Integrated Long Term Care

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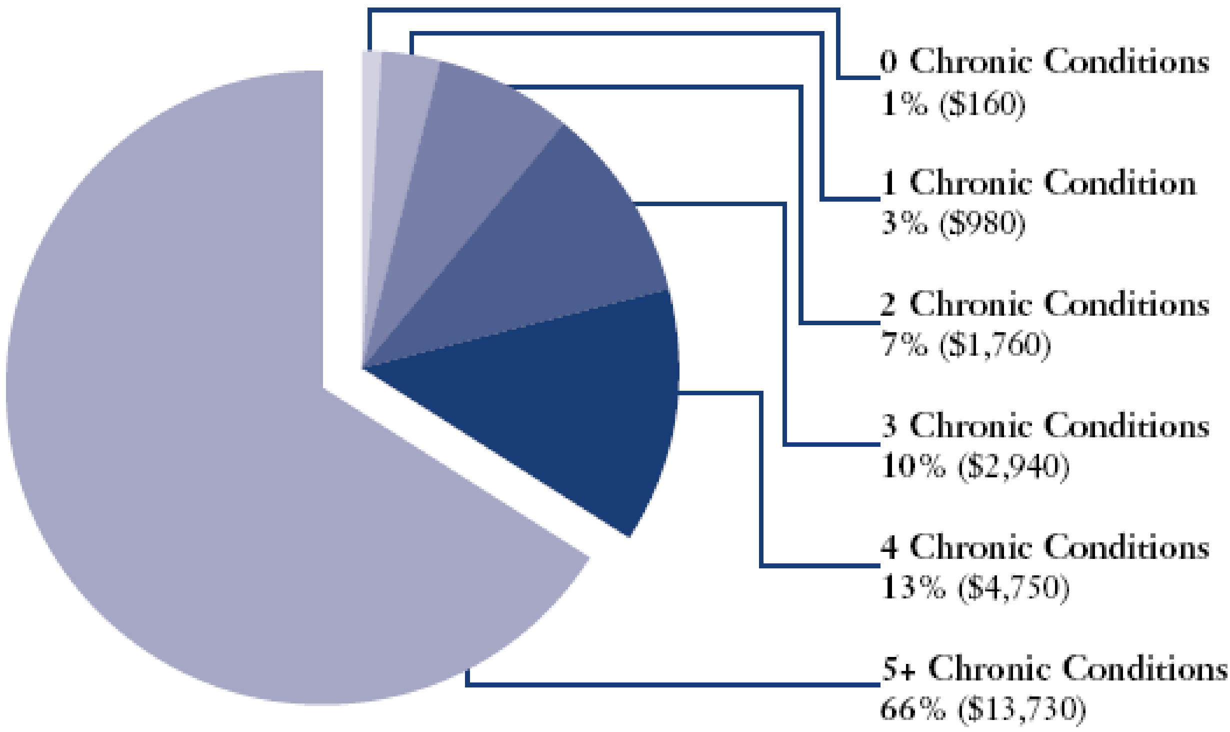
State Public Affairs

Overview

- Need for Care Management
- Integrating Medicare and Medicaid
- Medicaid Reforms to Encourage Integration

Individuals with 5+ Chronic Illnesses Account for 66% of Medicare Spending



From "Chronic Conditions: Making the Case for Ongoing Care", Johns Hopkins University for the Robert Wood Johnson Foundation, December 2002

Multiple Chronic Conditions Lead to Increased Unnecessary Hospitalizations

Hospitalizaitons for Ambulatory Care Sensitive Conditions Per 1000 Medicare Beneficiaries Ages 65+

Number of Chronic Conditions	0	1	2	3	4	5	6	7	8	9	10+
Hospitalizaitons	1	8	19	38	71	123	191	269	359	455	697

Source:2001 Medicare Standard Analytic File

Impact of Chronic Illness on Medicaid

- 87% of Medicare/Medicaid dual eligibles have 1or more chronic conditions
- 63% of dual eligibles have 1 or more limitations in activity limitations

From "Chronic Conditions: Making the Case for Ongoing Care", Johns Hopkins University for the Robert Wood Johnson Foundation, December 2002

2003 Medicaid Enrollment = 40.6 Million

2003 Medicaid Spending = $223.5 Billion

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Holahan and Ghosh,
"Understanding The Recent Growth In Medicaid Spending, 2000–2003", Health Afffairs, January 2005

Special Needs Populations

- 50% of people die in hospital outside of Hospice
- Poor palliation services

- 5+ chronic conditions= 2/3 of all Medicare costs
- Greatest suffering = ineffective resource utilization

- Maybe functioning well, but no reserve secondary to age
- Sudden event is catastrophic

- Single condition but very high impact, e.g. quadriplegia, advanced Alzheimer's Disease

The Case for Care Coordination

- The care process should essentially be the same for all four groups. These principles are:
    - Individualized
    - Comprehensive
    - Coordinated
    - Continuous

- Current care system is designed for acute care
    - Fragmentation among numerous providers
    - Poor transitions across care settings
    - Lack of systematic approach to prevention and early identification of change

Best Practice: Chronic Care Model

holistic

consumer-centered

continuous

collaborative

focus on preventive care

evidence-based

Risk Stratification
Claims
HRA

Comprehensive Assessment
Medical
Psycho-Social-Economic
Family

Interdisciplinary Care Plan
Team
Evercare Care Manager

Evidence Based Interventions
MDs
NPs
RN/SW Care Manager

Coordination of Care & Services
MDs
Across Sites
Transitions
Community Resources

Self Care
Education
Training
Family

Monitoring / Evaluation
Evercare Care Manager
Primary Care Team

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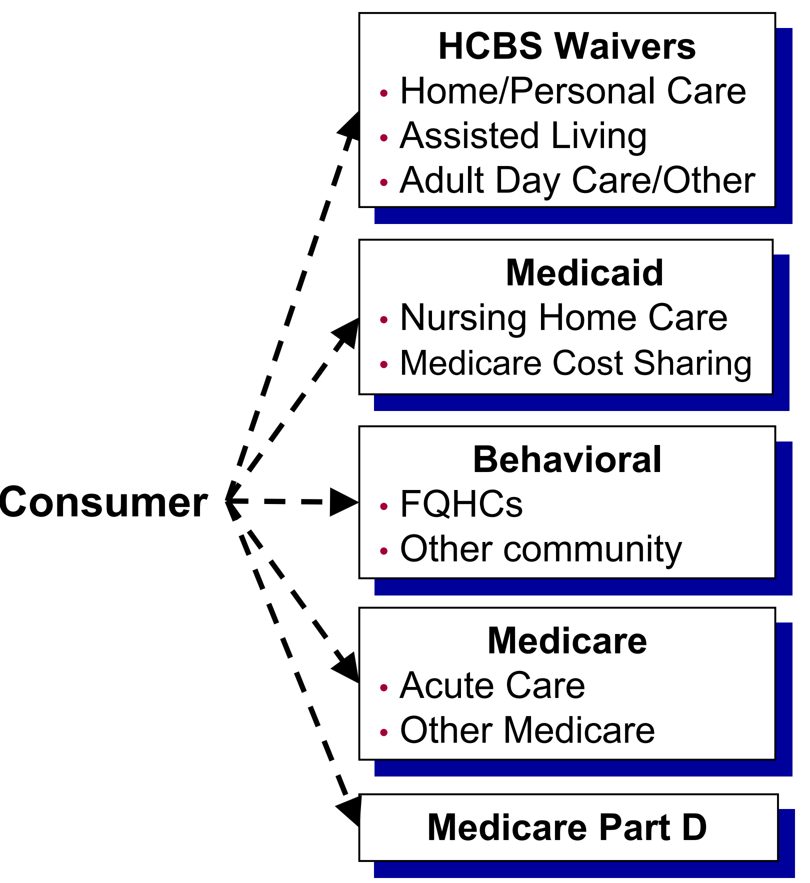
PHYSICIAN

OTHER CARE PROVIDERS (HCBS)

Medicare and Medicaid Integration

Dual Eligibles Face a Highly Fragmented Health Care System

Current System



Integrated LTC Program

Consumer with Care Coordination

Medicaid Services
- Home & community based services
- Nursing Home Care
- Behavioral Health
- Acute services

Medicare Services
- Acute Care
- Medicare Part D
- Other Medicare

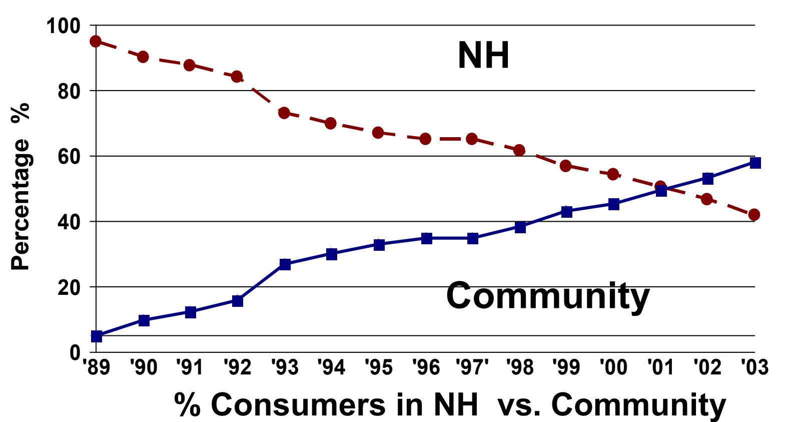
History of Managed Long Term Care Programs

- Home And Community Based Services Option: Available since 1981 *yet the institutional bias remains*
- On Lok:1983
- Arizona Long Term Care System (ALTCS):1989
- Mid to Late ’90s: WI,MN,NY,TX
- Mass SCO 2004

Consumer Outcomes

Maintain Independence

- Florida NH Diversion
  - Program cares for clients with higher impairment in community
- Texas STAR+PLUS
  - Increased # of LTC providers
  - 31% increase in clients receiving personal care
  - 30% increase in adult day care
- Arizona ALTCS
  - Increased community placement > 50%



% Consumers in NH vs. Community

Source: *State of Arizona Claims Data; as of 3/31/03.*

Improve Quality of Care/Satisfaction

- Florida NH Diversion
  - Report fewer unmet needs
  - Higher satisfaction with case management
- Wisconsin Family Care
  - Expanded residential options
- Texas STAR+PLUS
  - 90% of clients report having a medical home
  - 22% reduction in hospital use
  - 38% reduction in ER use
- Minnesota MSHO
  - 91% satisfaction with program
  - 90% report receiving care they need
  - 96% would recommend care manager

Medicaid Reforms to Encourage Integration

Specific Obstacles to Reform

- Poor alignment between Medicare and Medicaid results in:
  - Cost shifting, administrative duplication, lack of accountability for cost and quality
  - Confusion for the individual and family
- Medicaid waiver requirements: uncertain; complicated and slow
- Early financial benefits accrue to Medicare (reduced hospitalizations); state Medicaid savings accrue later (delayed nursing home placement).
- The transition to more community-based care is a fundamental change for all LTC stakeholders.

The impact of all of these obstacles is that only 2-3% elderly and disabled Medicaid beneficiaries are in integrated plans; we need to find a way to bring these models to a scale which will make a true difference in program outcomes.

Reform Proposal

- Allow for creation of coordinated, integrated LTC plans without a waiver through a new state plan option
  - Deficit Reduction Act provision allows HCBS services through the state plan; need an option for care management of all services
  - Allow HCBS state plan option at same income level as NH entitlement
  - Allow dual eligibles to enroll on an all-inclusive basis with an opt-out provision
  - Include care management as a covered benefit in managed care rates

- Align Medicare and Medicaid in areas of marketing, grievances, enrollment and quality assurance

- Rebate to the states half of the federal savings in the Medicare Advantage bid for each dual in an integrated plan

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Evercare Background

Evercare Organizational Background

Our mission is to optimize the health and well-being of aging, vulnerable and chronically ill individuals

- Parent organization - UnitedHealth Group
  - Diversified health and well-being organization
  - Comprised of six business segments, each serving a unique population
- Part of Ovations, business segment focused on care for individuals over age 50
  - Medicare Advantage plans serving over 1 million beneficiaries
  - Evercare serves 100K elderly and physically disabled members
  - National PDP offering the *AARP MedicareRx Plan*, currently serving 4.5 million seniors nationwide
  - Provide Medicare supplement to 3.5 million AARP members
- Sister organization with AmeriChoice
  - Serving 1.4 million TANF, SCHIP and ABD beneficiaries

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Evercare National LTC Experience

- Serving 51,000 elderly and disabled Medicaid beneficiaries through 7 programs in 6 states
  - Arizona Long Term Care System (ALTCS)
  - Florida Long Term Care Programs
    - Nursing Home Community Diversion Program
    - Frail / Elderly Program
  - Massachusetts Senior Care Options (SCO);
  - Minnesota Senior Health Options (MSHO)
  - Texas STAR+PLUS Program
  - New Mexico Medicaid Long-Term Care Program (pending late 2006)
  - Washington Medicaid/Medicare Integration Program

- Serving 29,000 institutionalized Medicare beneficiaries in 25 states

- Offering Medicare Dual Special Needs Plans in 30 states
  - Currently serving 18,000 community-based Medicare beneficiaries

State LTC Programs

		FUNDING	POPULATION	AGE	BENEFITS				ENROLLMENT
		Medicare Medicaid Duals	**ABD vs. NHC**	**65 + 21+ Other**	**HCBS**	**Nursing Home**	**Acute**	**Rx**	**Mandatory vs. Voluntary**
Evercare Products	**Arizona** (ALTCS)	Medicaid	NHC	0+	X	X	X	X	Mandatory
Evercare Products	**Florida** (Frail/Elderly Program)	Medicaid	NHC	21+	X		X	X	Voluntary
Evercare Products	**Florida** (NH Diversion)	Medicaid	NHC	65+	X	X	X	X	Voluntary
Evercare Products	**Massachusetts** (SCO**)**	Duals	ABD	65+	X	X	X	X	Voluntary
Evercare Products	**Minnesota** (MSHO)	Duals	ABD	65+	X		X	X	Voluntary
Evercare Products	**Texas** (STAR+PLUS)	Medicaid	ABD	0+	X		X		Mandatory
Evercare Products	**Washington** (MMIP)	Duals	ABD	65+	X	X	X	X	Voluntary
Other Programs	**New York** (MLTC)	Medicaid	NHC	21+	X	X	X	X	Voluntary
Other Programs	**Wisconsin** (WIPP)	Duals	NHC	18+ disabled 65+ others	X	X	X	X	Voluntary
Other Programs	**Wisconsin** (Family Care)	Medicaid	NHC	18+	X	X			Mandatory
Other Programs	**PACE**	Duals	NHC	55+	X	X	X	X	Voluntary

ABD = All Aged, Blind and Disabled
NHC = Individuals meeting nursing home criteria only