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Regarding

Managed Long-Term Services and Supports In the Pennsylvania Intellectual Disabilities System

Submitted by:

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My name is Kelly Whitcraft. I am the Policy Coordinator and an Advocate for the Disability Rights Network of Pennsylvania. My experience previous to DRN involved serving seven years as the Policy Director/Waiver Coordinator for the Office of Developmental Programs, as well as an additional ten years of various other positions within the Intellectual Disabilities system in Pennsylvania.

I am here today to talk about managed long-term services and supports for people with intellectual disabilities. I thank you for the opportunity to present information on this topic.

Managed long-term services and supports involve the delivery of long-term services and supports through capitated Medicaid managed care programs. This means that the state contracts with managed care organizations (MCOs) to provide home and community-based services and/or institutional services for a per member per month rate. States, including Pennsylvania, have been increasingly interested in using managed long-term services and supports as a means of decreasing costs and increasing coordination of services.

Currently in Pennsylvania, there is one existing Medicaid managed long-term care program. This program is known as the Adult Community Autism Program, or ACAP. ACAP provides services to around 200 adults with Autism Spectrum Disorder in Chester, Cumberland, Dauphin and Lancaster Counties. ACAP provides a wide array of services to beneficiaries through Keystone Autism Services, such as nursing and therapy services, behavioral support and crisis intervention, homemaker/chore services, durable medical equipment and environmental modifications, supports coordination, employment and habilitation services. Most of the services are non-residential home and community-based services. Adults may only be enrolled in ACAP if they are able to successfully reside in a community setting with less than 16 hours of paid or unpaid support a day. ACAP participants who experience a change in need requiring 16 or more hours of support a day are not disenrolled from ACAP, and may then access the additional needed (residential) services. Most of the services provided through ACAP, however, are non-residential. The original intent was to pilot ACAP in a few counties,

with expansion of the pilot "dependent on outcomes"[1]. The pilot began in April 2009 in three counties and was expanded to add one county, but was never implemented statewide.

In addition in Pennsylvania, there are several groups that are – or may be – exploring a broader implementation of managed long-term services and supports. House Resolution 255 directed the Joint State Government Commission to study the Commonwealth's long-term care delivery system for independent and care-dependent older adults. This study was to result in a report of findings and recommendations to the General Assembly on improving the infrastructure, consumer access, and financing of long-term care services and supports. House Bill 252 established the Pennsylvania Long-Term Care Council to research and study the following areas of long-term care, including institutional and home and community-based services: regulatory review and access to quality care, community access and public education, long-term care services models and delivery, work force, and housing. Because of our current budget climate and the resulting desire of the Department of

[1] Office of Developmental Programs Bureau of Autism Services Update, November 10, 2007, found at: http://autismharrisburg.org/presentation/Nov_10_07_Bureau_of_Autism_Svcs_update.pdf

Public Welfare to contain costs, it is inevitable that managed long-term services and supports will be raised as a model for these groups to consider.

More specific to managed care, the Office of Developmental Programs is undertaking a Futures Planning process to develop action plans related to eight objectives aimed at improving the intellectual disabilities system in the Commonwealth. One of the objectives relates to the development of a pilot program for managed care of developmental disability services.[2] The exact scope and nature of the pilot program has not yet been determined, but will be explored through the ODP Futures Planning process. Because many individuals in the intellectual disabilities system are already enrolled in HealthChoices physical and behavioral health managed care programs, this pilot will be exploring managed care for the long-term care services provided to these individuals with intellectual disabilities.

[2] Today's Vision...Tomorrow's Reality Futures Plan, Action Plan Teams Work Session, June 24, 2013.

The Pennsylvania Coalition of Medical Assistance Managed Care Organizations has developed a briefing paper entitled, *A Road Map for Implementing Medicaid Managed Long-Term Services and Supports (MLTSS) in Pennsylvania*, October 2013 (Revised). The briefing paper provides background on managed long-term services and supports, the purported benefits of managed long-term services and supports, and a recommended program design and implementation structure for managed long-term services and supports in the Commonwealth. The Coalition recommends the implementation of managed long-term services and supports by the existing physical health managed care organizations, but limits the proposal to older adults (60+) and people with physical disabilities of all ages who meet Pennsylvania's definition of an institutional level of care. The proposal specifically excludes people with intellectual and developmental disabilities. [3] The Coalition recommends a phased implementation approach, beginning with those who are dually eligible for both Medicare and Medicaid in the 2013/2014 fiscal year, followed by a partial implementation for older adults and people with physical disabilities within the HealthChoices "heritage" zones

[3] A Road Map for Implementing Medicaid Managed Long-Term Services and Supports (MLTSS) in Pennsylvania, PA Coalition of Medical Assistance MCOs, October 2013 (Revised), p. 9.

(Southwest, Southeast, and Lehigh-Capital) in 2014, and statewide implementation for older adults and people with physical disabilities in 2015.[4]

The Pennsylvania Association of County Administrators of Mental Health and Developmental Services (PACA MH/DS) has also developed a proposal entitled, *The Future of Pennsylvania's Medicaid Funding for Services to Individuals with Intellectual Disability*, adopted April 25, 2012. This proposal recommends the implementation of managed long-term services and supports for community-based services provided to people with intellectual disabilities through the expansion of the existing behavioral health managed care organizations in the Commonwealth. The proposal does not include a detailed implementation plan, but instead recommends the exploration of this option for providing the long-term care services that are currently provided through the intellectual disabilities Medicaid Waivers (the Consolidated and the Person/Family Directed Support Waivers) through managed care programs.

[4] A Road Map for Implementing Medicaid Managed Long-Term Services and Supports (MLTSS) in Pennsylvania, PA Coalition of Medical Assistance MCOs, October 2013 (Revised), p. 11.

While DRN recognizes the success of the HealthChoices Behavioral Health programs for people with mental illness, we have concerns about implementing managed long-term services and supports for people with intellectual disabilities. The primary motivation for most states, seemingly including Pennsylvania, in implementing managed long-term services and supports is to control rising Medicaid costs. [5] While DRN understands the current fiscal environment, we question the reality of saving a significant amount of money by shifting long-term care intellectual disabilities services to a managed long-term services model, and are extremely concerned about the potential negative consequences of managed care on the intellectual disabilities services and supports system in Pennsylvania.

The Robert Wood Johnson Foundation, through its Synthesis Project, explored the results of managed care in realizing cost savings. The Foundation found very little concrete evidence that managed care significantly lowers costs. In cases when costs were reduced, the savings was generally seen from decreased inpatient utilization, lower pharmacy expenditures, and/or provider rate discounts.

[5] Medicaid managed care: Costs, access, and quality of care. The Robert Wood Johnson Foundation. Research Synthesis Report No. 23. September 2012, p. 1

In the Pennsylvania intellectual disabilities system, residential services are the equivalent of inpatient stays. Residential services provide 24-hour services to individuals in either a group home or host family home setting. Residential services are only available through the Consolidated Medicaid Waiver, and comprise around 70 percent of the costs of that Waiver. When someone with intellectual disabilities receives residential services, it is because they have been shown to need those services through an assessment of need. We are concerned that there will be motivation to shift people out of needed residential services since these services generally cost more than non-residential services and represent the majority of spending in the intellectual disabilities waivers. Shifting people out of residential services to less intensive (and less costly) non-residential services will lead to negative consequences for people with intellectual disabilities who need residential services.

The other main way that managed care programs have realized cost savings is through negotiated discount rates with providers. In the past few years, providers in the intellectual disability system have

navigated through a shift from program funding to fee-for-service payments, and have also survived changes in the way rates for services are established. Rates that were previously negotiated between County Programs and providers are now mostly on a Medical Assistance fee schedule. The other services, specifically residential eligible services (residential services eligible for federal financial participation) and transportation trip services, have rates established based on the cost of the service. Because providers are reimbursed on a fee schedule or based on the cost of the service, DRN is concerned that providers could not sustain another financial hit such as rate discounts. Additional rate reductions could lead to the inability of providers to deliver quality services and also could lead to provider closures, which will leave people with intellectual disabilities without the services that they need to successfully reside in their homes and communities.

Without cuts in residential services and with no provider rate discounts, it is unclear how managed long-term care for the intellectual disabilities system will save the Commonwealth money. Because of our concerns, DRN strongly recommends that the

intellectual disabilities system is carved out of any plans to implement managed long-term services and supports in the Commonwealth's long-term care system.