



Medicaid

Managed Long-Term Services And Supports (MLTSS)

NATIONAL CONFERENCE of STATE LEGISLATURES

JAN 2019

INNOVATIONS IN HEALTH CARE | A TOOLKIT FOR STATE LEGISLATORS

Overview

Millions of Americans of all ages need long-term services and supports (LTSS) that result from disabling conditions and chronic illnesses. LTSS includes nursing facility care, adult day care, transportation, home health aides or family caregiving assistance and personal care services. Specific services help individuals complete activities of daily living—for example, dressing, bathing, housework, and managing medications or finances. Services are provided in the home or in institutional settings such as nursing homes, supportive housing or assisted living facilities.

People who require LTSS represent a diverse group, including those older than 65 and younger adults with different types of physical and mental disabilities, as well as children who are medically fragile. Demand for such services is projected to grow in the coming years—as are the associated costs, which are often paid for by public dollars. Medicaid, the largest single payer of LTSS across age groups, accounts for about half of all LTSS spending.¹

HOME- AND COMMUNITY-BASED SERVICES

In response to consumer demands, court cases and federal law changes, states have been reforming their Medicaid-funded long-term care systems by moving away from costly institutional care toward home- and community-based services (HCBS), which typically cost less and are more popular among people who need LTSS. According to the Kaiser Family Foundation, in 2015, the median annual cost for nursing facility care was \$91,250. Even though HCBS are generally less expensive than institution-based care, they may still represent a major financial commitment or burden for individuals, their families and states. In 2015, the median cost for one year of home health aide services (at \$20 per hour, 44 hours per week) was almost \$45,800 and adult day care (at \$69 per day, five days per week) totaled almost \$18,000.²

Unlike nursing facility care, which is a mandatory service under Medicaid's federal requirements, states may choose whether to cover HCBS in their Medicaid programs. To qualify for Medicaid-supported HCBS, a person must meet the criteria for a nursing facility level of care. States vary on the specific services they offer and the authority they use to establish these programs. Some home- and community-based services are offered within a Medicaid state plan, while other HCBS programs operate under Medicaid 1915(c) or 1115 waivers. Under waiver programs, states have the flexibility to target services to specific populations, such as se-



niors with dementia or children with developmental disabilities. Otherwise, absent a waiver, Medicaid rules require states to offer access to similar types and levels of care to all Medicaid enrollees, as needed.

As more people who qualify for LTSS receive such care in community settings, Medicaid spending on HCBS outpaced spending on institutional long-term care for the first time in 2013 and continues to increase. In fact, 55 percent of Medicaid spending on LTSS was for HCBS in 2015.³ The federal Money Follows the Person demonstration project has provided grants to help states rebalance their Medicaid long-term care systems by helping individuals transition from institutions back into community-based services. The Centers for Medicare & Medicaid Services (CMS) last awarded funds in 2016, but the 43 participating states and the District of Columbia have until 2020 to expend funds.⁴

MANAGED LONG-TERM SERVICES AND SUPPORTS

State policymakers are taking steps to ensure that affordable and high-quality long-term services and supports are accessible to the growing population in need of such services, and to manage the impact to state budgets.

and community-based care.¹² Tennessee also operates the [Program of All-Inclusive Care for the Elderly \(PACE\)](#) in Hamilton County to help frail, elderly patients with functional limitations stay in their homes.

- **Wisconsin** supports consumer choice through several innovative programs, including the [Family Care](#) and [IRIS](#) (Include, Respect, I Self-Direct) programs.¹³ These Medicaid waiver programs provide eligible individuals with HCBS in an effort to avoid using costly institutions. Family Care has been found to provide cost-effective and quality care, prompting lawmakers to pass [legislation](#) in 2015 that expanded the program state-wide.¹⁴ According to the Wisconsin Department of Human Services, the per member per month cost for Family Care members was \$3,340, or \$550 less per member per month for individuals enrolled in the state’s legacy waivers.¹⁵

The [LTSS State Scorecard](#)—a tool created by AARP, the Commonwealth Fund and The SCAN Foundation—aims to improve LTSS by providing comparable state data to measure progress and performance and identify areas for improvement. The scorecard measures 25 indicators across five dimensions: affordability and access; choice of setting and provider; quality of life and quality of care; support for family caregivers; and effective transitions between care settings or providers. Beginning in 2017, the scorecard also examined housing and transportation measures since affordable and accessible housing and transportation help the aging population and individuals with disabilities remain in their homes and communities.¹⁶ Figure 2 shows rankings from the LTSS State Scorecard.

Evidence of Effectiveness

A 2018 [study](#) published by the Medicaid and CHIP Payment Access Commission (MACPAC) finds “modest evidence of some successes” in state MLTSS programs, yet unanswered questions resulting from limited data and insufficient targeted quality measures.¹⁷ Another 2018 [study](#) released by CMS compared use of institutional care, home- and community-based services, and personal care by MLTSS enrollees in [New York’s Managed Long-Term Care \(MLTC\)](#) program and Tennessee’s [CHOICES program](#), relative to comparable fee-for-

Long-Term Services And Supports: State Policy Options and Considerations

- Explore the relative cost benefit of high-quality home- and community-based services. Access to home-based care can encompass a wide array of funding, workforce, informational or other strategies designed to meet local and state needs.
- Review existing data, including comparative data provided through the LTSS Scorecard, to identify opportunities to improve LTSS affordability and access.
- Track progress toward achieving quality, funding and other state-defined goals. State policymakers can require the lead state agency to submit performance and quality data that demonstrate progress toward benchmarks and goals.

service beneficiaries. It found mixed results “with respect to the goal of rebalancing care from institutional settings to care in home- and community-based settings.” For example, enrollment in New York’s MLTC program was associated with lower institutional care and higher use of HCBS and personal care as compared with individuals enrolled in fee-for-service LTSS. After enrollment in Tennessee’s CHOICES program, enrollees were more likely to use personal care, but changes in their use of institutional care were not significant, compared with individuals enrolled in fee-for-service programs.¹⁸

Conclusion

States continue to innovate to improve their health systems, motivated by rising costs, inefficiencies and consumer demands for better care. Overall, new payment designs are driving innovation in how states pay for and deliver health care, improving the chances that smart investments in health will move the overall system toward better outcomes, lower costs and better access to care.

Notes

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