Dual Eligibles in Nursing Facilities and Other Long-Term Care Settings

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Introduction and Overview

- Presentation is based largely on a March 2010 Mathematica Policy Brief
  - “Coordinating and Improving Care for Dual Eligibles in Nursing Facilities: Current Obstacles and Pathways to Improvement”
    - Available at: http://www.mathematica-mpr.com/publications/PDFs/health/nursing_facility_dualeligibles.pdf

- More than half of all nursing facility residents are dual eligibles

- Major problems for dual eligibles in nursing facilities (NFs)
  - Fragmentation of responsibility for care
  - Inappropriate use of prescription drugs
  - Avoidable hospitalizations
Potential solutions

- Concentrate responsibility and accountability for Rx drug use in NFs in specialized Medicare Part D drug plans or managed care plans
- Provide financial incentives for NFs to reduce avoidable hospitalizations
  - P4P reimbursement incentives
  - Managed care arrangements that allow NFs to benefit from hospital savings
- Shift responsibility for long-term NF care from Medicaid to Medicare
  - Include provisions to ensure that Medicaid-funded home- and community-based services (HCBS) remain coordinated with NF care
Fragmentation of Responsibility for Duals in NFs

- Medicaid is responsible for long-term NF care and HCBS alternatives

- Medicare is responsible for short-term post-acute skilled nursing facility (SNF) care, Rx drugs, hospital care, and physician care
  - Medicare Part D shifted responsibility for Rx drugs for duals from Medicaid to Medicare in 2006
Fragmentation of Responsibility for Duals in NFs

(Cont.)

- Additional fragmentation of responsibility for Medicare Part D Rx drugs
  - Stand-alone Part D drug plans (PDPs)
  - Medicare Advantage managed care plans (MA-PDs)
    - Including institutional, dual eligible, and chronic condition Special Needs Plans (SNPs)
  - NFs
    - Multiple Part D and MA plans may serve each NF (consumer choice)
  - Long-term care pharmacies
    - Usually one per NF
    - Contract with multiple Part D plans
      - Paid by Part D plans for drugs and related services
    - Employ consultant pharmacists who are responsible (under federal regulations) for reviewing Rx drug use in NFs
Rx Drugs in NFs – Cost and Quality Concerns

- Rx drugs for duals in NFs accounted for nearly 20 percent of total Medicaid Rx spending for duals in 2005 and nearly 11 percent of all Medicaid Rx spending

- Heavy use of antipsychotics
  - 17 percent of all Medicaid Rx drug spending for duals in NFs in 2005
  - 45 percent of duals in NFs used an antipsychotic in 2005
  - Long-standing care quality and safety concerns
Rx Drugs in NFs – Ways to Increase Accountability

- Concentrate responsibility for NF Rx drugs in a smaller number of specialized Part D plans
  - Suggested as an option by MedPAC in 2007

- Return responsibility for Rx drugs for duals in NF settings to Medicaid
  - Several problems with this
    - Would be disruptive after several years of Medicare responsibility
    - State Medicaid oversight before 2006 varied widely
    - Substantial fragmentation would remain, since Medicare would remain responsible for non-NF Rx drugs for duals
Reducing Avoidable Hospitalizations

- P4P incentives for reducing avoidable hospitalizations in SNFs recommended by MedPAC in 2008

- CMS Nursing Home Value-Based Purchasing Demonstration in SNFs in three states (AZ, NY, and WI) includes incentives to reduce avoidable hospitalizations

- Medicaid nursing facility P4P quality initiatives now operating in at least seven states do not currently include incentives to avoid hospitalizations
  - Savings would go to Medicare
Potential Impact of Institutional SNPs (I-SNPs)

- I-SNPs are accountable for hospital and Rx drug use for dual eligible enrollees in NFs
  - Could use savings from reduced hospitalizations to fund better NF care

- But I-SNP enrollment is low and declining
  - Fewer than 100,000 enrollees in April 2010
    - Heavily concentrated in Evercare
  - Constraints on enrollment growth
    - NFs must agree to contract with I-SNPs
    - NF residents must then individually chose to enroll in I-SNP
  - P4P NF reimbursement incentives to reduce avoidable hospitalizations could increase incentives for NFs to contract with I-SNPs
Shifting Responsibility for NF Care From Medicaid to Medicare

- Obviously a major change that would require significant discussion and debate

- Benefits could include:
  - Improved oversight and accountability for Rx drug use in NFs
  - Increased leverage over nursing facilities for Medicare
    - Medicare market share would rise from 20% to over 60%
    - Greater ability to influence nursing facility cost and quality performance
Concerns include:

- Major change in allocation of financial and administrative responsibilities between states and federal government
  - But same group within CMS currently handles survey and certification for both Medicaid NFs and Medicare SNFs
  - Over 90 percent of nursing facilities serve both Medicare and Medicaid beneficiaries
- Continuing coordination between nursing facility services and Medicaid HCBS
  - Assuming that responsibility for HCBS would remain with Medicaid, this could be the biggest concern and challenge
Looking Ahead

- Need to learn more about:
  - Part D Rx drug use in nursing facilities
    - Changes for dual eligibles compared to 2005 and earlier years
    - Differences in Rx drug use among NF dual eligibles enrolled in stand-alone PDPs, MA-PDs, and I-SNPs
  - How I-SNPs and other MA-PD plans measure up on avoidable hospitalizations, HEDIS, and CMS-NCQA structure and process measures for SNPs
    - For details on SNP measures, see https://www.cms.gov/SpecialNeedsPlans/
  - Potential impact on Medicaid HCBS programs if NF services were shifted to Medicare
    - Interviews/discussions with Medicaid directors, HCBS directors, beneficiaries, providers, and other stakeholders