. Integrate funding, benefits, and coordination for Full Benefit Dual Eligible (FBDE) beneficiaries receiving LTSS

- 1. Enroll all FBDE beneficiaries receiving LTSS in integrated and coordinated programs of care (e.g., D-SNPs, Financial Alignment Demonstrations) that include LTSS and coordinate services across the continuum
- 2. Permanently reauthorize D-SNPs that are contracted with the SMA to deliver LTSS and to coordinate care across the continuum
- 3. Clearly define the role of the SMA in the contracting and oversight of "integrated" D-SNPs
- 4. Streamline administrative requirements for integrated D-SNPs

C. Realign incentives in the Medicare program to support delivery of Medicare and Medicaid LTSS in the most integrated setting appropriate

- 1. Implement prospective UR process (more than 3-day minimum hospital stay) for Medicare SNF benefits that includes consideration of HCBS options first
- 2. Implement freedom of choice requirement for Medicare SNF benefits with default to HCBS rather than SNF, i.e., person cannot be placed in a SNF without being advised by a neutral entity of freedom of choice of available HCBS alternatives (Medicare HH and Medicaid options) and affirmatively choosing SNF placement over available HCBS alternatives
- 3. Incentivize hospitals to discharge from Medicare inpatient to home with HCBS rather than SNF (and/or disincentivize hospital discharge to SNF)
- 4. Require dual certified facilities to create a medical home within the facility for long-stay NF residents, with accountability for avoidable hospital admissions