AHCA/NCAL Update
Scott Tittle, NCAL Executive Director
HCANJ Convention & Expo
NCAL Membership
Growing Membership
Surpassing Our Goals

Annual NCAL Membership Growth

- 2010: 3.0%
- 2011: 7.0%
- 2012: 6.6%
- 2013: 9.6%
- 2014: 12.8%
- 2015 YTD: 7.9%
Engaging the largest assisted living companies in the country

More than 20 companies now involved

Priorities:
- Improving quality care
- Preventing federal regulation

Building upon/forming relationships with key members of Congress

In-person meeting on September 29 & 30
- Meetings on the Hill with Sen. Collins and Rep. Walden
Advocacy/Policy
Federal Regulation of AL

✓ Committees of jurisdiction
  - Senate – Special Committee on Aging
  - House – Energy and Commerce

✓ In past years, the Senate Aging Committee has focused several hearings on AL quality and oversight.
  - April 2015 – Sen. Susan Collins (R-ME) asked the HHS Secretary to take action on inappropriate use of antipsychotics and focus more on those outside of NFs
  - July 2015 – Sens. Collins and McCaskill requested the GAO to research Medicaid services in assisted living
Federal Watchdogs

✓ HHS OIG Report – “Medicare Hospices Have Financial Incentives To Provide Care In Assisted Living Facilities” (Jan 2015)

- Medicare payments for hospice in AL more than doubled between 2007-2012
- $2.1 billion in 2012
- Hospices provided care much longer and received much higher Medicare payments in ALFs than in other settings

- Recommendations:
  - Reform payments to reduce incentives to target certain diagnoses and long stays
  - CMS should target certain hospices for review
  - Develop and adopt claims-based measures of quality
  - Make hospice data publicly available
  - Provide comparative info to hospices
Federal Watchdogs

- GAO Report – “Antipsychotic Drug Use” (March 2015)
  - 14% of Medicare Part D enrollees with dementia living outside a nursing home were prescribed an antipsychotic
  - Recommendation: HHS expand its outreach and educational efforts to include those residing outside of nursing homes
  - HHS concurred
  - Senators Tom Carper (D-DE) and Susan Collins (R-ME) wrote a letter in April wanting to know what HHS is doing
NCAL’s Plan

✓ Continue to monitor all committees with potential threats to assisted living

✓ Continue our political and lobbying activity
  - Educate members of Congress about assisted living
    - Develop relationships
    - Discuss state regulation
  - Reinforce our quality message
How You Can Help

✓ Host a community tour with state regulators, CMS officials and your member of Congress
  ▪ For tips, contact AHCA’s Matt Smyth: msmyth@ahca.org

✓ Get involved with NCAL’s quality efforts
  ▪ Quality Initiative
  ▪ Quality Awards Program
HCBS Final Rule

Medicaid Waiver Program
Continuous Shift Toward HCBS

Medicaid HCBS Expenditures as a Percentage of Total Medicaid LTSS Expenditures, FY 1995-2013

Source: Medicaid Expenditures for Long-Term Services and Supports in FY 2013
Figure 3. States with the Greatest Increase in Medicaid HCBS Expenditures as a Percentage of Total Medicaid LTSS Expenditures, FY 2011-2013

Source: Medicaid Expenditures for Long-Term Services and Supports in FY 2013

AHCA
NCAL
Figure 2. Medicaid HCBS Expenditures as a Percentage of Total Medicaid LTSS Expenditures, by State, FY 2013

*New Mexico was excluded from this analysis because it has a high proportion of LTSS delivered through managed care and detailed information about the state’s managed care expenditures was not available for FY 2013.

Source: Medicaid Expenditures for Long-Term Services and Supports in FY 2013
HCBS Final Rule Implementation

✓ Jan. 2014 – CMS released final rule defining Medicaid HCBS

✓ March 17, 2015 – statewide transition plans were due

✓ March 17, 2019 – deadline for full compliance with the rule
CMS is allowing some flexibility in implementation

- But state authorities can put more restrictive guidance in place in making HCBS determinations

NCAL remains concerned about how CMS will treat assisted living communities

- Communicating with state affiliates on their specific state plans

NCAL working with CMS, ACL and others at national level, including many other associations and stakeholders

- Alzheimer’s Association
- NASUAD
- CEAL
CMS has sent letters to at least 40 states asking for clarifications and/or modifications to statewide transition plans
- Has not yet granted "initial approval" to any state
- Only 2 states have identified which providers should be placed under "heightened scrutiny"

CMS is thoroughly reviewing plans & closely scrutinizing the providers under heightened scrutiny
- Instructed North Dakota to bring a day program on the campus of an ICF/IID into compliance by taking “significant action to ensure greater community integration”
HCBS Update

- Continued emphasis by CMS and ACL on person-centered planning
  - Expected to soon release new guidance on person-centered planning & memory care

- **Key Takeaway:** State communication and collaboration crucial to ensuring that assisted living remains a part of the Medicaid HCBS program
Learn more: http://www.medicaid.gov and search “HCBS”

- The final rule
- Resources and guidance
- Statewide transition plans

Questions: HCBS@cms.hhs.gov
Changing Payment Models
and their implications on assisted living
## Flawed Fee-for-Service

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<thead>
<tr>
<th>Fee-for-Service</th>
<th>The Future</th>
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<tbody>
<tr>
<td>✓ Rewards volume of tests/procedures</td>
<td>✓ Rewards quality and outcomes of care</td>
</tr>
<tr>
<td>✓ Focus on treating acute episodes</td>
<td>✓ Focus on wellness, prevention</td>
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<tr>
<td>✓ Providers operate within silos</td>
<td>✓ Providers operate collaboratively</td>
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HHS’ Aggressive Goals

- All Medicare FFS (Categories 1-4)
- FFS linked to quality (Categories 2-4)
- Alternative payment models (Categories 3-4)

2016
- 30% FFS linked to quality
- 85% All Medicare FFS

2018
- 50% FFS linked to quality
- 90% All Medicare FFS
Medicare Advantage (MA)

- Enrollment growing rapidly

- CMS increasingly encouraging MA plans to employ innovative care models and offer supplemental benefits in the residential settings beyond those typically covered:
  - Non-skilled in-home support services
  - Assistive services for home safety
  - Caregiver supports
Medicaid Managed Care (MCOs)

Figure 3
Medicaid Managed Care Models in the States, 2015

Source: Kaiser Family Foundation, October 2015
Medicaid Managed Care (MCOs)

✓ State contracts with MCOs typically incentivize shift from institutional care towards community-based long term services and supports

✓ Could create opportunities for HCBS providers
  - additional source of volume and/or referrals if included in an MCO network
Accountable Care Organizations (ACOs)

Where the ACOs Are
19 Pioneer and 405 Shared Savings Program ACOs\(^1\) as of January 2015

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Source: The Advisory Board Company
ACO Implications for Senior Living

✓ ACOs not focusing on senior living yet, but it’s likely that their attention will start to rapidly shift

✓ Many experts question the long-term viability of the ACO model
  ▪ Can savings be achieved year-over-year?
  ▪ Senior living may offer ACOs the long-term cost control they are seeking

✓ As the most advanced ACOs begin to develop structured partnerships with senior living, providers will need to understand where the risks and opportunities are
Key Takeaways

✓ Senior living providers must be able to demonstrate value
  - Cost reduction/containment
  - Be able to show improved quality and outcomes

✓ Ability to communicate and collaborate effectively with other providers and/or managed care plans
  - sharing patient data in real time
Your Next Steps

- Identify which providers in your market(s) are participating in innovation models
- Start a dialogue with potential partners
- Evaluate your current business model
  - Are there any new opportunities to align with new care delivery and payment models?
- Begin to track key metrics
- Be able to tell your story to potential partners
Quality Improvement

Quality Initiative for Assisted Living
AHCA/NCAL Quality Awards Program
The Quality Initiative for Assisted Living
NCAL Quality Initiative Goals
(by March 2018)

- Keep nursing and direct care staff turnover below 40%
- At least 90% of customer (residents and/or families) are satisfied with their experience
- Safely reduce hospital readmissions within 30 days of hospital discharges by 15%
  Or reach (and maintain) a low rate of ≤5% rate
- Safely reduce the off-label use of antipsychotics by 15%
  Or reach (and maintain) a low rate of ≤5% rate
How to Measure

- Staff stability - **LTC Trend Tracker** SM – AHCA/NCAL’s Turnover and Retention Upload
- Customer satisfaction - **CoreQ** questions
- Hospital readmissions - National Patient Safety Organization for Assisted Living (**PSO**)
- Off-label use of antipsychotics - National Patient Safety Organization for Assisted Living (**PSO**)
Key Resource

The Staff Stability Toolkit via AHCA/NCAL Bookstore

Turning Complaints into Compliments

INTERACT for Assisted Living

Consumer Fact Sheet on Antipsychotic Drugs for Persons Living with Dementia

Learn more at QualityInitiative.ncal.org
AHCA/NCAL National Quality Award Program
Quality Award Program

✓ Provides a pathway for providers of long term and post-acute care services to journey towards performance excellence

✓ Based on the core values and criteria of the Baldrige Performance Excellence Program

✓ Member communities may apply for three progressive levels of awards:
  - Bronze - Commitment to Quality
  - Silver - Achievement in Quality
  - Gold - Excellence in Quality

http://QA.ahcancal.org
Quality Awards Among ALs

NJ’s AL Bronze Recipients
- 2014 – 1
- 2015 – 4
Get Ready to Apply

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<tr>
<th>Date</th>
<th>Event</th>
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<tr>
<td>November 19, 2015</td>
<td>Bronze, Silver and Gold Intent to Apply Deadline</td>
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<td>December 7, 2015</td>
<td>Bronze, Silver and Gold Applications are Accepted Online</td>
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<tr>
<td>January 28, 2016</td>
<td>Bronze, Silver and Gold Application Deadline</td>
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http://QA.ahcancal.org
Track Your Progress

LTC Trend Tracker
National PSO for Assisted Living
Now available to assisted living members

Turnover and Retention Upload (staffing data)
- Upload staffing data and receive instant feedback on rates
- Benchmark against peers
- Examine 7 different staff positions

Customer satisfaction questions aka “CoreQ”:
1. In recommending this facility to your friends and family, how would you rate it overall?
2. Overall, how would you rate the staff?
3. How would you rate the care you receive?
4. Overall, how would you rate the food?
The Future of LTC Trend Tracker for AL Members

2016 - Additional AL measures:

- 30-day hospital readmission rates
- Off-label use of antipsychotics
- Occupancy rates
- Lengths of stay

www.LTCTrendTracker.com
National PSO for Assisted Living

- Exclusive member benefit (with some cost)
- Venture with New Jersey Hospital Association
- Track clinical and patient safety measures
- Non-punitive reporting system that is designed to reduce or minimize harm to residents

www.ncalpsso.org
What is a PSO?

✓ **Patient Safety Organization**

✓ A group of independent, external experts who can collect, analyze, and aggregate Patient Safety Work Products
  - locally, regionally, and nationally
  - develop insights into the underlying causes of patient safety events

✓ Protected from legal discovery to allay fears of increased risk of liability

✓ Certified by the Agency for Healthcare Research & Quality (AHRQ)

[www.ncalpso.org](http://www.ncalpso.org)
Benefits of Joining the National PSO for AL

- Access to data
  - For benchmarking
  - Detect and address emerging quality issues as they arise

- Reduce liability costs and exposures

- Access to resources including webinars, policies & procedures, and training material to improve quality

- Improve safety and quality, leading to better resident outcomes

www.ncalpso.org
What Data Does the PSO Collect?

- Demographics
- Falls
- Pain Management
- Pressure Ulcers
- Infection Control
- Unplanned Hospitalizations
- Hospice
- Elopements
- Depression
- Medication Management

www.ncalpso.org
Looking Ahead...

- High quality care will always deliver long range success.
- Data matters more than ever before.
- Value-based payment models are replacing fee-for-service.
- Your leadership matters. Treat your staff the way you want them to treat your residents and patients.
- Embrace change. It is the only constant we have.
DC Update
More Unified Than Ever

SNF Beds Membership Trend - Last 5 Years

Number of SNF Beds (in thousands)

Quarter/Year

AHCA
NATIONAL CENTER FOR ASSISTED LIVING
More Unified Than Ever

AL Beds Membership Trend - Last 5 Years

Number of AL Beds (in thousands)

Quarter/Year
# More Politically-Active Than Ever

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Leading the Way

✓ Proactively taking solutions to the Hill

✓ Leading the Quality Initiative
### Risks That We Face Have Changed

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<td>1. Changing Payment Models</td>
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<td>2. CMS</td>
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<tr>
<td>3. Changing Payment Models</td>
<td>3. The Hill</td>
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Medicaid is safe for 2015-2016

Federal regulation of AL unlikely

Still challenges, but risks are not large enough to sink us
The Political Climate in DC

- Speaker of the House
- Big budget deal
- Debt ceiling
How We Win on the Hill

✓ Continue deep political and lobbying activity
  ▪ Political Efforts – Jennifer Hahs, jhahs@ahca.org
  ▪ Lobbying & Building Tours – Matt Smyth, msmyth@ahca.org

✓ Be right on policy