

### Did you know...

In 2009, 13 state Medicaid programs used managed care to deliver long-term services and supports?

### About the data:

This analysis is based on 2009 data collected by Thomson Reuters on Medicaid managed care spending on LTSS, as well as 2009 data reported in the CMS Form 64 and published by Thomson Reuters, which details each state's Medicaid expenditures. Thomson Reuters identified 13 states using Medicaid managed LTSS and polled state departments to determine how much they spent on managed LTSS and in what categories. Each of the 13 states, except Hawaii and Kansas, reported expenditures.

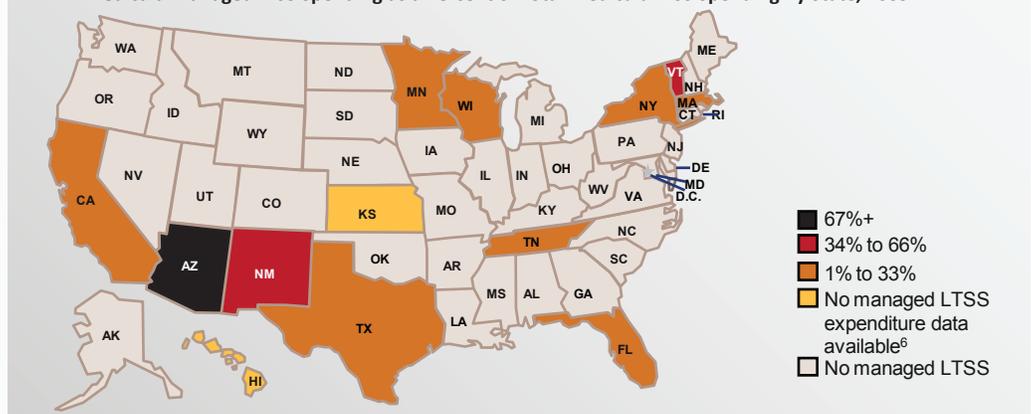
In this analysis, spending on LTSS includes spending on nursing facilities; intermediate care facilities for the mentally retarded; home- and community-based services (HCBS) expenditures authorized under Sections 1915(c) and 1915(j) of the Social Security Act; the home health benefit; the optional personal care benefit; the Program of All Inclusive Care for the Elderly (PACE); and select HCBS spending authorized under Section 1115 of the Social Security Act. HCBS expenditures authorized under Section 1915(i) of the Social Security Act are not included.

*Analytics powered by Avalere Health LLC*

- Medicaid is a state and federal partnership program that covers medical care and long-term services and supports (LTSS) for low-income individuals.
- In most parts of the U.S., the provision of LTSS is highly fragmented. Furthermore, this fragmentation can lead to lower quality care and inefficiencies in care delivery.<sup>1</sup>
- Although most Medicaid LTSS is paid as fee-for-service, some states provide these services to beneficiaries through managed care plans. These predominantly private plans receive a set payment per month and are responsible for providing all necessary services to their enrollees.
- In 2009, 13 states delivered LTSS through managed care ("Medicaid managed LTSS") to individuals with disabilities.
  - The 13 states were: Arizona, California, Florida, Hawaii, Kansas, Massachusetts, Minnesota, New Mexico, New York, Tennessee, Texas, Vermont, and Wisconsin.
  - In three states, Medicaid managed LTSS accounted for over 40 percent of total Medicaid LTSS spending.<sup>2</sup>
- Increasingly, states are exploring ways to expand Medicaid managed care to include LTSS, making it easier to coordinate all facets of care for enrollees.<sup>3</sup>

### Few States Use Medicaid Managed Care to Deliver Long-Term Services and Supports

Medicaid Managed LTSS Spending as a Percent of Total Medicaid LTSS Spending By State, 2009<sup>4,5</sup>



### A Clear Policy Connection

As LTSS costs continue to account for a growing proportion of Medicaid spending, states have shown significant interest in using managed care to improve care coordination and reduce costs, particularly for seniors and people with disabilities who have complex medical and LTSS needs.

Many states are quickly expanding their managed LTSS programs and several states are also pursuing the integration of LTSS with medical services. However, only 13 states have experience with Medicaid managed LTSS programs upon which to build. Given that this is a new venture for many states, there are a number of issues they should consider. Managed care infrastructures—specifically, networks of physicians, hospitals and LTSS providers—take time to build. Though some states have built similar infrastructures for other Medicaid populations, they will need to modify them to ensure that networks can meet the needs of seniors and people with disabilities.<sup>3</sup> Additionally, states should seek to incorporate best practices that include: communicating a clear vision for managed LTSS to promote program goals; engaging stakeholders to achieve their buy-in for program implementation; and ensuring that benefits are designed to meet varying beneficiary need by encompassing the full array of LTSS.<sup>7</sup> States can also benefit from requiring the use of a uniform assessment tool as part of their managed LTSS programs. These assessment tools can ensure consistent evaluation of need and provide for the development of LTSS-focused measures to evaluate program performance and quality of care provided to individuals.<sup>7</sup>

<sup>1</sup> The SCAN Foundation. *DataBrief No. 21: Dual Eligibles, Chronic Conditions and Functional Impairment*. 2011. Accessed September 28, 2011 at: <http://www.thescanfoundation.org/foundation-publications/databrief-no-21-dual-eligibles-chronic-conditions-and-functional-impairment>.

<sup>2</sup> Kasten J, Eiken S, Burwell B. *Medicaid Managed Long-Term Services and Supports Expenditures*. 2011. Accessed September 30, 2011 at: <http://www.hcbs.org/files/205/10211/MedicaidManagedLTSSExpenditures.pdf>.

<sup>3</sup> Kaiser Family Foundation. *Examining Medicaid Long-Term Service and Support Programs: Key Issues to Consider*. October 2011. Accessed October 15, 2011 at: <http://www.kff.org/medicaid/upload/8243.pdf>

<sup>4</sup> Data collected and published by Thomson Reuters. See Kasten J, Eiken S, Burwell B. *Medicaid Managed Long-Term Services and Supports Expenditures*. 2011.

<sup>5</sup> Total percentages of state long-term services and supports spending in managed care: Arizona 97%, California 4%, Florida 1%, Massachusetts 5%, Minnesota

<sup>6</sup> Hawaii and Kansas have Medicaid managed LTSS programs, but did not provide data on program expenditures.

<sup>7</sup> Lind, A; Gore, S; Barnette, L.; Somers, S. *Profiles of State Innovation: Roadmap for Managing Long-Term Supports and Services*. Center for Health Care Strategies. November 2010. Accessed January 5, 2012 at: [http://www.thescanfoundation.org/sites/default/files/MLTS\\_Roadmap\\_0.pdf](http://www.thescanfoundation.org/sites/default/files/MLTS_Roadmap_0.pdf).