Rhode Island's Global Medicaid Waiver

"the right services, at the right time, in the right-setting"

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"THE GLOBAL WAIVER HAS THREE MAJOR PROGRAM GOALS:

1. To **re-balance the publicity-funded long-term care system** in order to increase access to home and community-based services and supports and to decrease reliance on appropriate institutional stays.
2. To ensure all Medicaid beneficiaries have access to a **medical home**.
3. To implement **payment and purchasing strategies** that align with the programmatic goals and that ensures a sustainable, cost-effective program."

Rhode Island Executive Office of Health and Human Services, January 13, 2009

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SO, WHAT WAS WAIVED?

1. **AMOUNT, DURATION, AND SCOPE** To enable Rhode Island to vary the amount, duration and scope of services, regardless of eligibility category, by providing additional services to individuals for enrollees in certain managed care arrangements.

2. **REASONABLE PROMPTNESS** To enable the State to impose waiting periods for HCBS waiver-like long term care services.

3. **COST-SHARING REQUIREMENTS** To permit the State to impose premiums in excess of statutory limits under section 1916.

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SO, WHAT WAS WAIVED? (cont.)

4. **COMPARABILITY OF ELIGIBILITY STANDARDS** To permit the State to apply different Standards for determining eligibility, including but not limited to different income counting methods, than specified in the Medicaid State Plan.

5. **FREEDOM OF CHOICE SECTION** To enable the State to restrict freedom of choice of provider for individuals in the demonstration.

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SO, WHAT WAS WAIVED? (cont.)

6. **RETROACTIVE ELIGIBILITY** To enable the State to exclude individuals in the demonstration from receiving coverage for up to three months prior to the date that an application for assistance is made.

7. **PAYMENT FOR SELF-DIRECTED CARE** To permit individuals to self-direct expenditures for long-term care services.

8. **PAYMENT REVIEW** To the extend that prepayment review may not be available for disbursements under a self-directed care program by individual *beneficiaries to* their providers.

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AND IN RETURN??

The agreement that spending over the five year period would not exceed a spending cap of $12.075 billion.

NOT A BLOCK GRANT!!

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REBALANCING INITIATIVE

- New Level of Care" Assessment Tool
- Diversions and Transitions Program
- Expansion of Home and Community-Based Services
  - Develop and Preventative Level of Care
  - Expand access Shared Living to the Elderly and Adults with Physical Disabilities
  - Expand Access to Home Health Care
  - Expand Access to Assisted Living
  - Expand Access to Adult Day Services

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THE "OLD OLD" POPULATION AND NURSING HOME USE

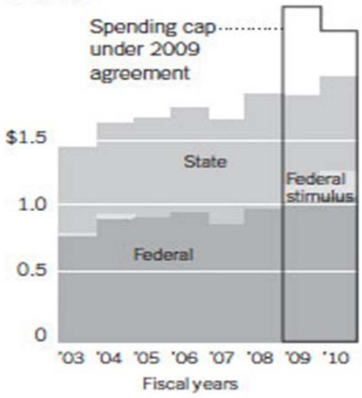
Rank Based on Percent	Selected Age Group			RANK: Nursing Home Utilization per 1000 Population
State	85%	75%	65%	
Rhode Island	1	5	9	4
North Dakota	2	3	8	1
Iowa	3	4	5	2
Pennsylvania	4	3	4	10
Connecticut	5	9	14	5
South Dakota	6	7	13	3
Florida	7	1	1	35
Hawaii	8	10	12	45
Maine	10	6	3	27

Age Data, U.S. Census Bureau, 2010 Census. Nursing Home Utilization Data, Based on 2007 Data from the Kaiser Family Foundation. (www.statehealthfacts.org)

Rhode Island Experiment

Rhode Island agreed to a cap on Medicaid two years ago. But officials say the cap exceeds the state's needs.

Medicaid spending in Rhode Island
In billions



Source: R.I. Executive Office of Heath and Human Services

THE NEW YORK TIMES

The New York Times

May 16, 2011

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RHODE ISLAND MEDICAID

NURSING HOME SPENDING, BED DAYS

State Fiscal Year[1]	Total Nursing Home Payments (includes federal match)	Total HCBS Spending[2]
2005	$296,008,720	
2006	$305,717,385	
2007	$309,505,959	
2008	$322,070,562	$26.7 million
2009	unavailable	$37.9 million
2010	$327,125,062	$60.3 million
2011	$334,870,001	$70.2 million
Budgeted for FY '12	$341.2 million	$74.1 million

Calendar Year	Bed Days	Change from Prior Year
2001	2,433,722	
2002	2,390,972	-42,750
2003	2,315,249	-75,723
2004	2,286,925	-28,324
2005	2,219,978	-66,947
2006	2,197,133	-22,845
2007	2,151,494	-45,639
2008	2,119,797	-31,697
2009	2,104,321	-15,476
2010	2,094,311	-10,010

Source, R.I. Dept of Human Services, Budget Data
Bed Days Data was in response to FOIA Request, 3/15/11

[1] The state fiscal year runs from July 1 to June 30, and is named after the year in which it ends. Thus, SFY 2010 ran from July 1, 2009 to June 30, 2010.
[2] Home and Community Based Long Term Care Services

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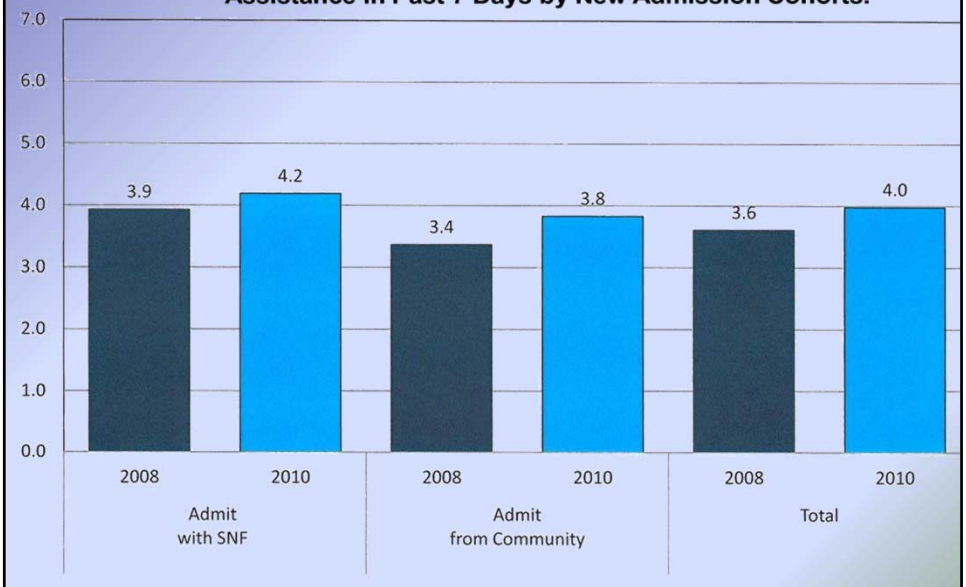
Change in the Characteristics of the Rhode Island Medicaid Population in Nursing Homes 2008 - 2010

Prepared for the Evaluation of the RI Medicaid Program's Real Choice System Transformation Project
By
Susan M. Allen, Pedro Gozalo & Bernard A.Steinman

Center for Gerontology and Health Care Research
Brown University

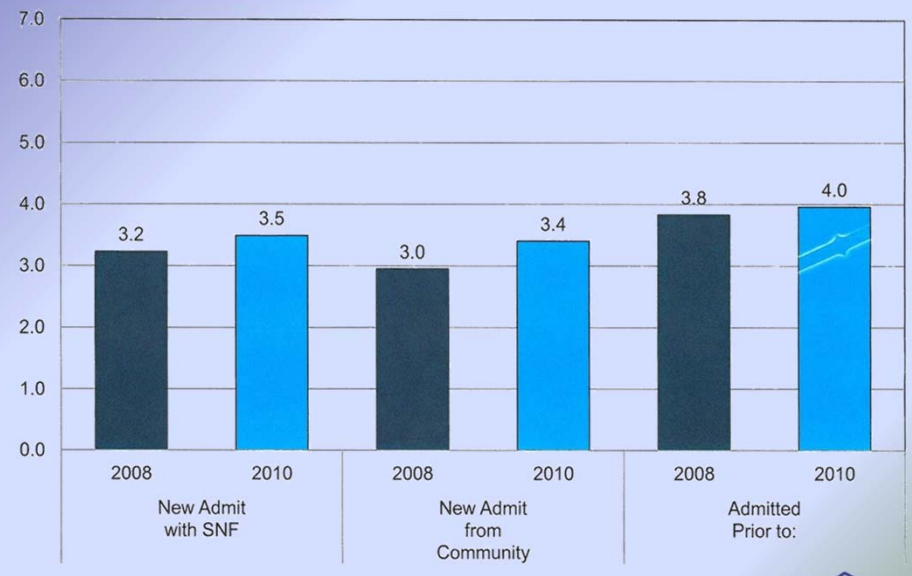
September 26, 2011

Figure 2.14 Average Number (0 to 7) ADLs Needing Extensive Total Assistance In Past 7 Days by New Admission Cohorts.



Source: MDS Admission Assessment, 2008 & 2010

Figure 3.14 Average Number (0 to 7) ADLs Needing Extensive/Total Assistance in Past 7 Days by Long Stay Cohorts.



Source: 1st Quarterly MDS Assessment, 2008 & 2010

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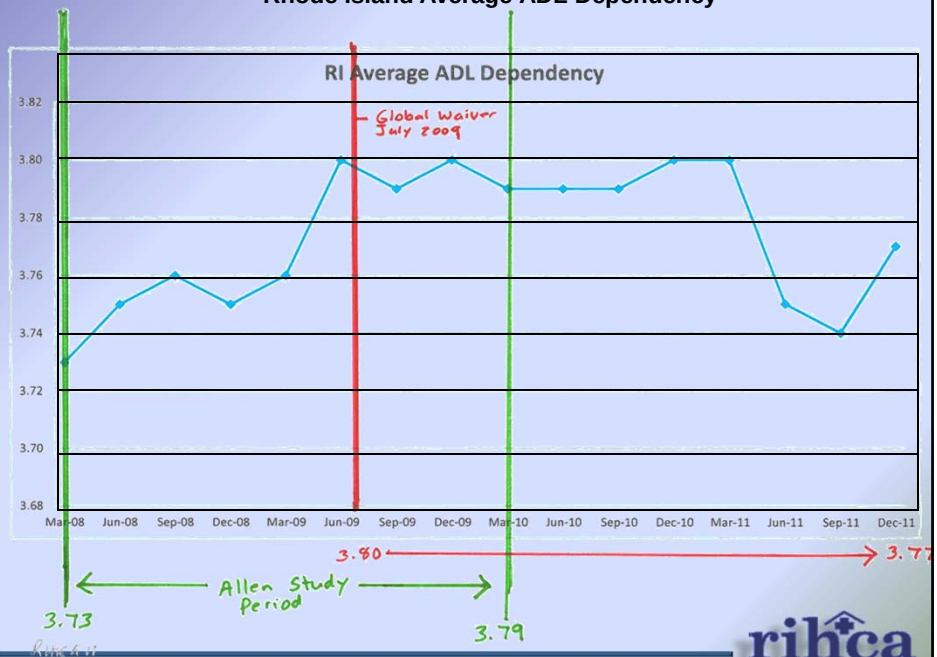
Rhode Island Average ADL Dependency



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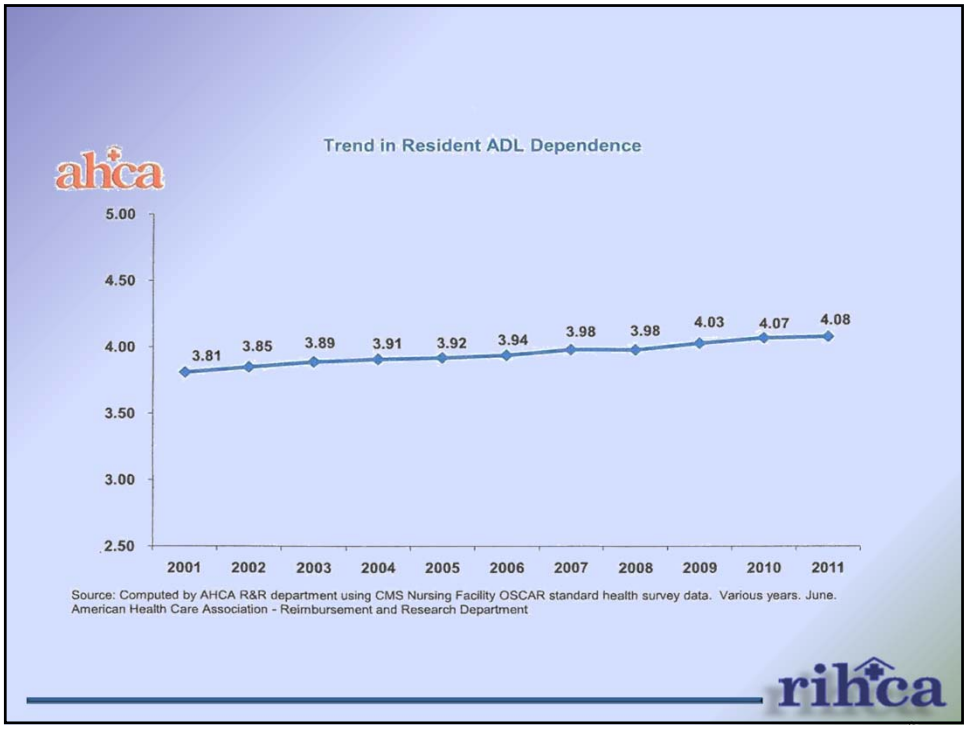


	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Bathing	93.97%	94.11%	93.71%	93.63%	94.30%	95.23%	94.72%	94.83%	95.31%	96.09%	94.92%	
Dressing	85.04%	85.20%	84.97%	86.05%	86.80%	88.91%	88.23%	88.96%	89.17%	89.82%	89.45%	
Eating	43.21%	42.35%	42.92%	43.32%	43.10%	42.98%	41.84%	41.13%	43.17%	41.11%	39.82%	
Toileting	72.37%	72.10%	72.33%	73.30%	74.50%	77.34%	76.55%	77.95%	78.69%	79.24%	78.65%	
Transferring	65.49%	65.51%	66.26%	67.19%	69.20%	71.14%	71.61%	72.55%	73.33%	73.83%	74.23%	

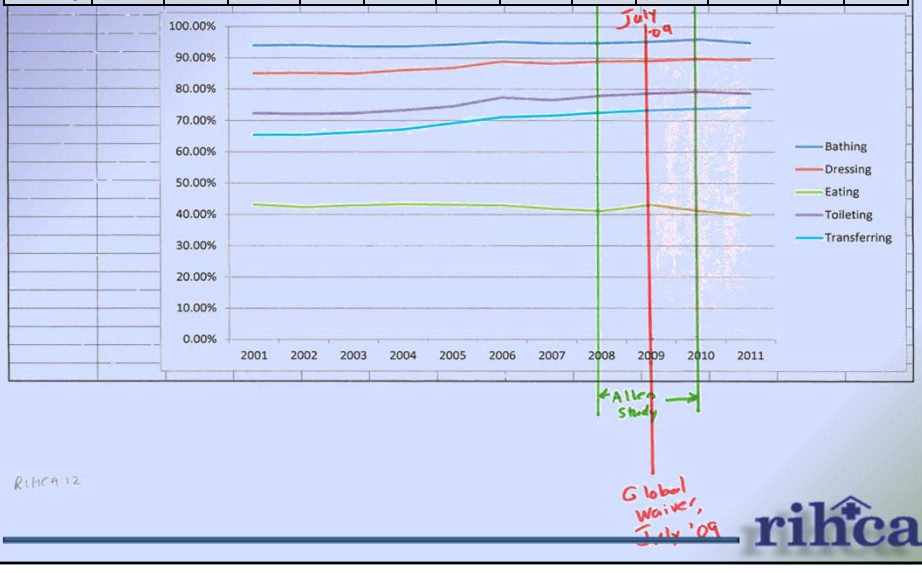
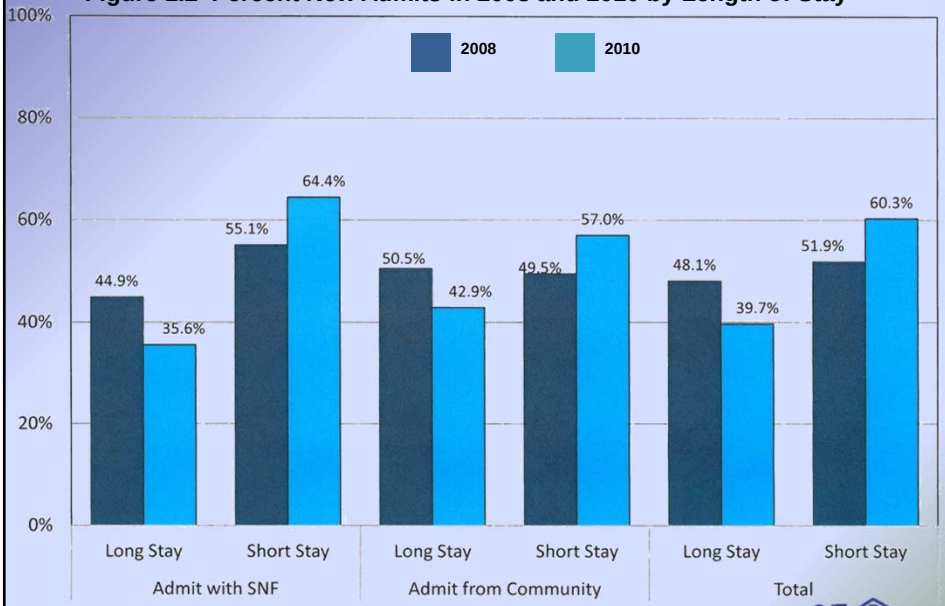


Figure 1.2 Percent New Admits in 2008 and 2010 by Length of Stay



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An Independent Evaluation of Rhode Island's Global Waiver
Prepared by: The Lewin Group
Date: December 6, 2011

"To evaluate the impact of the Global Waiver on re-balancing the long term care system, Medicaid claims data for long term care services for state fiscal years (SFY) 2008 through 2010 were evaluated. This analysis of LTC expenditures found that the Global Waiver was successful in re-balancing the long term care system resulting in the utilization of more appropriate LTC services. During the study period the average number of nursing home users fell by 3.0 percent from SFY08 to SFY10. During this same period the average number of home and community base services users rose by 9.5 percent. These Global Waiver strategies clearly helped the state to re-balance the delivery of LTC services, resulting in savings of $35.7 million during the three year study period according to our estimates."

Lewin Report, page 1 of 40, available online at
http://www.eohhs.ri.gov/documents/documents11/Lewin_report_12_6_11.pdf

Note: State Fiscal Years 2008 – 2010 ran from July 1, 2007 to June 30, 2010. Global Waiver was approved in January 2009.

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An Independent Evaluation of Rhode Island's Global Waiver

Chart 1. Total Nursing Home Expenditures by Month of Service

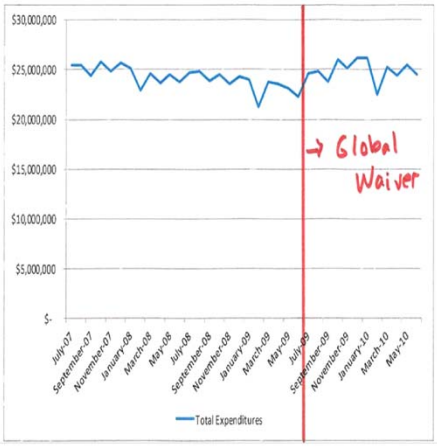

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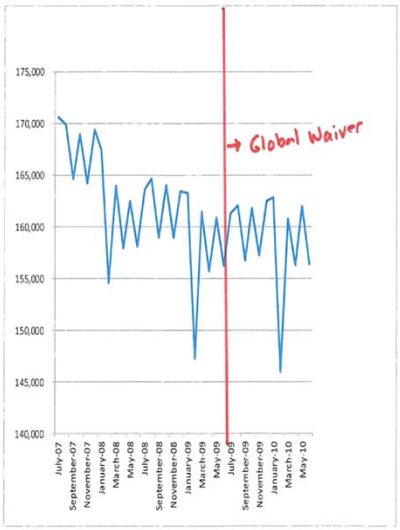
Chart 2. Total Nursing Home Days by Month of Service



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An Independent Evaluation of Rhode Island's Global Waiver

Chart 3. Unique Nursing Home Residents by Month of Service

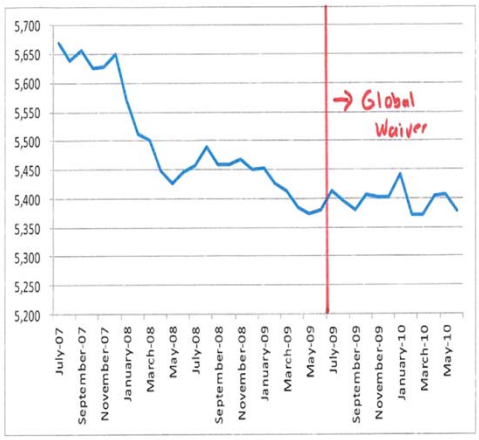

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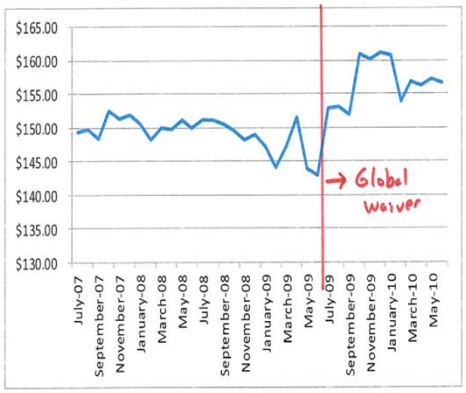
Chart 4. Average Cost per Nursing Home Day by Month of Service



The utilization of institutional LTC services decreased during the evaluation period. The number of individuals receiving LTC services in an institutional setting decreased by 6.2 percent, from 7,423 in July 2007 to 6,966 in June 2010. Accordingly, overall expenditures for institutional LTC services decreased by 10.4 percent. The average amount paid per claim also decreased but only by 4.6 percent, from approximately $6,268 in July 2007 to $5,982 in June 2010.

members that received HCBS services but were not impacted by the GW initiatives and those members in waivers where HCBS expenditures were not available for the entire three year study period. The member classification categories that were utilized and the logic that was employed to assign members to each category were as follows;

- DEA Members – Members with an aid category code of D1 or D2, or members with waiver category code of 2 or 13 on the eligibility file for the month of service
- BHDDH Members – Members that received an BHDDH waiver service during the month of service, or were identified as being enrolled in the BHDDH waiver on the eligibility file for the month of service
- Self-Directed Care Waiver – Members in the Self-Directed care waiver were identified with a waiver category code of 4 on the eligibility file for the month of service.
- HCBS Study Population – All members not classified in the previous member classification categories were included in the HCBS study population. This included Medicaid members in the all of the remaining HCBS waiver programs operated by the state excluding the programs mentioned above.

After assigning each member and claim to the HCBS and member classification categories and month of service, counts of unique members and total Medicaid expenditures were created for each month of service. Observed trends in the number of members receiving any direct care service or in home support service and the expenditures for these services for the general Medicaid member category are provided in charts 5 and 6 for the HCBS Study Population.

Chart 5. Number of Unique User of HCBS Services, SFY08-SFY10 (General Medicaid)

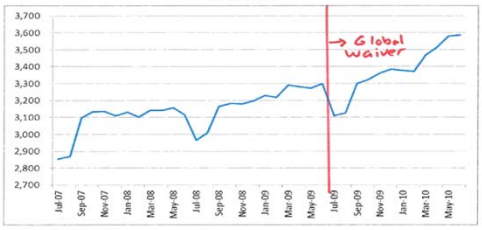
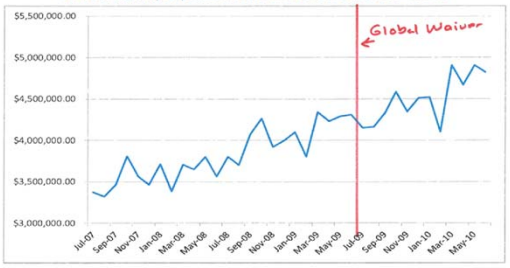


Chart 6. Monthly Expenditures for HCBS Services, SFY08- SFY10



The majority of the HCBS expenditures incurred by the state were accounted for by four categories of service; Assisted Living, Adult Day Care, Home Health Care and Personal Care Services. The Personal Care Services category accounted for the majority of expenditures and users of HCBS services.

Counts of members receiving Assisted Living, Adult Day Care and Home Health Care are provided in Chart 7 for the HCBS Study Population. Monthly expenditures for these programs are provided in Chart 8.

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Total LTC Utilization

The results of the institutional LTC and HCBS utilization analyses were combined to evaluate the overall trend in LTC expenditures in the state. This analysis was limited to the Nursing Home and HCBS Study population to focus on those groups targeted by the state's waiver initiatives and those populations with complete data available for the entire three year period. Data issues for the DEA and Self-Directed care populations prevented these populations from being included in the analysis. During the three year study period the utilization of HCBS services showed a steady increase in both the number of members receiving services and the total cost for these services. This was offset by an approximate 3 percent decline in the number of members receiving nursing home services with less than a 1 percent increase in nursing home expenditures from FY08 to FY09. The average number of people receiving HCBS and nursing home services and total expenditures by fiscal year is provided in Table 1

Table 1. HCBS and Nursing Home Users and Expenditures

Fiscal Year	Avg HCBS Users	Total HCBS Dollars	Avg. NH Users	Total NH Dollars	Avg LTC Users	Total LTC Dollars
SFY08	3,082	$42.8m	5,565	$296m	8,646	$339m
SFY09	3,191	$48.8m	5,434	$284m	8,626	$332m
SFY10	3,375	$54.0m	5,398	$299m	8,772	$353m
SFY08 to SFY10	+9.5%	+45.1%	-3.0%	+0.8%	+1.5%	+4.1%

The utilization trends in Table 2 show a shift in LTC services from the institutional setting to community settings. Despite an increase of 1.5 percent in the number of people seeking LTC services, the state was able to limit LTC spending to a 4.1 percent over the three year period, an annual rate of increase of 2.0 percent. This represented an increase of 2.6 percent in the average cost per month of providing LTC services to RI Medicaid recipients over the three year period, an average annual increase of 1.3 percent.

The GW introduced a series of initiatives to control LTC expenditures. One of the GW strategies was to reduce the number of Medicaid members receiving services in an institutional setting with a shift to care in a community setting. These initiatives focused on relocating

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current NH residents with lower needs into a community setting and diverting new members seeking LTC services into the community.

To evaluate the impact of the GW on diverting members from nursing homes to HCBS services, the Lewin Group examined trends in the number of members receiving services in each setting. Prior studies were able to evaluate the savings from nursing home diversion efforts using data for individual members that were diverted from the nursing home to an HCBS setting. The Lewin Group did not have access to this data so in order to evaluate the impact of the GW on the diversion of members from the NH setting to the community setting, the percentage of LTC recipients receiving care in each setting was computed over the three year period. The impact of the GW NH diversion activities was then computed by comparing RI's actual LTC costs with what their costs would have been if the percentage of members receiving LTC services in a nursing home had not changed over the study period.

During the first month of the study period, 66.5 percent of the members receiving LTC services received their care in a nursing home. By the end of the study period, this percentage had dropped to 60.0 percent. To evaluate the fiscal benefit of this diversion, estimated LTC costs were computed assuming that the percentage of members receiving care in a nursing home setting stayed at 66.5 percent throughout the study period. The number of members in each setting was then multiplied by the observed average cost of care in each setting for each month of service. This estimated LTC cost was then compared to actual LTC costs to compute the fiscal benefit of NH diversions over the study period. This methodology resulted in an estimated LTC cost to the state of $1,061 million over the study period. In comparison to the state's actual LTC costs of $1,025 million, it is estimated that the state saved $35.7 million by reducing the percentage of LTC services that were provided in nursing homes. Approximately 48 percent of this benefit was realized during SFY 2010 with an estimated savings of $17.1 million.

Actuarial Analysis

The cost of caring for members receiving LTC services during the study period rose gradually as a result of the state's efforts to divert members from institutional to community settings. The state also implemented several budget actions to control the growth in nursing home rates. The average cost per nursing home day for each of the three fiscal years during the study period is provided in Table 2.

Table 2. Comparison of Inflation Rates

Fiscal Year	Nursing Home Average $ Per Day	Annual Trend	CPI Medical Cost	PPI Nursing Facilities
SFY08	$ 150.25			
SFY09	$148.03	0.993	1.015	1.013
SFY10	$156.80	1.029	1.017	1.012
2 Year Average		1.011	1.016	1.012
Difference			0.005	0.001

Thank you!

Virginia M. Burke, J.D.
President, CEO

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