# 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**

# Introduction and Overview *(Cont.)*

- **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

# Shifting Responsibility for NF Care From Medicaid to Medicare *(Cont.)*

- **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