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OVERVIEW OF FUNDING FOR LONG TERM SERVICES AND SUPPORTS

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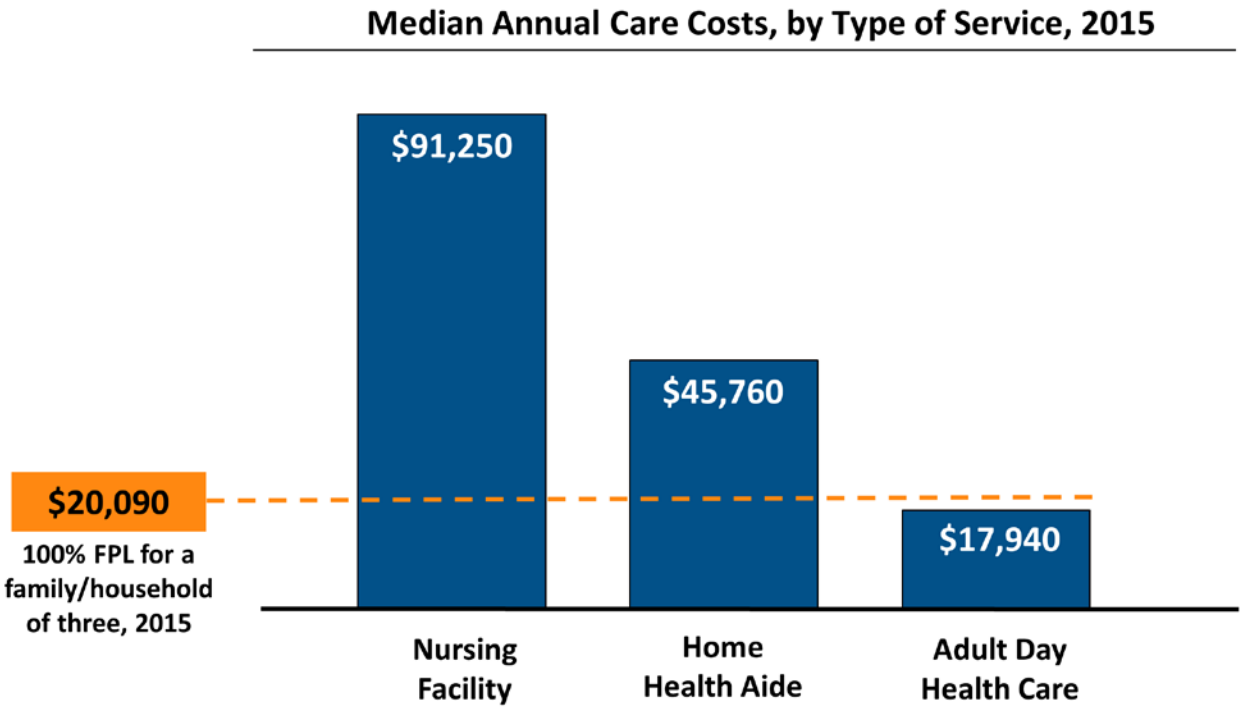
What are Long Term Services and Supports (LTSS)?

- Kaiser Family Foundation: **"encompasses the broad range of paid and unpaid medical and personal care assistance that people may need – for several weeks, months, or years – when they experience difficulty completing self-care tasks as a result of aging, chronic illness, or disability."**
  - Delivered in institutional and home and community-based settings
  - Majority provided by unpaid caregivers – relatives and friends – in home and community-based settings
    - One estimate is over $200 Billion/year in value, about equal to paid services

SOURCES: https://www.cbo.gov/publication/44363
https://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/

Figure 2

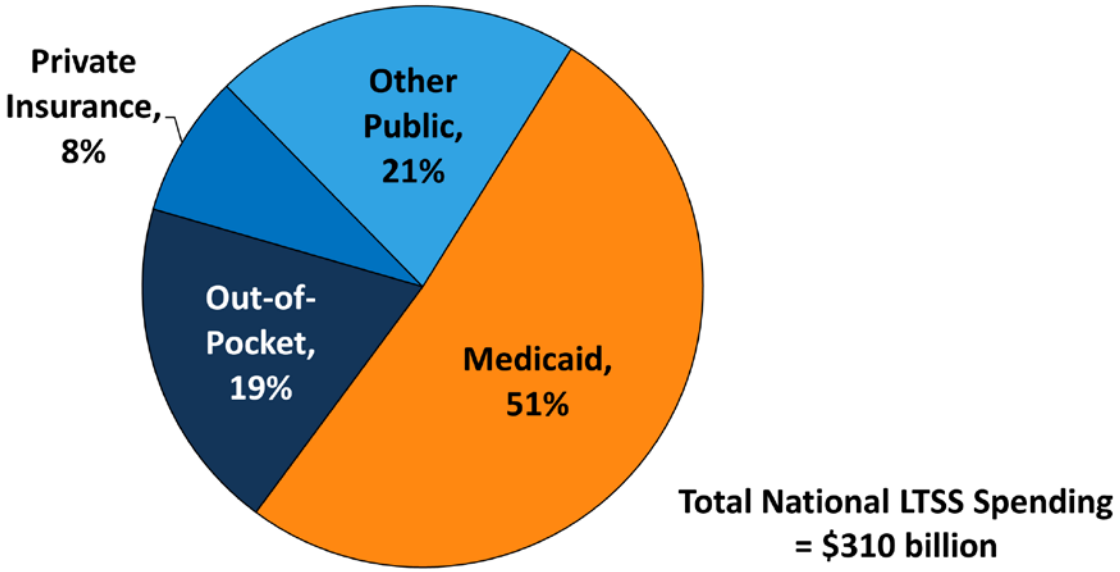
Long-Term Services and Supports Are Expensive, Often Exceeding What Beneficiaries and Their Families Can Afford



SOURCES: Genworth, *Genworth 2015 Cost of Care Survey* (Richmond, VA: Genworth Financial, Inc., April 2015), https://www.genworth.com/dam/Americas/US/PDFs/Consumer/corporate/130568_040115_gnw.pdf; U.S. Department of Health and Human Services, 2015 Poverty Guidelines, https://aspe.hhs.gov/2015-poverty-guidelines.

Figure 3

Medicaid is the Primary Payer for Long-Term Services and Supports (LTSS), 2013



NOTE: Total LTSS expenditures include spending on residential care facilities, nursing homes, home health services, and home and community-based waiver services. Expenditures also include spending on ambulance providers and some post-acute care. This chart does not include Medicare spending on post-acute care ($74.1 billion in 2013). All home and community-based waiver services are attributed to Medicaid.
SOURCE: KCMU estimates based on CMS National Health Expenditure Accounts data for 2013.

THE HENRY J. KAISER FAMILY FOUNDATION

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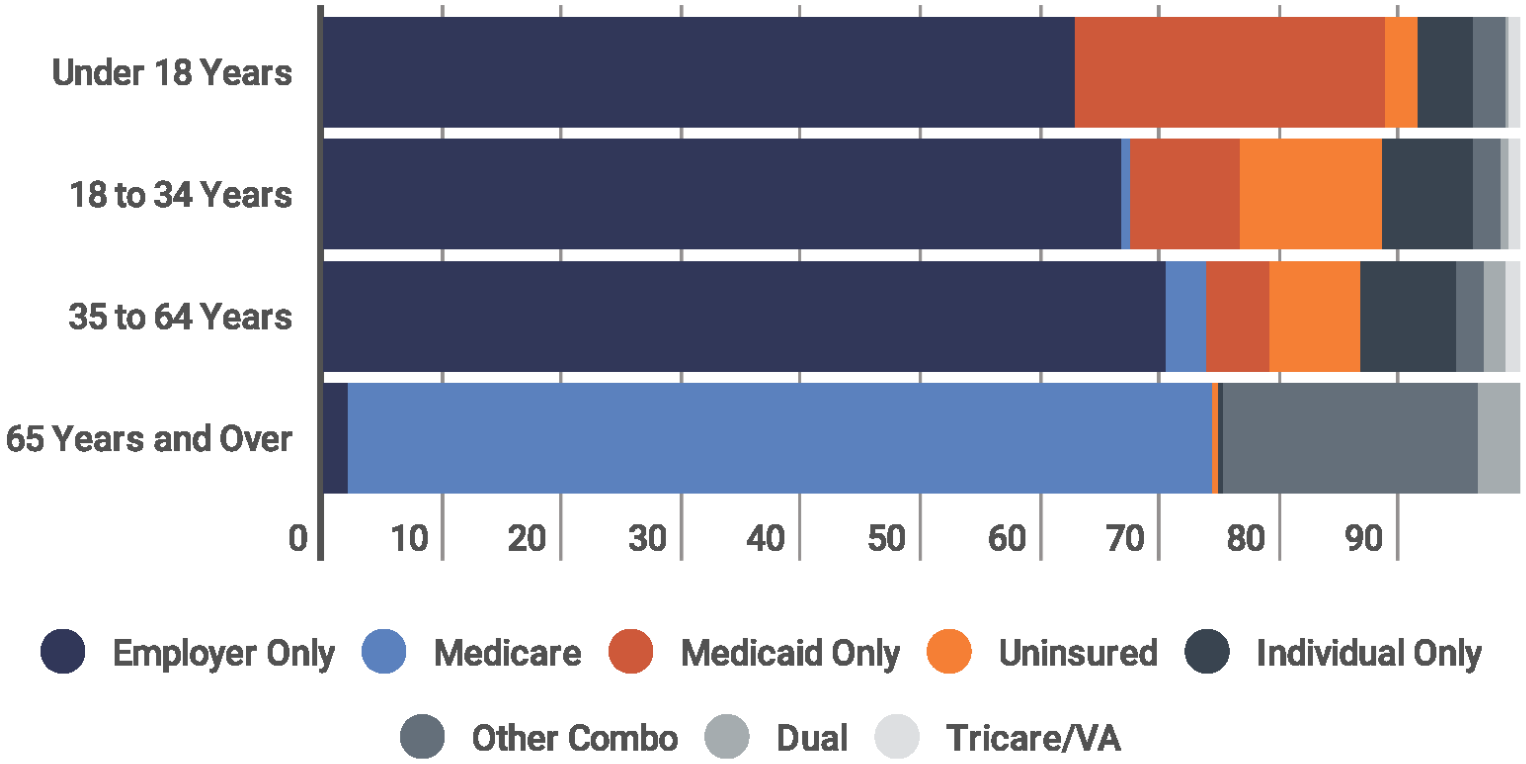
Insurance Coverage in NH

Coverage by Age, 2015



SOURCE:
https://chhs.unh.edu/sites/chhs.unh.edu/files/departments/institute_for_health_policy_and_practice/covering_the_care-_health_care_coverage_in_nh_050917_0.pdf

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Public insurance: Who pays for what?

- Medicare
  - LTSS coverage is limited
  - Home health services for beneficiaries who are homebound
    - Personal care services not covered
  - Post-acute nursing facility, up to 100 days, post qualified hospital stay
- Medicaid - Primary payer
  - Nursing home care
  - Home and Community Based Services (HCBS)
    - Home health services, a mandatory state plan service
    - Personal care services, an optional state plan service
    - Section 1915(c) HCBS waivers - allow states to waive certain federal requirements and provide HCBS to people who otherwise have LTSS in an institutional setting.

SOURCE: https://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/

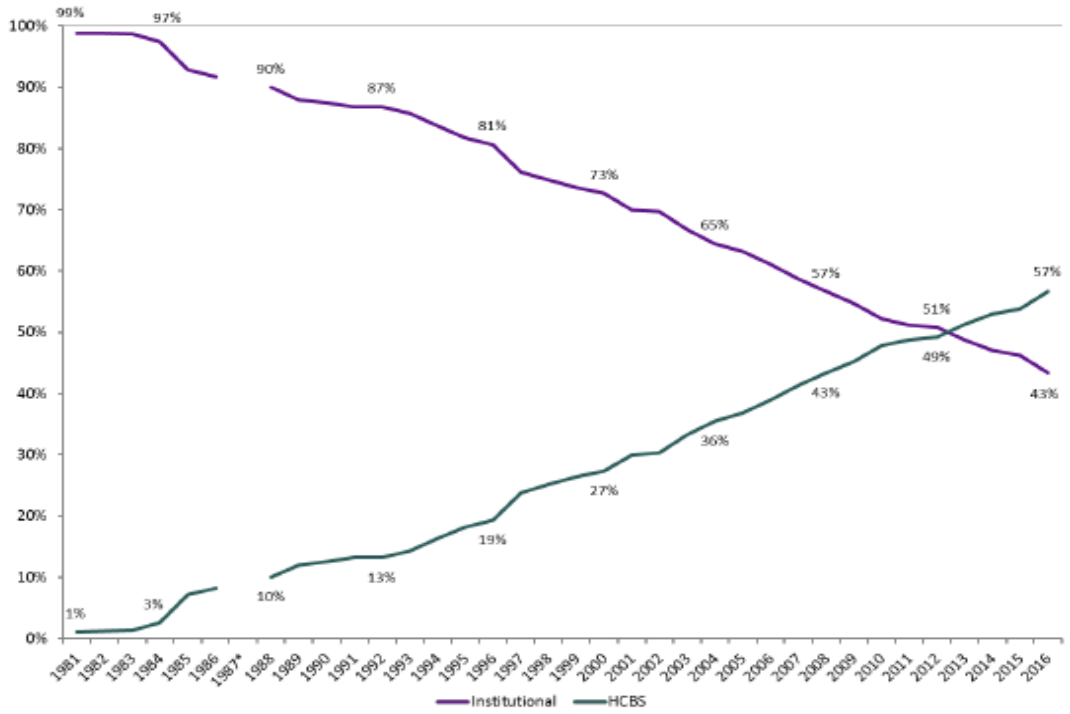
NH 1915(c) Waivers

- 4 -- 1915(c): Home and Community Based Care waivers
  - Renewable waiver authority that allows states to provide long-term care services delivered in community settings as an alternative to institutional settings. The state must select the specific target population and/or sub-population the waiver will serve.
  - Developmentally Disabled (DD) Waiver
  - Acquired Brain Disorder (ABD) Waiver
  - In-Home Supports (IHS) Waiver
  - Choices for Independence (CFI) Waiver

SOURCE:
https://chhs.unh.edu/sites/chhs.unh.edu/files/departments/institute_for_health_policy_and_practice/fournier_nh_medicaid_overview_symposium_final_5_25_17.pdf

Home and Community Based and Institutional Spending Trend

Figure 8. Medicaid HCBS and Institutional LTSS Expenditures as a Percentage of Total Medicaid LTSS Expenditures, FY 1981–2016



Data for FY 2014 through 2016 do not include LTSS within a large California managed care program. Data do not include expenditures through managed care organizations before 2008, and for certain states and program authorities starting in 2008. See Appendix A for more information.

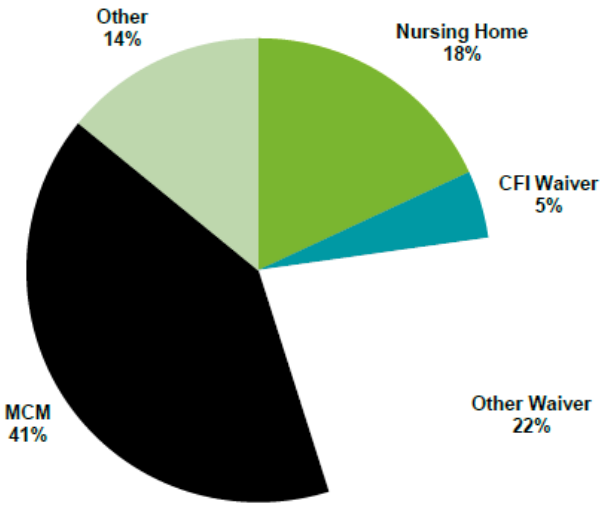
*ICF/IID data for FY 1987 were nearly double expenditures for FY 1986 and for FY 1988. The reason for the one-time reported increase in expenditures is not known, and data from this outlier year were excluded.

NH, FY2016:
48% HCBS
52% Institutional

SOURCE: https://www.medicaid.gov/medicaid/ltss/downloads/reports-and-evaluations/ltssexpenditures2016.pdf

NH Medicaid and LTSS

In other words, long-term care services are largest single percentage of service costs in Medicaid



- Medicaid is largest payer of LTSS in NH
- LTSS is single largest category of spend in NH Medicaid, in FY16

SOURCE:
https://chhs.unh.edu/sites/chhs.unh.edu/files/departments/institute_for_health_policy_and_practice/fournier_nh_medicaid_overview_symposium_final_5_25_17.pdf

NH Medicaid (Non-Expansion) Provider Payments Made by DHHS Directly or by MCOs for Patient Services, SFY2016

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Service Group	Millions
LTSS Waiver - DD	$233.6M
Nursing Facility - ICF	$196.9M
Prescription Drugs Pharmacy	$120.3M
Hospital Outpatient	$94.1M
Mental Health Center	$90.6M
Hospital Inpatient	$65.4M
LTSS Waiver - CFI	$55.3M
Physician, APRN, Clinic, Midwife, Ambulatory Surgical Center	$54.4M
Other	$29.1M
Medicaid to Schools	$28.9M
Dental	$26.2M
LTSS Waiver - ABD	$22.5M
Home Health and Private Duty Nursing	$18.0M
Durable Medical Equipment and Medical Supplies	$17.7M
DCYF - PNMI	$16.1M
Nursing Facility - SNF	$16.1M
Non-Emergency Transportation	$14.8M
Radiology and Pathology (Non-Hospital Billed)	$9.2M
DCYF - Other	$8.7M
Personal Care	$7.4M
Psychology and Substance Abuse	$6.7M
LTSS Waiver - IHS	$5.5M
Opioid Treatment Program	$4.1M
PT, OT, ST	$3.9M
Nursing Facility - IID ICF	$3.9M

Notes:
Contains MCO fee for service equivalent payment where MCO has a subcapitated arrangement for the service
Bulk financial transactions and one time payments excluded (e.g., MQIP, primary care rate increase, EHR incentive program) except for Hepatitis drug treatment paid to MCOs through a reimbursement mechanism when it was not in MCO rates, but paid by the MCO

Working Draft

SOURCE:
https://chhs.unh.edu/sites/chhs.unh.edu/files/departments/institute_for_health_policy_and_practice/fournier_nh_medicaid_overview_symposium_final_5_25_17.pdf

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Focus on Medicaid LTC, CFI

- Provides adult medical day services, home health aide, homemaker, personal care, respite, supported employment, financial management services, adult family care, adult in-home services, community transition services, environmental accessibility services, home-delivered meals, non medical transportation, participant directed and managed services, personal emergency response system, residential care facility services, skilled nursing, specialized medical equipment services, supportive housing services
- For individuals over 65, and those with disabilities ages 18-64
- Includes service plans and targeted case management

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Focus on Medicaid LTC, Nursing Facility

- Nursing facilities are paid a prospective rate
  - Links each facility's per diem rate to the level of services required by its resident mix.
  - Prospective rates set every six months
- Medicaid Quality Incentive Payment (MQIP)
  - Supplemental Medicaid rate paid to nursing facilities which provide Medicaid services.
- Proportionate share incentive adjustment (ProShare) payments to county nursing facilities
  - Payment to account for "non-State operated governmental (county) nursing facilities provide care to many severely medically involved patients requiring an extraordinarily intensive and costly level of care and have a very high Medicaid proportion of their patient census."

SOURCE: https://www.dhhs.nh.gov/ombp/medicaid/nf-med-rates.htm

Focus on Nursing Home Care and CFI

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Choices for Independence and Nursing Home Services

5

		SFY 2016		SFY 2017		SFY 2018	FUNDING SOURCES				
Class	Class Title	Expended		Adjusted Authorized		Gov Recommended	FEDERAL	COUNTY		NFQA 5.5% tax	GENERAL
040	Indirect Costs	114,861		128,395		128,395	128,395				
041	Audit set aside	195,932		213,450		211,277	211,277				
101	Medical Payments to Providers	9,245,779		14,840,838	1)	9,245,779	4,622,890				4,622,890
509	Other Nursing Services	4,560,970		4,457,161		4,457,161	2,228,581				2,228,581
504	Nursing Home Payments	195,142,921	2)	192,452,700		192,452,700					
505	Mid-Level Care Services	9,657,689		9,514,583		9,514,583					
506	Home Support Waiver Services	37,490,664		37,089,545		37,089,545					
529	Home Health Care Waiver Services	9,457,012		8,943,465		8,943,468					
	SUBTOTAL LTC	**251,748,285**		**248,000,293**		**248,000,296**	**124,000,148**	**110,268,000**	5)		**13,732,148**
514	PROSHARE	48,323,827		55,176,092	3)	56,781,937	28,390,969	28,390,969			
516	Medicaid quality Incentive	63,846,250		76,264,298	4)	79,205,109	39,602,555			39,602,555	
	TOTAL EXPENSE	**378,035,904**		**399,080,527**		**398,029,954**	**199,184,813**	**138,658,969**		**39,602,555**	**20,583,618**

NOTES

1) Difference between $14m and $9m represents payments for "step 1" services that are now paid out of the Medicaid MCO budget.
2) SFY 16 includes a one time $5.0 million payout of unspent funds from SFY15
3) Proshare assumed approx 3% increase over SFY17.
4) MQIP - assumed approx 2% increase in NFQA tax revenue which would generate a federal match for a total of 4% increase in payments
5) $110.8 million represents NET County CAP

SOURCE: https://www.dhhs.nh.gov/ocom/documents/senate-finance-oms-ltc-05012017.pdf

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LTSS and Managed Care

- MLTSS in NH
  - HB 1816: “the remaining unimplemented phases of step 2 of the program shall not be incorporated into the department of health and human services' care management program for delivery by a managed care organization”
  - Nursing and waiver programs will not be implemented, as was once planned
  - Populations in nursing homes and on the HCBS waivers do have coverage for medical services through MCOs

SOURCE: https://legiscan.com/NH/bill/HB1816/2018

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Looking Ahead

- What can be done differently?