MEDICAID CHANGES & THEIR IMPACT ON LONG TERM CARE:
UPDATE FOR NY STATE SENIORS

Richard J. Mollot
Long Term Care Community Coalition (LTCCC)

www.ltccc.org
www.nursinghome411.org
www.assisted-living411.org

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Medicaid: Who Does it Cover & Why is it Important?

- Medicaid provides healthcare coverage for low people with low income and who meet additional criteria.
- Many people who need long term care become eligible for Medicaid because their age or condition prevent them from working.
- Most lower and middle income people find that their assets are quickly used up when they need long term care (LTC).
- Because so many people in LTC rely on Medicaid, a high number of providers participate in the Medicaid program.

As a result, state and federal Medicaid policies are a driving force in LTC, even for people whose services are not paid for by Medicaid.
WHAT IS GOING ON WITH MEDICAID?

- Public programs, including Medicaid and Medicare, are being targeted for cuts on both federal and state levels as policymakers look to find ways to save money.
- In January 2011, Governor Cuomo established a "Medicaid Redesign Team" comprised largely of people from state government and the provider industry. The Medicaid Redesign Team (often called the “MRT”) was given the task of greatly reducing costs of Medicaid services in NY State and also increasing quality.
- In 2011, the MRT made recommendations that were adopted and resulted in cuts of over $2 billion in Medicaid.
MRT WORKGROUPS: SUBGROUPS FOCUSED ON SPECIFIC AREAS FOR CUT BACKS

- Program Streamlining & State/Local Responsibilities
- Managed Long Term Care Implementation and Waiver Redesign
- Behavioral Health Reform
- Health Disparities
- Health Systems Redesign: Brooklyn

- Basic Benefit Review
- Workforce Flexibility and Change of Scope of Practice
- Payment Reform
- Affordable Housing
- Medical Malpractice Reform
WHAT IS GOING ON WITH MEDICAID NOW?

- Of the 78 MRT recommendations included in the 2011-12 enacted budget:
  - 53 projects are either **substantively** or fully completed
  - 21 projects are currently **in progress**
  - 3 projects have been **merged** into related projects
  - 1 project has been **cancelled**

- **Key recommendations currently being implemented:**
  - Global Medicaid Spending Cap – Puts limit on state spending for program services.
  - Care Management for All – Everyone is moved to a **managed care plan**.
  - Medical Indemnity Fund – Funds costs for negligence related to birth.
For the first time, New York State is not just cutting Medicaid rates to long term care providers; it is implementing major changes to the very structure of the Medicaid program that will significantly affect long term care recipients.
MEDICAID MANAGED LONG TERM CARE: WHAT’S GOING TO HAPPEN TO US?

- **Mandatory Enrollment.** If the federal government approves (and it is expected to), beginning with New York City residents in April, 2012, enrollment in managed care plans will be mandatory for most adult Medicaid enrollees who need home and community based long-term care services for more than 120 days. Mandatory enrollment will expand throughout the rest of the state as plans become available. The state expects to enroll about 2000 individuals a month.


- In addition, in October 2012, Medicaid nursing home residents will be required to enroll in a managed care plan.
MEDICAID MANAGED LONG TERM CARE: WHAT’S GOING TO HAPPEN TO US?

- **Payment Changes.** In addition to cuts across the board, housekeeping services will be kept to a specific amount; Certified Home Health Agencies will be subject to an agency specific amount; administrative rates will be cut; and living wages for workers will eventually be mandated at 100 percent.

- In addition, since nursing home placement will be a covered service and payment for nursing home care will be part of the rate, the plans will be reimbursing the nursing homes directly for their care of Medicaid residents. Within three to four years, New York State will not be paying nursing homes directly for care of Medicaid residents.
MEDICAID MANAGED LONG TERM CARE: CHALLENGES FOR CONSUMERS

- Once nursing home care becomes a benefit, individuals will lose the free choice of a nursing home; they will now have a choice of as few as only 2 or 3 nursing homes within their plan's network. How will the state ensure that a consumer's clinical needs, cultural needs and social needs are met? Will consumers know to find out the nursing homes in a network before they choose a plan?

- Managed long term care plans may be better for some long term care recipients if their care is appropriately managed. However, managed care can often become managed costs with the lower cost options chosen over appropriate options. Who will ensure that these plans offer sufficient patient protections that this does not occur if the Department of Health does not have the full resources they need?
MEDICAID MANAGED LONG TERM CARE: CHALLENGES FOR CONSUMERS

- Currently the state reimburses nursing homes for the care of Medicaid residents. Who will ensure that nursing home residents are receiving appropriate care, quality of life and dignity once a new private entity, with a vested interest in reducing nursing home costs, is taking over managing and paying for their care?

- Will consumers have the information they need in time to choose a plan before being auto-enrolled in a plan? How many days will they have to make a choice?

- Since a care manager or care team is at the heart of the plan, what are the requirements of the care manager? Without any ratio of care managers to clients, how can the state assure that appropriate care management will take place?
MEDICAID MANAGED LONG TERM CARE: CHALLENGES FOR CONSUMERS

- Currently there are a number of different types of managed care plans and new plans are being developed. Understanding their differences and the choices consumers will have will be crucial.

- Changes in reimbursement might affect care; consumers will have to be aware of these changes.

- One third of the population of individuals on Medicare and Medicaid (dual eligibles) are under the age of 65. They are very diverse, with widely differing needs for physical and behavioral health care, social and community supports, and care coordination. Consumers under 65 must be aware of how the different plans intend to deal with these issues.

- Out of 643,000 full and partial dual eligibles in New York, fewer than 5% are now enrolled in Medicaid managed care. How will the state and the plans manage mandatory enrollment of so many adults?
MEDICAID MANAGED LONG TERM CARE: FOR MORE INFORMATION


- Questions or Concerns? LTCCC is working with DOH to develop answers to questions consumers may have. Please send any questions by email to: info@ltccc.org. We will add these to those we are sending to DOH. PLEASE NOTE: We will bring issues to DOH’s attention and ask them to address in their materials. This will be helpful and important in making DOH aware of the public’s questions and concerns. Unfortunately, we do not have the capacity to provide individual counseling or follow-up.
CHANGE IN NURSING HOME BED HOLD POLICY: FACILITIES MAY NO LONGER HOLD BED FOR HOSPITALIZED OR THERAPEUTIC LEAVE FOR MEDICAID RESIDENTS

- As of January, 2012, there are major changes in the state's bed hold policy for nursing homes affecting both providers and consumers.
- Nursing Home Medicaid reserved bed reimbursement for all Medicaid recipients over 21 have been eliminated unless the nursing home enrolls 50% of their eligible residents in a Medicare Managed Care Program.
If facilities do enroll at least 50% in a Medicare Managed Care Program, they will receive reimbursement under the following rules which were passed in July, 2010:

- Facilities will be reimbursed for only 14 days per year (down from 15 to 20 days) to hold the bed for a Medicaid recipient aged twenty-one or over, for temporary hospitalizations and for 10 days per year (down from 18 days) for non-hospital (therapeutic) leaves of absence;
- Reimbursement will cover only 95% of the Medicaid rate (down from 100%); and
- Reimbursement will only be paid if the facility has a vacancy rate of no more than 5 percent.
According to the Department of Health, if a facility is not reimbursed, it does not have to hold the bed. However, it still must offer the resident returning the first available bed.

Lack of a bed hold is not an acceptable reason to discharge a resident.
RESOURCES FOR HELP & MORE INFORMATION

- Statewide Senior Action’s Patients Rights Helpline, including information on accessing services and benefits: call 800-333-4374 or go to www.nysenior.org.


- Join LTCCC’s action alert to learn and speak out about issues in the future. Email: info@ltccc.org.