

## Don't Slash Medicaid Funding for Services for Seniors

***A \$5 Billion Cut in Already Inadequate Medicaid LTC Rates will Inevitably Hurt Consumers***

### Ensure Access to High Quality Managed Long Term Care (MLTC)

MLTC plans manage and pay for the vast majority of the LTC services provided to New Yorker elders eligible for Medicaid. These plans were instrumental in operationalizing the vision of the first MRT to provide care management to all. They have helped bend the Medicaid cost curve by providing care management and facilitating access to an array of community-based services for Medicaid beneficiaries.

While 90 percent of MLTC members are enrolled in partially-capitated plans that coordinate care and pay for Medicaid services, thousands of New Yorkers are served by Programs of All-Inclusive Care for the Elderly (PACE) and Medicaid Advantage Plus (MAP) plans that combine Medicare and Medicaid services. These three programs are successful in ensuring that some of the most vulnerable individuals in the state, with multiple chronic conditions and functional impairments, are able to remain in the community by providing robust care management and a custom-tailored set of intensive, long-term care services.

- ***Satisfaction and quality are high.*** Consumer surveys have consistently found high participant satisfaction and the state's quality monitoring has reported high quality outcomes for individuals served by these programs. The most recently published satisfaction survey results indicate that **87 percent rated their plan as good or excellent**. The most recent quality report from the state found that ninety-six percent of enrollees had no falls resulting in injury in the past 90 days and that enrollees averaged just 3.4 potentially avoidable hospitalizations per 10,000 days of plan enrollment.<sup>i</sup>
- ***Provider-based plans excel.*** Plans operated by not-for-profit long-term care organizations perform especially well. Of the partially capitated plans in New York City (i.e., those serving the vast majority of the state's MLTC participants), **those operated by non-profit LTC organizations had an average overall score of 4.0 (of five stars) and accounted for all of the plans receiving an overall five star rating.**<sup>ii</sup> With an exclusive focus on the needs of older adults and people with disabilities, plans sponsored by non-profit LTC providers are uniquely equipped to provide person-centered care management enabling members to maintain independence.
- ***MLTC plans have endured deep cuts.*** Plans have shouldered hundreds of millions of dollars in cuts, while required to maintain the same or greater levels of services and complying with ever increasing administrative requirements. Most of these cuts reduce plan rates without making programmatic changes that actually reduced plan costs. Plans are forced to pass many of these cuts to providers which further destabilizes an already vulnerable long-term care system.
- ***Per-person spending has decreased.*** While overall Medicaid spending is increasing due to higher MLTC enrollment than the state had projected, the per-member per-month rate paid to most MLTC plans decreased from the prior year. At the same time, the average Nursing Facility Level of Care (NFLOC) score, a measure of overall acuity of MLTC members, has increase annually (from 16.6 in 2014 to 19.8 in 2018). This testifies to the successful efforts of MLTC plans to provide efficient care. Moreover, MLTC plans are required to spend at least 86 percent of their premiums on medical/LTC services (a ratio known as the MLR) or face recoupments by the State.<sup>iii</sup>

- ***Plans cannot be blamed for enrollment increases:*** Consumer eligibility and enrollment processes are controlled by the state and its independent enrollment contractor. Plans' advertising is limited by the state, and they do not make eligibility determinations. It is the state's established eligibility rules and enrollment mandates, *not* increases in plan premiums, that are increasing spending above projections.

***Recommendations:***

- ✓ *The Legislature and the Executive, together with stakeholders, should analyze available data to understand why MLTC enrollment growth continues to exceed projections.*
- ✓ *Rates paid to MLTC plans should not be cut unless there is evidence that an associated programmatic initiative will generate equivalent savings within the same time frame as the rate cut.*
- ✓ *Efforts to improve efficiencies in MLTC must not threaten the solvency of MLTC plans and the viability of the LTC services they support.*
- ✓ *The state should recognize the unique role that plans sponsored by non-profit, provider-based organizations play in the state's long-term care system and support their participation in efforts to integrate Medicaid and Medicare services.*

## **Support LTC Provider-Sponsored Managed Care Programs that Integrate Medicare and Medicaid**

Long-term care providers and MLTC/PACE programs are integral players in the health care continuum and serve an important role in reducing avoidable hospital use and generating savings for the Medicare and Medicaid programs. LeadingAge New York's members have been active participants in integrated managed care models that incorporate Medicare services with Medicaid long-term care services, including FIDA, MAP, and PACE.

We believe these programs present promising strategies to deliver financially- and clinically-integrated and person-centered care for beneficiaries with complex medical conditions and/or functional limitations. They break down the siloes between Medicare and Medicaid and reduce the cost-shifting between the payers that drive inefficiencies, clinical fragmentation, and sub-optimal outcomes. These programs also enable the involvement of long-term care providers in value-based payment arrangements.

MLTC plans and PACE programs sponsored by non-profit, long-term care (LTC) providers can play a key role in strengthening these initiatives. They offer a person-centered approach to care management, have unique expertise in the issues faced by older adults and the services they utilize, use health care professionals as care managers, and have been strong partners in the State's long-term care policy initiatives. Through close personal contact with beneficiaries and their formal and informal caregivers and geographic proximity, plans sponsored by non-profit long-term care providers are able to conduct accurate assessments, make informed care management decisions, and create strong linkages with health and social services providers in their members' communities.

***Recommendations:***

- *Ensure that state policies support the expansion of integrated managed care programs sponsored by long-term care providers, including the expansion of PACE programs.*
- *Ensure that rates paid to integrated managed care plans appropriately reflect the acuity of the beneficiaries served and the costs of the services delivered.*

<sup>i</sup> 2018 Managed Long-Term Care Report, NYS Department of Health, Nov. 2018: [https://www.health.ny.gov/health\\_care/managed\\_care/mltc/pdf/mltc\\_report\\_2018.pdf](https://www.health.ny.gov/health_care/managed_care/mltc/pdf/mltc_report_2018.pdf)

<sup>ii</sup> 2018 Consumer Guide to Managed Long Term Care in New York City, Aug. 2018: <https://www.health.ny.gov/publications/3339.pdf>

<sup>iii</sup> Based on federal regulations, PACE programs are not subject to recoupments of excess premium.