LOEB & TROPER LLP

# Managing the Transition to Managed Care

## *Contracting Challenges and Opportunities*

*Presented to: LeadingAge New York*


*Presented by:*

Koy Dever

Principal

Loeb & Troper LLP


*July 2012*

# *Agenda*

- MLTCP Basics
- Mandatory Enrollment Description and Timeline
- Contracting – Next Steps

# *MLTCP Basics*

# *MLTCP Basics*

- Three MLTCP models in operation
  - Program of All-Inclusive Care for the Elderly (PACE)
  - Medicaid Advantage Plus (MAP)
  - Partially capitated MLTCP
- Fully Integrated Dual Advantage Program (FIDA)
  - Effective January 1, 2014
  - NYC, Westchester, Nassau, Suffolk

# *MLTCP – Current Plans*

- Plans identified by region
  - Region 1 – NYC, Nassau, Suffolk, Westchester
  - Region 2 – Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster
  - Region 3 – Albany, Erie, Fulton, Genesee, Madison, Monroe, Montgomery, Niagara, Onondaga, Orleans, Rensselaer, Saratoga, Schenectady, Warren, Washington, Wyoming
  - Region 4 – All other NYS counties
- 24 plans in operation (As of June 2012 enrollment report)
- 15 MLTCPs, 8 PACEs and 8 MAPs – 7 plans have multiple lines of business

# MLTCP Current Enrollment — June 1, 2012

| PLAN NAME | MLTCP | PACE | MAP | TOTAL |
|---|---|---|---|---|
| AMERIGROUP | 1,474 | | 9 | 1,483 |
| ARCHCARE SENIOR LIFE | | 221 | | 221 |
| CCM | 4,336 | 3,144 | | 7,480 |
| ELDERPLAN | 5,698 | | 645 | 6,343 |
| ELDERSERVE | 5,896 | | | 5,896 |
| FIDELIS CARE AT HOME | 46 | | | 46 |
| GUILDNET | 8,323 | | 374 | 8,697 |
| HHH CHOICES | 1,366 | | | 1,366 |
| HIP of Greater New York | | | 392 | 392 |
| INDEPENDENCE CARE SYSTEMS | 2,276 | | | 2,276 |
| NYS Catholic Health Plan | | | 71 | 71 |
| SENIOR HEALTH PARTNERS INC | 4,008 | | | 4,008 |
| SENIOR WHOLE HEALTH | | | 13 | 13 |
| VNS CHOICE | 11,018 | | 103 | 11,121 |
| WELLCARE | 2,475 | | 43 | 2,518 |
| **Region 1 Total** | **46,916** | **3,365** | **1,650** | **51,931** |
| | | | | |
| ELANT | 179 | | | 179 |
| FIDELIS CARE AT HOME | 456 | | | 456 |
| SENIOR WHOLE HEALTH | | | 82 | 82 |
| **Region 2 Total** | **635** | **0** | **82** | **717** |
| | | | | |
| TOTAL AGING IN PLACE PROGRAM | 124 | | | 124 |
| CHS BUFFALO LIFE | | 97 | | 97 |
| COMPLETE SENIOR CARE | | 38 | | 38 |
| EDDY SENIOR CARE | | 120 | | 120 |
| FIDELIS CARE AT HOME | 5 | | | 5 |
| INDEPENDENT LIVING FOR SENIORS | | 300 | | 300 |
| PACE CNY | | 411 | | 411 |
| NYS CATHOLIC HEALTH PLAN | | | 43 | 43 |
| SENIOR WHOLE HEALTH | | | 218 | 218 |
| **Region 3 Total** | **129** | **966** | **261** | **1,356** |
| | | | | |
| SENIOR NETWORK HEALTH | 389 | | | 389 |
| SENIOR WHOLE HEALTH | | | 7 | 7 |
| PACE CNY | | 1 | | 1 |
| TOTAL SENIOR CARE | | 78 | | 78 |
| **Region 4 Total** | **389** | **79** | **7** | **475** |
| | | | | |
| **Grand Total** | **48,069** | **4,410** | **2,000** | **54,479** |

*Source:* NYS Department of Health: Monthly Managed Care Enrollment Report.

# *MLTCP Basics*

## Partial Capitation MLTCP – Covered Services

- Benefit Package [1]
  - Care Management
  - Home Care, including Nursing, Home Health Aide, Occupational, Physical and Speech Therapies
  - Optometry/Eyeglasses
  - Dental Services
  - Rehabilitation Therapies
  - Audiology/Hearing Aids
  - Respiratory Therapy
  - Nutrition
  - Medical Social Services
  - Personal Care (such as assistance with bathing, eating, dressing, etc.)
  - Podiatry (foot care)
  - Non-emergency transportation to receive medically necessary services
  - Home delivered and/or meals in a group setting (such as a day center)
  - Medical Equipment
  - Social Day Care
  - Prostheses and Orthotics
  - Social/Environmental Supports (such as chore services or home modifications)
  - Personal Emergency Response System
  - Adult Day Health Care
  - Nursing Home Care (Long Term Care)

[1] Including Medicare coinsurance and deductibles when applicable.

# *MLTCP Basics*

- Additional plan responsibilities
  - Marketing
  - Assessment, Intake and Enrollment
  - Service Delivery Network
  - Quality Assurance Program
  - Utilization Control and Review Systems
  - Grievance Systems and Member Services
  - Care Management
  - Management Information Systems

# *MLTCP Basics*

- Plan responsibilities for provider network and provider relations include:
  - Maintain a network sufficient to provide adequate / timely access to all services covered by the MCO
  - Have DOH approved written agreements with providers
  - Meet NYS Department of Insurance prompt payment requirements
  - Provider relations including:
    - Assist with prior authorization and referral protocols
    - Assist with claims payment procedures
    - Field and respond to provider questions and complaints
    - Orient providers to program goals
    - Provider training to improve integration and coordination of care

# *MLTCP Basics*

- Medicaid per member per month premium
  - 4/1/2011–3/31/2012 Regional Average Monthly Medicaid Premium[1]
    - Region 1 – $3,760
    - Region 2 – $2,724
    - Region 3 – $2,406
    - Region 4 – $1,683

    - 50% negotiated rate – 50% risk adjusted rate
    - Regional average costs based on an average of 2008 & 2009 MMCOR data, trended
    - Administrative reimbursement capped at $231 pmpm

[1] Most recent publically available data.

# MLTCP Basics

## Average Expense Data PMPM

| | Region 1 | | Region 2-4 Combined | |
|---|---|---|---|---|
| **Category of Service** | ***2010 Average pmpm Expense*** | ***2011 Average pmpm Expense*** [(1)] | ***2010 Average pmpm Expense*** | ***2011 Average pmpm Expense*** [(1)] |
| Home Health Care | 746.47 | 526.75 | 215.13 | 223.30 |
| Nursing facility | 185.88 | 187.37 | 352.73 | 325.51 |
| Transportation | 110.01 | 106.87 | 151.74 | 150.99 |
| Personal Care | 1,770.37 | 1,958.50 | 657.20 | 753.33 |
| Other Medical | 165.09 | 163.03 | 370.45 | 401.62 |
| Care Management | 278.04 | 267.05 | 252.99 | 251.44 |
| Administration | 324.24 | 368.68 | 358.76 | 337.12 |
| Total | 3,580.10 | 3,578.25 | 2,359.00 | 2,443.31 |

(1) Thru Q3 MMCOR based on data provided by DOH.

# *Mandatory Enrollment in MLTCP*

# *Mandatory Enrollment in MLTCP*

Eligibility Criteria

- Dually eligible
- Age 21 and over
- Requiring Community-Based (CB) LTC services for more than 120 days
- CB-LTC services defined as the following:
  - Personal Care Services
  - Certified Home Health Agency Services
  - Long Term Home Health Care Program Services
  - Adult Day Care Services
  - Private Duty Nursing Services
- Currently excluded:  NHTD/TBI waiver, NH residents, ALP

# *Mandatory Enrollment in MLTCP*

Upon approval of mandatory enrollment:

- DOH will transition participants under care into MLTCP
  - Notices will be sent to participants receiving CB-LTC
  - Participants will have 60 days to choose a plan or they will be assigned to a plan
  - Independent enrollment broker will work with participants to make an informed decision
- Participants new to service will be required to enroll in a MLTCP

# *Mandatory Enrollment in MLTCP*

Projected Timeline

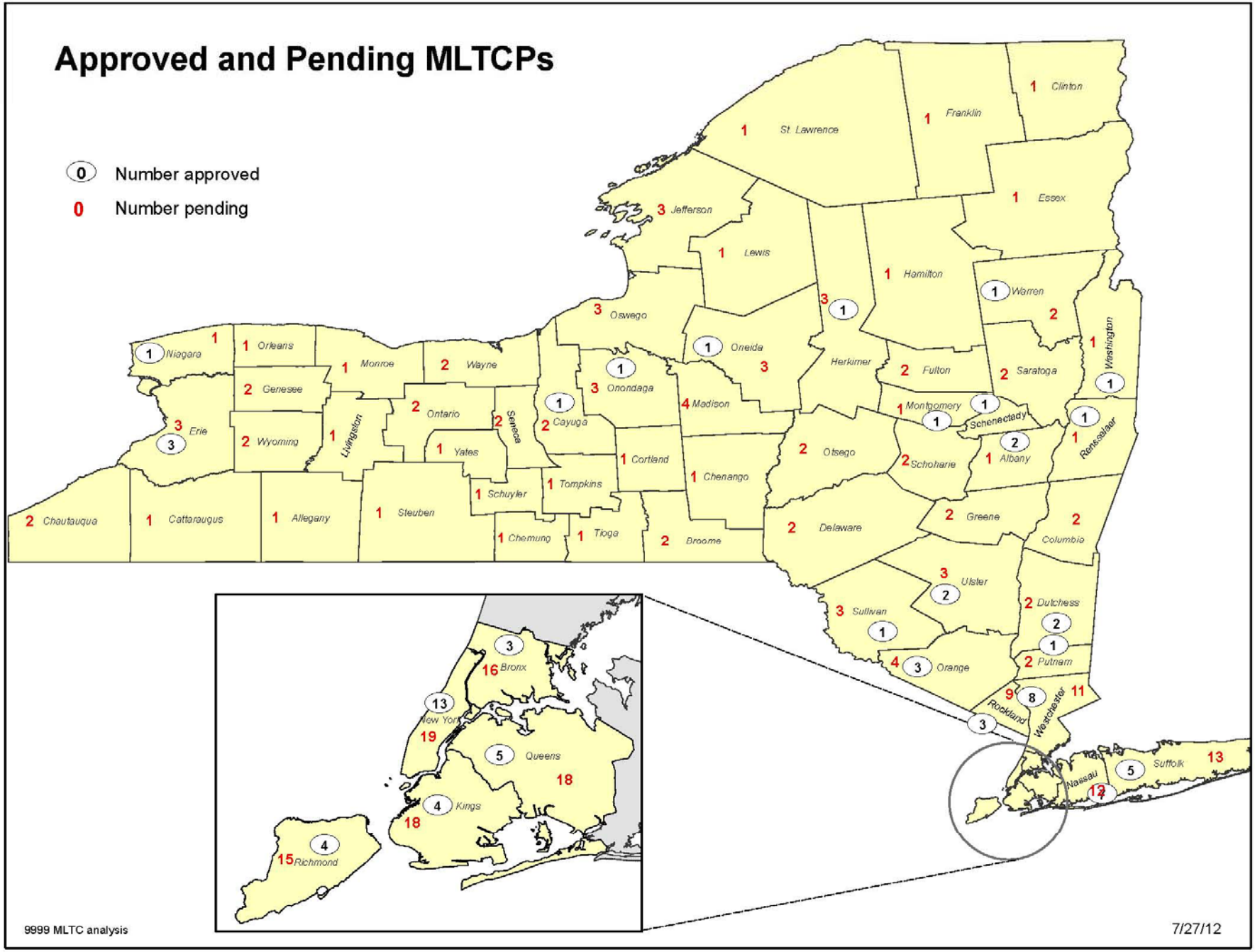
- Enrollment will be phased in by service type, by borough, by zip code in batches according to the following schedule:
  - **July 1, 2012**: Begin personal care cases in New York County
  - **September 2012**: Begin personal care in Bronx County;
  - **October 2012**: Begin personal care and CDPAP in Kings County; begin consumer-directed personal assistance program (CDPAP) cases in New York and Bronx counties
  - **December 2012**: Begin personal care and CDPAP in Queens and Richmond counties
  - **January 2013**: Initiate NYC enrollment of long-term home health care program, home health over 120 days, adult day health care program and private duty nursing cases not enrolled under personal care activity

* Dates reflect start dates, and enrollment will continue over time until all eligible participants are enrolled.

# *Mandatory Enrollment in MLTCP*

Timeline *(continued)*

- As plan capacity is established, dually eligible CB-LTC service recipients will be enrolled as follows:
  - **Phase II**: Nassau, Suffolk and Westchester counties — anticipated January 2013
  - **Phase III**: Rockland and Orange counties — anticipated June 2013
  - **Phase IV**: Albany, Erie, Onondaga and Monroe counties — anticipated December 2013
  - **Phase V**: Other counties with capacity — anticipated June 2014
  - **Phase VI**: Previously excluded dual-eligible groups


Approved and Pending MLTCPs
0 Number approved
0 Number pending
1 St Lawrence
1 Franklin
1 Clinton
1 Essex
3 Jefferson
1 Lewis
1 Hamilton
1 Warren
2
1 Washington
1
3 Oswego
1
3
1 Oneida
3
Herkimer
2 Fulton
2 Saratoga
1 Niagara
1 Orleans
1 Monroe
2 Wayne
1
3 Onondaga
4 Madison
1 Montgomery
1
Schenectady
1
1 Rensselaer
2 Genesee
2 Ontario
2 Seneca
2 Cayuga
1
2
3 Erie
3
2 Wyoming
1 Livingston
1 Yates
1 Cortland
1 Chenango
2 Otsego
2 Schoharie
1 Albany
2 Chautauqua
1 Cattaraugus
1 Allegany
1 Steuben
1 Schuyler
1 Tompkins
1 Chemung
1 Tioga
2 Broome
2 Delaware
2 Greene
2 Columbia
3 Ulster
2
2 Dutchess
3 Sullivan
1
2
1
4
3 Orange
2 Putnam
9
8
11
Rockland
3
Westchester
3
16 Bronx
13
New York
19
5 Queens
18
4 Kings
18
4
15 Richmond
Nassau
5
Suffolk
13
12
4
9999 MLTC analysis
7/27/12

# *Mainstream Medicaid (MA Only) LTC services*

- New populations / new benefits include
  - Long Term Home Health Care Program (MA only) participants or individual with similar needs will have the option of enrolling into a MLTCPs or a mainstream Managed Care plan (beginning 1/1/2013)
  - Long Term SNF to be added as a mainstream managed care benefit – currently projected for 10/1/2013 (delayed from 10/1/2012)
  - ADHCP to be added as a mainstream managed care benefit (not in writing but estimated to be implemented with the long term SNF benefit)

# *Mandatory Enrollment in MLTCP*

- DOH is working to ensure a smooth transition
  - Ongoing dialogue with plans, providers and consumers
  - Published draft consumer notice documents for public commitment
  - Extensive training for the enrollment broker
  - Published continuity of care requirements for MLTCPs in NYC
  - Clarifying provider marketing guidelines
  - Provider notifications

# *Contracting – Next Steps*

# *Next Steps for LTC Providers*

- Develop provider contracts
- Review operations, outcomes and cost structure
- Develop capacity to serve MCOs
- Develop strategic partnerships

# *MCO Contract Types*

- Provider agreement
- Management services agreement
- Administrative services agreement

# *Provider Agreement - General*

- Establish process to coordinate MCO contract reviews
  - ➢ Internal coordination required
  - ➢ Legal counsel recommended
- MCOs contracts include but are not limited to:
  - Mandatory contract provisions and standard clauses required by NYSDOH
  - Description of the delegated activities, reporting responsibilities, amount, duration and scope of the services to be provided
  - Provisions for MCO's on-going monitoring of provider compliance with the agreement
  - Provisions to require the provider to participate in the MCO's QA, service authorization, grievance and appeals process, etc.

# *Provider Agreement - General*

- MCOs contracts (continued):
  - Require on-going compliance with all state and federal laws, regulations, rules, etc.
  - Enrollee non-liability for services covered by MCO
  - Provisions for reimbursement including fees for each service or risk arrangement (where applicable)
  - Method of payment , timely billing requirements
  - Maintenance of and access to provider records
  - Minimum insurance coverage requirements
  - MCO credentialing requirements

# *Provider Agreement*

- SNF
  - Contracts or letters of agreement required with all MCOs
  - Fee-for-service rate (typically follows Medicaid requirements)
  - Rates for various levels of care
  - Medicare co-pay is the responsibility of the MLTCP
  - Medicaid contract provisions for:
    - Bed hold
    - Cash receipt assessment
    - Part B / Part D carve-out
    - NAMI
    - Case mix changes
    - Retroactive updates or prospective only

# *Provider Agreement*

- Home Care
  - Reimbursement
    - Fee-for-service
    - Capitation
  - Services provided
    - Direct care service only
    - Care coordination and care management
  - Coordination of benefits
    - Assist in the identification of Medicare covered services

# *Provider Agreement*

- ADHCP
  - Fee-for-service rate (typically follows Medicaid requirements)
  - Including or excluding transportation
  - Coordination of care and referrals
  - Alternative models of care (Social Day Care, Hybrid Model)
- Social day care
  - Negotiated rates

# *Provider Agreement – Payment Options*


- Fee for service
- Pay for performance incentives
- Shared savings arrangements
- Bundled payments/episode-based payments
- Capitation/partial capitation

# *Management Services Agreements (MSA)*

- Delegation of certain functions require a MSA
- DOH requirements for MSA include
  - Prior approval
  - Character and competence
  - Review of MSA charges to MCO
  - Financial solvency of the MSA
- Services that require a MSA include:
  - Care Management
  - Claims Processing

# *Management Services Agreements (MSA)*

- According to 10 NYCRR 98-1.11(j) – the following functions can be provided under a management services agreement:

  (1) maintenance of the books and records;
  (2) disposition of assets and the incurring of liabilities normally associated with the day-to-day operations of the MCO;
  (3) implementation of policies affecting the delivery of health care services;
  (4) claims payment;
  (5) implementation of the MCO's budgets and provision for annual audits
  (6) quality assurance and improvement
  (7) utilization review activity
  (8) pursuant to paragraph (1) of subdivision (b) of section 98-1.21 of this Subpart, all or part of the functions of the special investigations unit, which include investigation of cases of suspected fraudulent and abusive activity and fraud and abuse prevention and reduction activities under the MCO's fraud and abuse prevention plan.

  Note – certain exceptions and guidelines apply for quality assurance and utilization review.

# *Review Operations*

- Review cost structure
  - Where can you be more efficient without reducing quality?
  - Where can you invest to improve outcomes and quality?
  - Who can you partner with to solve problems and achieve savings (e.g., shared services across providers)?

# *Review Operations*

- Downward pressure on rates with MCOs
- Quality care and avoiding more costly care settings critical
- Leverage quality and outcome data for the purpose of marketing to and negotiating with MCOs
- Develop ability to collaborate with the MCO care managers
  - Train staff to identify potential issues and to problem-solve
  - Work with MCOs to support transitions in care
  - Provide wellness education or disease management education to residents

# *Potential Programs*

- Develop programs to prevent hospitalization
  - Physician / NP involvement
  - Rapid access to lab and x-ray services
  - Capability to provide intravenous fluid
- Develop community-based supports
  - Social day care programs
  - ADHCP “like” program under FIDA model
- Develop care management capacity

# Potential Strategic Partnerships

- I-SNP – Medicare Advantage Plan covering Medicare benefits for SNF residents
  - Incentive to reduce high costs inpatient hospitalization
- MSA to perform care management for an MLTCP
- IPA – A group of providers, typically physicians, who organize into a corporation that contracts with HMOs
  - SNF IPA
  - Home Care / Day Care IPA

# *Questions?*

**Koy Dever**
Principal
kdever@loebandtroper.com
212-697-3000