Medicaid Reform Research Summary

Department of Health & Human Services
Whole Person Integration Workgroup

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Objective

Compile lessons learned from various states to identify benefits and limitations of their Medicaid delivery system with the goal to inform North Carolina's Medicaid Reform dialogue as it relates to long-term services and support (LTSS)

Potential LTSS Reforms

Fee-for-Service LTSS		Shared Risk LTSS	Managed LTSS (Capitation Payment)		
Enhance current FFS system with uniform assessment & usher function	Same, plus physical health ACO responsible for LTSS care transitions	ACO fully coordinates LTSS; costs of LTSS counted in ACO gain/ loss	Capitation to limited special needs plan for LTSS services only	All LTSS-qualifying recipients enrolled in full-service special needs plan	LTSS and all other Medicaid recipients together in full-service health plan

Research Framework

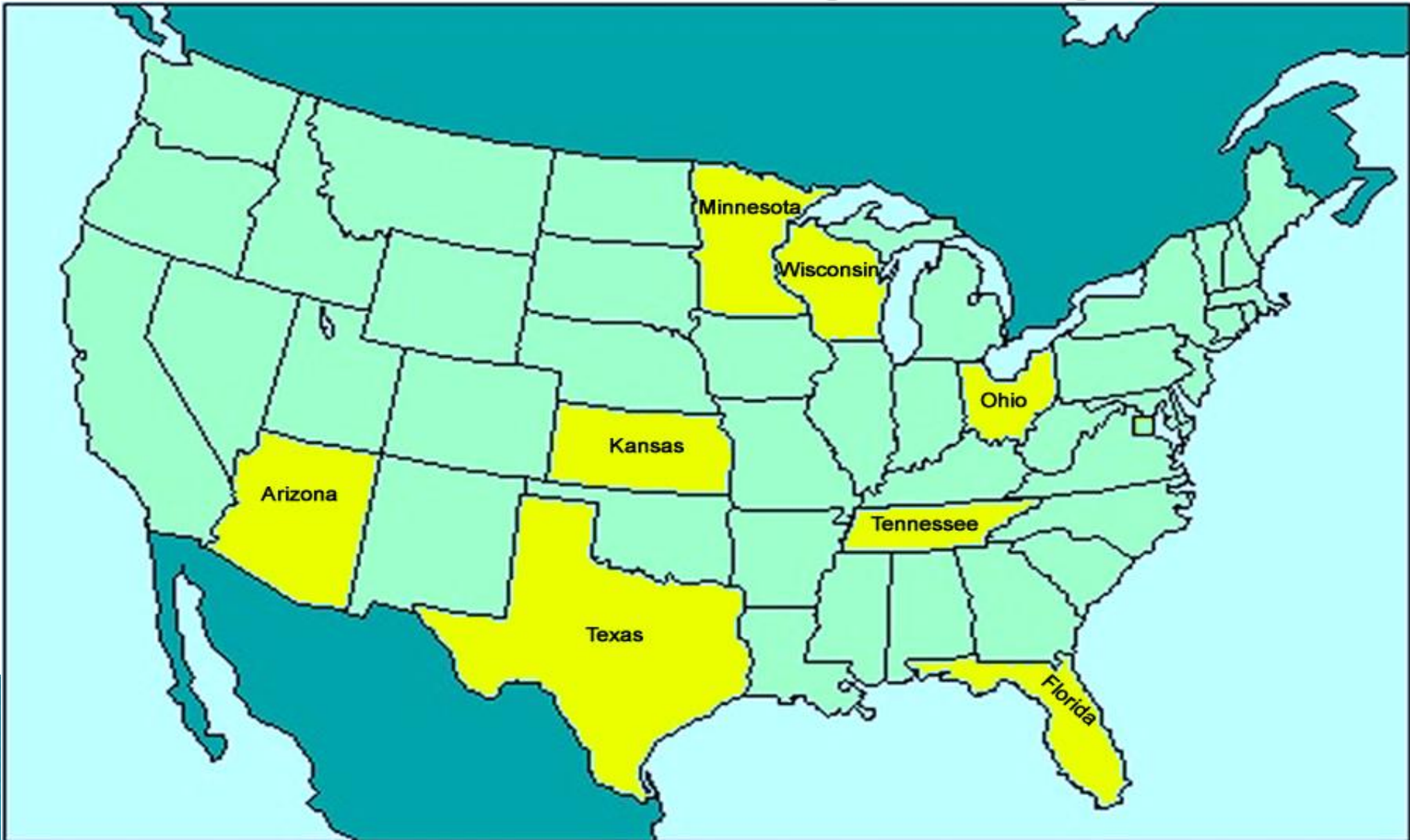
Study questions focused on:

- Benefits
- Limitations
- Operational challenges
- Metrics

Interviewed:

- Advocates, payors/regulators, and providers

Managed Care States Researched by Group



Benefits

- Care coordination and case management (AZ, FL, TX, MN, WI,
- Transition back to community, reducing institutionalization (MN,)
- Elimination of waitlists (KS, WI
- Expansion of Home and Community Based Services (HCBS) (MN,
- Investment in HCBS (MN,
- Self-directed options (WI,)
- Managed Care Organizations (MCOs) innovative use of “value-added services” (TX,)

Limitations

- Assessment delays create access issues (MN,
- Not all settings are included under plans (AZ,
- MCOs don't understand LTSS (TN-hospice, TX-IDD, FL)
- Plans focus on acute care models
- Medicaid doesn't reward best practices nor does it penalize poor preforming MCOs (WI,
- "No benefits to consumers/providers while MCO's profits are in the hundreds of millions"
- MCOs are highly politically connected (FL,

Operational Challenges

- Inadequate provider network (AZ, FL, WI, TN)
- Rate cuts and reductions in services (MN, WI,
- No standardized policies and procedures (FL, OH, TN)
- Administrative burden in service delivery (TX,
- Out of state companies severed case management relationships (KS)
- Delays in payments, high receivables (FL, KS, OH, TN)
- No ability to negotiate, fear of retaliation (FL,KS)
- MCOs don't understand array of services

Metrics

- Majority of the states reported no metrics (AZ,
- Metrics are focused on contractual obligations rather than quality measures
- MCOs want metrics that are one-size fits all
- Consumer Assessment Healthcare Provider System (CAHPS)
- Patient satisfaction

Take-Away

- Prioritize and invest in home & community based services (FL, OH, MN)
- Going 'cold-turkey' to a MCO model produces challenges for recipients/providers (KS, OH recommending phased in approach)
- Deploy "value-added services" (TX
- Consumer/provider representation is a must, including an independent appeals process (AZ,
- Open communications among the MCO and team to ensure appropriate, timely services (FL,

Take-Away

- Ensure MCOs have knowledge of and experience in LTSS (FL, OH
- More accountability of MCOs (
- Ensure a medical loss ratio is included in the MCO contract (FL,
- Establish parameter for rates (FL, TN)
- Medicaid policy staff require a different skill set to effectively administer and oversee MCO activities (AZ,
- Consumer incentives to purchase LTC insurance will slow spend down (MN