



Opportunities and Challenges in Federal and State Policy Across Home and Community Care Service Delivery and Payment

6th Annual Summer Symposium
on Home and Community Based Care

Aaron Tripp, MSW
Erica L. Reaves, DrPH, MPP

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PRESENTATION OVERVIEW

- » Medicare, Medicare Advantage, and special needs plans
- » Medicaid long-term services and supports
- » Older Americans Act services
- » State multi-sector plans for aging
- » Intersection of behavioral health, long-term, and aging-friendly services and supports
- » Q&A

WHAT DOES MEDICARE COVER FOR HOME-BASED CARE?

THE ABCDs OF MEDICARE

PART OF MEDICARE	WHAT'S COVERED	
PART A Original Medicare (CMS*)	Partial Coverage for: Inpatient Hospital Stay Skilled Nursing Care Hospice Home Care	
PART B Original Medicare (CMS*)	Partial Coverage for: Doctor Visits Surgery Lab Tests Medical Equipment Preventive Exams	
PART C Private Insurers and Health Plans	Similar to Parts A & B with predictable out-of-pocket costs and more coverage. Often fully covers: Wellness Services Vision Exams Hearing Exams Often partially covers: Eye Glasses Hearing Aids	
PART D Private Insurers and Health Plans	Helps with the cost of prescription drugs not covered by Original Medicare. Covers some: Prescription Drugs	

- » Under traditional Medicare, home-based care includes home health – not home care, we'll get to that – and hospice
- » Home health is covered in Parts A and B and hospice is covered in Part A
- » In both instances, there are qualifications for Medicare coverage:
 - » Home health 1) confined to the home, 2) under the care of a physician or allowed practitioner, 3) receiving services under a plan of care, 4) be in need of skilled nursing care on an intermittent basis or physical therapy or speech-language therapy, or 5) have a continuing need for occupational therapy
 - » Hospice 1) certified as being terminally ill such that medical prognosis indicates life expectancy is 6 months or less, 2) hospice medical director needs to recommend admission with the patient's attending physician, and 3) waive all rights to Medicare payments for any Medicare services related to the treatment of the terminal condition

BUT WHAT ABOUT MEDICARE ADVANTAGE?

Medicare Advantage (Part C)

Private health insurance plans approved by Medicare



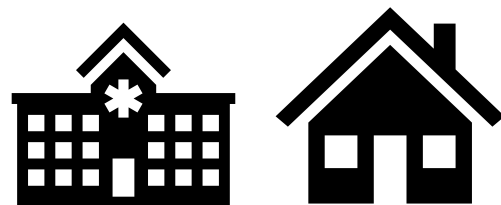
Medicare Advantage plans combine Medicare Part A, Part B, and often Part D into one plan with a network of providers.

- » Medicare Advantage enrollment has shown steady growth for many years, with 48% of the eligible Medicare population choosing a private Medicare Advantage plan (Kaiser Family Foundation, 2022)
- » Maryland has one of the lower Medicare Advantage penetration rates in the country at 21% in 2022 (Kaiser Family Foundation, 2022)
- » Medicare Advantage plans can offer additional benefits not covered by traditional Medicare called supplemental benefits, including medical-related benefits and nonmedical benefits that can get closer to home care, not just home health
- » The number plans offering in-home support services has grown exponentially over the years. In 2023, 1,091 plans will include these services as part of their offerings, compared to 729 in 2022, 429 in 2021 and 223 in 2020. (Home Health Care News, 2022)
- » Special Needs Plans (SNPs), targeted kinds of Medicare Advantage plans are also growing rapidly, more than doubling to 1,305 plans in 2023 (ATI Advisory, 2023)

LONG-TERM SERVICES AND SUPPORTS (LTSS): AN OVERVIEW



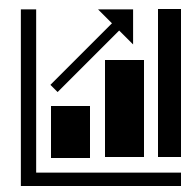
Persons of **all ages** use LTSS to complete activities of daily living as a result of **age-related physical or cognitive limitations and/or disabling chronic illnesses**.



LTSS are delivered in **institutional and home and community-based settings**.



LTSS are delivered by **unpaid family caregivers and paid providers** (e.g., home health aides, certified nursing assistants).



Nearly one in five Americans is projected to be age 65 or older by 2060, and an estimated **56% of older adults will use paid LTSS**.¹

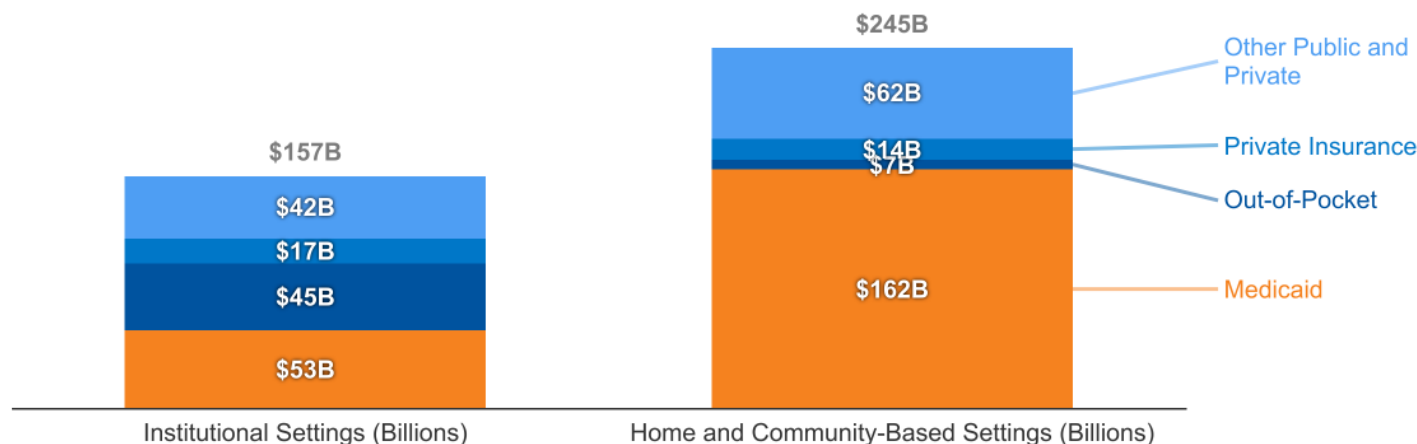
¹ HHS ASPE. (31 Jan 2021). Economic Hardship and Medicaid Enrollment in Later Life: Assessing the Impact of Disability, Health, and Marital Status Shocks. <https://aspe.hhs.gov/reports/economic-hardship-medicaid-enrollment-later-life>.

LONG-TERM SERVICES AND SUPPORTS: FINANCING

- » Generally, institutional LTSS are more costly than home and community-based LTSS, with variation by geographic location and level of care required.²
- » While LTSS are financed with private and public dollars, Medicaid is the nation's primary payer for LTSS.³
- » In 2023, an estimated 38 million people are providing uncompensated care in the U.S.; the estimated total value of that care \$600 billion.⁴

The U.S. Spent Over \$400 Billion On LTSS In 2020, Nearly 10% Of All National Health Care Expenditures.

Medicaid paid \$53 billion on institutional care and \$162 billion on care in home and community settings, over half of all spending on LTSS.



NOTE: Total paid LTSS expenditures include spending on residential care facilities, nursing homes, Medicaid home health services, and home and community-based waiver services but excludes Medicare post-acute care. Other Public and Private includes Children's Health Insurance Program, the Department of Defense, the Veterans Health Administration, worksite health care, other private revenues, Indian Health Services, workers' compensation, general assistance, maternal and child health, vocational rehabilitation, other federal programs, Substance Abuse and Mental Health Services Administration, other state and local programs, and school health.

SOURCE: KFF estimates based on 2020 National Health Expenditure Accounts data from CMS, Office of the Actuary

KFF

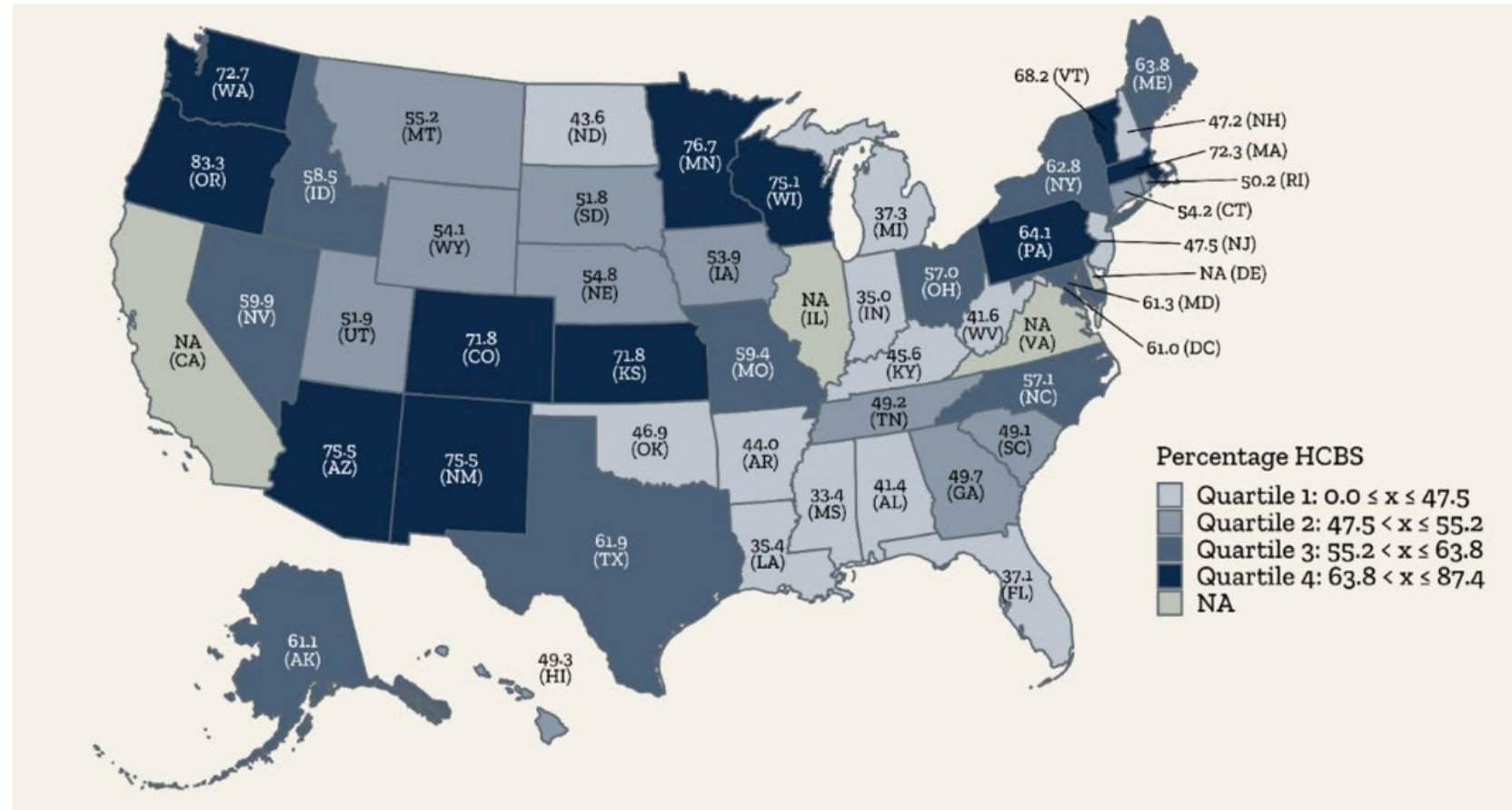
² Genworth. (2 June 2022). *Cost of Care Survey*. <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>.

³ P. Chidambaram and A. Burns. (15 September 2022). *10 Things About Long-Term Services and Supports (LTSS)*. <https://www.kff.org/medicaid/issue-brief/10-things-about-long-term-services-and-supports-ltss/>.

⁴ AARP Public Policy Institute. (8 March 2023). *New AARP Report Finds Family Caregivers Provide \$600 Billion in Unpaid Care Across the U.S.* <https://www.aarp.org/caregiving/financial-legal/info-2023/unpaid-caregivers-provide-billions-in-care>.

LONG-TERM SERVICES AND SUPPORTS: FINANCING, CONTINUED

- » Within the Medicaid program, there is a structural bias toward institutional care; states are required to cover nursing facility benefits while coverage of most home and community-based services (HCBS) are optional.
- » Since the U.S. Supreme Court's landmark decision in *Olmstead v. L.C.* (1999),⁵ there has been considerable progress with “rebalancing” Medicaid LTSS expenditures away from institutional care and toward HCBS.
- » In FY 2019, HCBS made up 58.6% of national Medicaid LTSS expenditures; state-level expenditures ranged from 33.4% in Mississippi to 83.3% in Oregon.⁶



⁵ U.S. Department of Justice, Civil Rights Division. (n.d.). *Olmstead: Community Integration for Everyone*. https://archive.ada.gov/olmstead/olmstead_about.htm.

⁶ The analysis excludes CA, DE, IL, and VA due to missing data. Medicaid.gov. (9 December 2021). *Medicaid Long Term Services and Supports Annual Expenditures Report, Federal Fiscal Year 2019*. <https://www.medicaid.gov/medicaid/long-term-services-supports/downloads/ltssexpenditures2019.pdf>.

LOOKING AHEAD: LONG-TERM SERVICES AND SUPPORTS REFORM

Targeted Topics for Policy and Programmatic Innovation:

- » Managed LTSS (25 states, not including Maryland)
- » HCBS Quality Measures
- » Family Caregiver and Direct Service Workforce Supports
- » Inequities in LTSS Experiences and Outcomes
- » Affordable, Accessible Housing
- » Integrated Services and Supports for People with Co-occurring Non-LTSS Needs

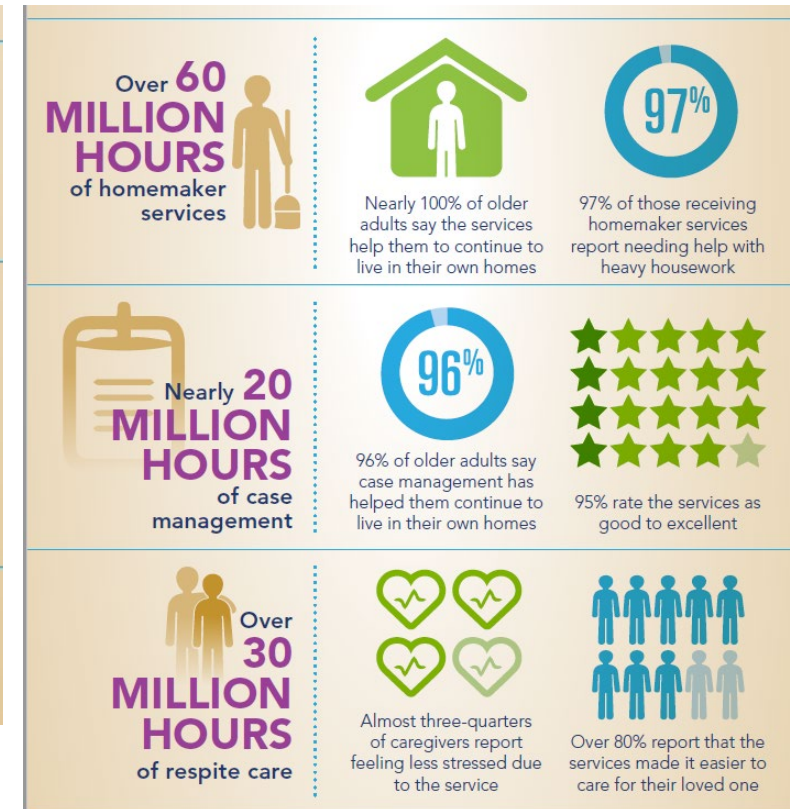
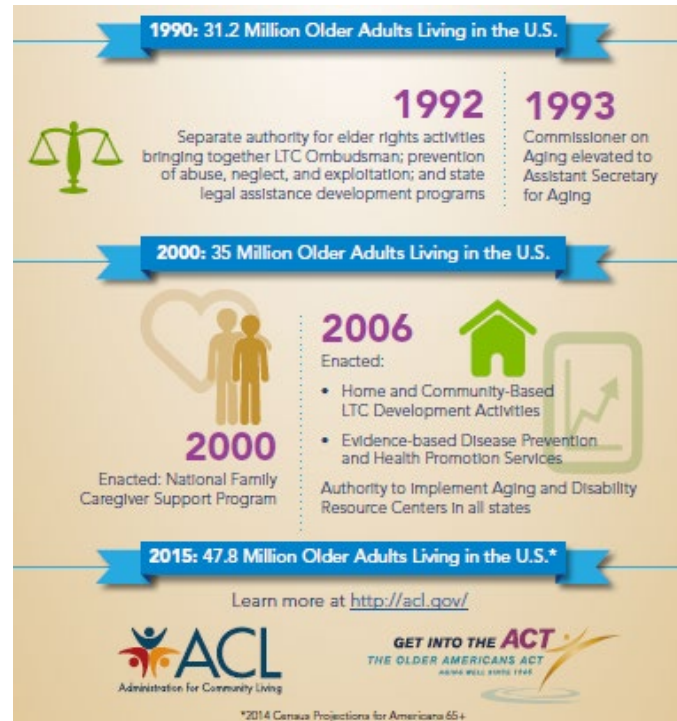
Medicaid Policy and Programmatic Levers in Maryland:

- » **Federal:** American Rescue Plan Act (APRA) enhanced HCBS funding (through March 31, 2025)
- » **State:** Section 1915(c) HCBS Waivers, Assistance in Community Integration Services Pilot under the Section 1115 HealthChoice Demonstration Waiver

Other Policy and Programmatic Levers in Maryland:

- » **State and Local:** Department of Aging's Maryland Access Point; Aging-Friendly Communities (e.g., Department of Aging's Maryland Community for LifeSM Program)
- » **Private Sector:** Aging-Friendly Community Development (e.g., Inclusive Hiring Practices, Housing Development); AARP Network of Age-Friendly Communities; Stanford Center on Longevity's "New Map of Life" initiative

THE OLDER AMERICANS ACT (OAA)



The OAA has been reauthorized twice since these figures have been created, both in 2016 and 2020. Updates included provisions that aim to protect vulnerable elders by strengthening the Long-Term Care Ombudsman program and elder abuse screening and prevention efforts, promoting the delivery of evidence-based programs, and provisions that aim to remove barriers to the aging network increasing business acumen and capacity building.

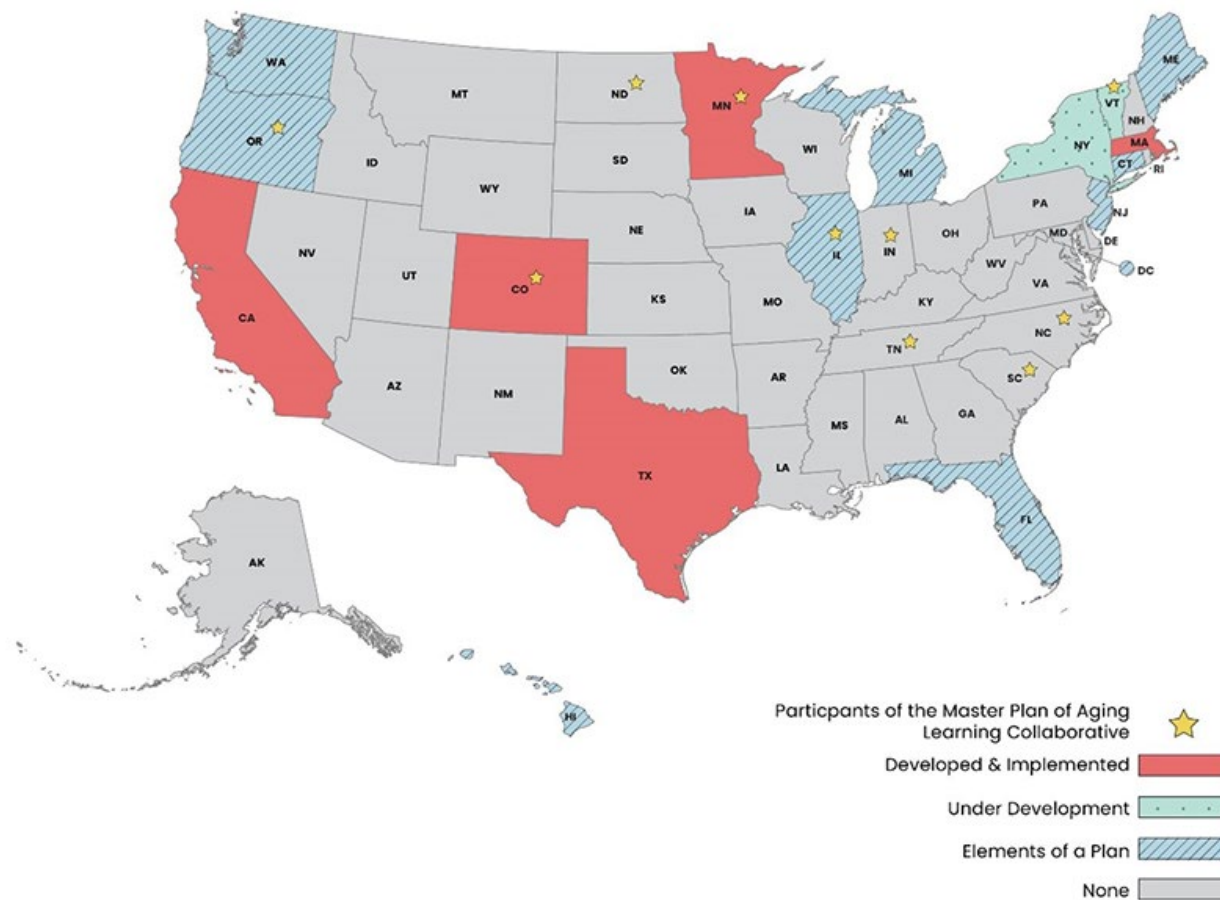
AGING SERVICES IN MARYLAND

- » States are required to submit a plan to the Administration for Community Living (ACL) to identify how they will manage the programs and funding from the Older Americans Act
- » Maryland's 2022 – 2025 State Plan on Aging stated a vision to change the trajectory of aging
 - » Two goals relate to home and community based care:
 - » Goal 2: Support and encourage older adults, individuals with disabilities, and their loved ones to easily access and make informed choices about services that support them in their home or community.
 - » Goal 4: Finance and coordinate high quality services that support individuals with long term needs in a home or community setting.
- » State plans on aging are different than multi-sector plans for aging or master plans for aging, another current trend across states



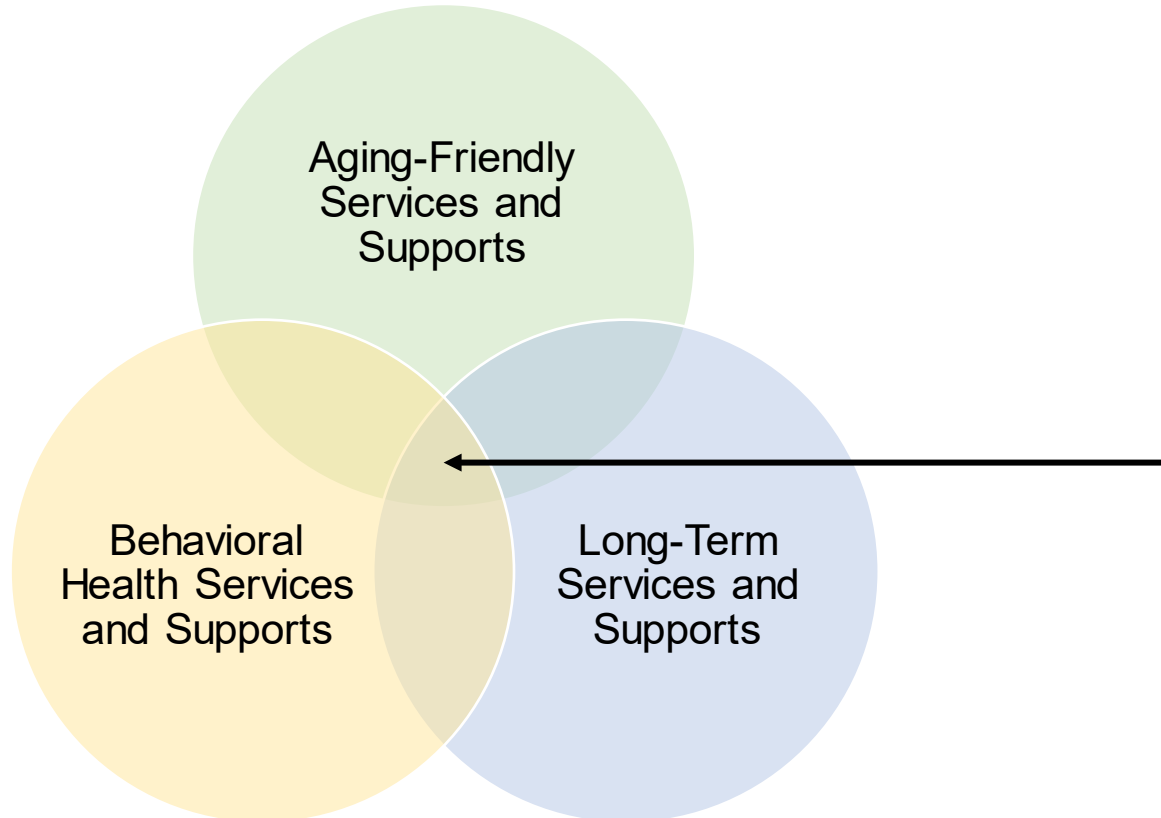
**State Plan on Aging
2022-2025**

MULTISECTOR PLANS FOR AGING ARE A GROWING TREND



INTERSECTION OF BEHAVIORAL HEALTH, LONG-TERM, AND AGING-FRIENDLY SERVICES AND SUPPORTS

- >> Policies shape programs, and programs are not people.
- >> Providing timely, person-centered services and supports requires coordination, co-location, and integration.
- >> Fragmented models of practice and social inequities drive health disparities.



Coordination

- Routine Screening
- Referral Relationships
- Information Exchange

Co-Location

- Multiple Services in the Same Setting
- Enhanced Informal Communication

Integration

- Single Person-Centered Service/Treatment Plan
- Multiple Services in Same or Multiple Settings
- Services and Supports Delivery Teams and Protocols

STAY IN TOUCH



Aaron Tripp, MSW
Principal | Baltimore, MD
atripp@healthmanagement.com
(202)785-3669



Erica L. Reaves, DrPH, MPP
Senior Consultant | Baltimore, MD
ereaves@healthmanagement.com
(614)549-6112

RESOURCES

Medicare

- >> Medicare Benefit Policy Manual (Chapter 7 is Home Health and Chapter 9 is Hospice): <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS012673>
- >> Kaiser Family Foundation annual Medicare Advantage enrollment update and trend report is updated each summer. The 2022 issue brief can be found at: <https://www.kff.org/medicare/issue-brief/medicare-advantage-in-2022-enrollment-update-and-key-trends/>
- >> Home Health Care News “1,091 MA Plans To Offer In-Home Support Services In 2023, A Significant Increase”, October 3, 2022 with trend analysis from ATI Advisory: <https://homehealthcarenews.com/2022/10/1091-ma-plans-to-offer-in-home-support-services-in-2023-a-significant-increase/>
- >> ATI Advisory. February 28, 2023. Medicare Advantage Enrollment Trends – February 2023. <https://atiadvisory.com/resources/medicare-advantage-enrollment-2023/>

Medicaid Long-Term Services and Supports

- >> Centers for Medicare & Medicaid Services, Long Term Services & Supports: <https://www.medicaid.gov/medicaid/long-term-services-supports/index.html>
- >> Medicaid and CHIP Payment and Access Commission, Long-Term Services and Supports: <https://www.macpac.gov/topics/long-term-services-and-supports/>

Older Americans Act and the Aging Network

- >> Administration for Community Living and the Older Americans Act: <https://acl.gov/about-acl/authorizing-statutes/older-americans-act>
- >> Maryland State Plan on Aging 2022 – 2025: <https://aging.maryland.gov/Pages/StatePlanonAging.aspx>

Multisector Plans for Aging

- >> American Society on Aging Blog Post “Join the Movement: Every State Should Have a Multisector plan for Aging” January 11, 2023 <https://generations.asaging.org/multisector-plans-aging-must>
- >> Center for Health Care Strategies “Developing a Multisector Plan for Aging” June 2022 <https://www.chcs.org/resource/developing-a-master-plan-for-aging/>