

Growth in Participant Directed Services and Managed Long-Term Services and Supports in the U.S.

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Growth in Prevalence of “Participant-Directed Services”

The National Resource Center for Participant Directed Services reports (http://web.bc.edu/libtools/search_results.php) as of 2011-12:

- 298 publicly funded federal/state/local programs
- 59 % Medicaid funded; 28 % state funded; 23% Veterans Health Administration funded
- 810,000 program participants
- Total expenditures = \$8 billion.
- Not all these programs offer cash or “budgets.” Many limit participant direction to hiring/firing and supervising individual paid attendants (who may be family members)

Impact of PD on Re-orienting Medicaid LTC spending toward

HCBS

- A study by Mathematica Policy Research found that availability of participant direction options in state Medicaid HCBS benefits correlated with higher percentage of Medicaid LTC spending on elderly and disabled.
- Nationally, 45% of Medicaid spending on LTC is for HCBS, but that is because most spending on disabled under 65, including those with intellectual developmental disabilities (who account for 49 percent of all Medicaid LTC spending) is for HCBS.
- Among the elderly, only 26 percent of LTC spending is for HCBS. Only a handful of states spend more than 45 percent of elderly LTC spending on HCBS. These states (NM, AK, CA, WA, OR, and MN) offer more PD and have higher take-up of PD than others, especially among elderly.

Growth in Managed Long-Term Services and Supports (MLTSS)

Until recently, states use of managed care organizations (MCOs) to provide Medicaid-funded services was widespread but mostly limited to primary and other acute medical care for low-income parents and children.

Report by Truven Health Analytics (August 2012) for CMS found:

- A growing number of state Medicaid agencies are planning to launch or expand programs that offer risk-based contracts to managed care organizations (MCOs) to provide long-term services and supports (LTSS) to older adults and people with disabilities.
- Between 2004 and 2012, states with MLTSS doubled (from 8 to 16). 26 expected by 2014.

MLTSS Enrollment

- 389,000 Medicaid beneficiaries currently enrolled in 16 existing states' Medicaid MLTSS programs -- but only about 5% of Medicaid LTSS expenditures.
- Older persons (65+) and younger adults with disabilities are the most common population groups included in MLTSS.
- 8 states include adults with intellectual developmental disabilities; 8 include children with disabilities.
- Inclusion of adults/children with IDD a growing trend.

Other MLTSS Characteristics

- 45% of MLTSS contracts are with for-profit managed care organizations (MCOs). Others are private non-profit, public or quasi-public.
- About half of MLTSS programs include only persons at the institutional level of care (25% of enrollment). Programs serving people with a broader range of LTSS needs (e.g. qualifying for personal care services but not NF) account for 75% of enrollment.
- Evenly split on voluntary/mandatory enrollment.
- 15 of 16 existing states with MLTSS put MCOs at risk for all or some institutional LTC costs.

Why Has State Interest in MLTSS Accelerated?

- Federal encouragement.
- Think MLTSS will help “re-balance” toward HCBS.
- Many states hope eventually to move beyond Medicaid MLTSS to fully integrated medical/LTC for dual (Medicare/Medicaid)eligibles.
- State government downsizing post 2008.
- States hope to achieve cost savings, without sacrificing quality.
- However, Truven Health Analytics review of evaluation literature on MLTSS (1997-2010) found that of 5 MLTSS programs whose impact on costs was evaluated, 1 had unfavorable results, 2 mixed results, and 2 favorable results (but one of these had mixed results on quality).

Participant Direction and Managed Care

- Of 16 states with MLTSS programs, 12 offer PD options. 8 states' offer employer authority only (participants hire/fire and supervise individual aides). 4 also offer budget authority (a flexible budget to purchase a range of goods and services to meet their needs – *aka* “cash and counseling”).
- 16 states have submitted proposals to CMS for new (10) or expanded MLTSS programs (6).
- All but one (the state has not decided yet) will include PD options.

- Advocates concerned that MLTSS (when enrollment is mandatory) may result in restrictions on participant direction. Experience has been mixed.
- Majority of states have responded by mandating MCOs to offer plan members opportunities for PD.
- CMS is also requiring states to show evidence of stakeholder involvement in their MLTSS planning and decision-making.
- States require MCOs to have member advisory groups and also requires plan member satisfaction surveys.
- Some MLTSS companies (e.g. Amerigroup) believe that strong support for PD will give them competitive advantage over other plans.