HCANJ
Health Care Association of New Jersey

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

PAUL LANGEVIN , MAY 13, 2014

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- Keep it in perspective
- Focus on your core business
- Maximize clinical efficiency and effectiveness
- Maximize business system efficiency
- Under-promise/Over-deliver
- Benchmark clinical and financial performance
- Aim to be highest value provider

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **Timeline**
  - Two-year Any Willing Provider AND Any Willing Plan
    - Applies to NFs, ALs, SCNFs and Community Residential Services
  - June 30, 2014 rate for two years, unless different rate negotiated with MCO
  - Medicaid eligibility system remains the same
  - Uniform claim form standardized across plans
    - CM1500 for assisted living
    - Claims testing in process for some providers
  - Provider training materials still being developed
  - Provider training not yet scheduled

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **July 1, 2014 is not the end of the world but rather the day that around 20% of your business will be paid for, and managed by, the payer in a different way.**
- **In 2012, 86% of facilities participated in Medicaid**
- **In 2012, 20% of permanent residents were covered by Medicaid**

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **For 80% of your business, after July 1, 2014, things will be the same insofar as where your residents come from, what they demand, and the services that you provide to them.**
- **The big question remains – How different will the two lines of business be or how different do you want them to be?**

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **Quality of income (or "Know your payer")**
  - Government
  - Private
  - MCO

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **Insights from the AL Resident Survey of 2012**
  - 39% had a health services plan
  - 177 of 207 facilities say that they provide special services to residents
    - Respite
    - Alzheimer's
    - Behavior management
    - Hospice

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **More insights from the survey**
  - Number of residents requiring total assistance with ADLs continues to climb
  - Number of residents requiring assistance with 4 or more ADLs has increased from 44% in 2006 to 63% in 2012.
  - What's in the future?

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **You need to establish a baseline for your facility so that when you are negotiating with MCOs you know exactly where you stand in terms of resident type and demand for services.**

- **It's not just about the rate — it's also about the resources consumed. If you are losing $ on new business the more new business you get the more $ you lose!**

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **Covered Services Included in the Medicaid AL per diem**
  - Personal care
  - Chores
  - Attendant care
  - Laundry
  - Medication administration
  - Social activities
  - Nursing
  - Ongoing assessments
  - Health monitoring
  - Pharmacy services
  - Routine medical supplies

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **When you are evaluating new business, look at your resident profile and then look at your staffing pattern.**
  - In the 2012 Resident Survey, facilities reported an average of 52 staff per building.
  - A significant change in resident profile (e.g., a concentration of sicker residents needing assistance with more ADLs) may require a significant investment in new staff and may actually lower profits.

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **The new 20% environment**
  - AWP
  - Prior authorization denials and appeals
  - Claims processing and cash flow
  - Quality measures
  - Eligibility and pending Medicaid apps
  - Advising residents on choice

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **Any Willing Provider (Any Willing Plan)**
  - How it affects your license
  - Who will you do business with?
  - If you are "in," will your utilization increase?
  - Will you lose control of your census?
  - Are more MCOs better?

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **Prior authorization**
  - Must comply with "Health Claims Authorization, Processing and Payment Act
    - (HCAPPA) P.L. 2005, c.352
  - Health service package approval (plan vs. resident)
  - If denied, will you provide and appeal or discharge?
  - Do you have a choice?
  - How long will the provider be at risk?

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **Claims processing**
  - HCAPPA compliant
  - COB issues (i.e. Medicare billed first for duals)
  - Filed using CMS1500
  - Filed within 180 days from date of service
  - Payment frequency (monthly?)
  - Prompt payment within 15 days for clean claim for MLTSS services (contract req.)

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **Quality measures**
  - Advanced Standing
  - Plan specific
  - NCAL measures
  - Licensing surveys
  - Complaints (state or plan)

NCAL. Tier II Performance Measures

FALLS

1. Number of falls in the last 30 days
2. Number of residents who required admission to the hospital due to a fall within the last 30 days
3. Number of residents assessed for fall risk within 4 weeks of admission

PAIN MANAGEMENT

4. Number of residents identified reporting daily pain is not relieved with medication

PRESSURE ULCERS

5. Number of residents with pressure ulcers acquired in the assisted living community
6. Number of residents who are screened for skin assessment within 30 days of admission

INFECTION CONTROL

7. Number of residents with in-house acquired urinary tract infections (UTIs) in the last 30 days
8. Number of residents receiving a current seasonal influenza vaccine
9. Number of residents documented receiving the pneumococcal vaccine

MEDICATION MANAGEMENT

10. Number of residents with medication errors (all-cause) in the last 30 days
11. **The prevalence of off-label use of antipsychotics in residents**

HOSPITALIZATIONS

12. Number of residents discharged from the hospital to assisted living and readmitted to the hospital, unplanned, within 30 days
13. Number of hospitalizations in the past 6 months

ELOPEMENTS

14. Number of documented cases of elopement in the last 30 days

DEPRESSION

15. Number of current residents that were screened for depression within 30 days of admission

ADVANCED CARE PLANNING

16. Number of current residents who have written advanced directives on file in the assisted living community
17. Total number of advanced directives reviewed annually

END-OF-LIFE CARE

18. Number of residents receiving end-of-life, palliative, or hospice care

DEMOGRAPHICS

19. Current number of residents
20. Number of residents with a diagnosis of dementia
21. Number of residents with a mental health diagnosis other than dementia or depression
22. Number of residents with an intellectual disability or developmental disability
23. Average age of your residents
24. Location of community: rural, suburban, or urban

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **Eligibility and pending applications**
  - Only an issue for spend-downs
  - No payment for AL back to Medicaid application date so monitoring spend-down is still critical
  - FFS payment only for time between eligibility determination and MCO membership
  - Conflict between MCO contract and your state requirement to take 10% Medicaid

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **Advising Residents on choice – Can you ?**
  - Community's experience with specific plans
  - Which plans do you participate with?
  - Payment/authorization experience with plan
  - Additional covered services unique to plan
  - Other

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **New services and approaches**
  - Only limited by CON rules
    - ventilator, behavioral health etc.
  - All-inclusive plans
    - home health, home care, social and medical daycare
  - Cardiac health and rehab
  - Pulmonary rehab
  - Orthopedic rehab

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **New services**
  - Questions for you
    - Do you have the expertise already, or can you obtain?
    - What additional risk and reporting requirements are created?
    - What's the profitability of the new product line?
    - Will the new product line change the overall character of your community?
      - What do your private paying residents think?

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **Things worth thinking about but not worth losing sleep over**
  - How will DOH measure compliance with the 10% Medicaid rule?
  - How will I deal with current AL residents who are not reauthorized and need to be moved to a different level of care?
    - Who pays in the interim?
  - Do I still need to maintain my Medicaid Certification?

ADAPTING TO THE MEDICAID MANAGED CARE ENVIRONMENT

- **More things not to lose sleep over**
  - Can I stop taking Medicaid residents at any time?
    - If not, whose permission do I need?
  - How will AL facilities be chosen for/by Medicaid beneficiaries?
    - Resident?
    - MCO?
    - Will choice still be available?