Establishing Coordinated LTSS Programs: Solutions for Medicaid, States, and Consumers

3rd Annual Medicaid Managed Care Summit

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Moderator and Panelists

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Incorporating LTSS in National Health Reform - Recommendation Highlights

- Authorize reforms to support person-centered care coordination through interdisciplinary teams
- Establish high-level Office within CMS to promote acute care and LTSS integration
- Reauthorize SNP
- Incent states to cover and coordinate acute care, behavioral health, and LTSS for Medicaid recipients
- Authorize the Community Choice Act (CCA)
- Enact the CLASS Act
- Support return to work programs
- Include LTSS in health IT and new payment methodologies pilots
- Found workforce development programs that address LTSS service gaps

Source: “LTSS in Health Reform Solutions Summit”, George Mason University, NAB, and Amerigroup Public Policy Institute, 9/23/09.
State Budgets – A Continued Challenge

STATE FISCAL CONDITIONS AND MEDICAID

Mid-way through state fiscal year 2010, the effects of the economic recession (rising unemployment, sharp declines in revenues and higher demands for public programs, including Medicaid) continue to plague states. Jointly financed and administered by the federal government and states, Medicaid provides affordable and comprehensive health and long-term care coverage to 60 million low-income Americans.

Enhanced federal Medicaid funds from the American Recovery and Reinvestment Act (ARRA) have been critical in helping states to address their funding gaps and preserve Medicaid eligibility (a requirement to be eligible for the funds). However, these funds are set to expire at the end of December 2010 in the middle of state fiscal year 2011 unless extended by Congress. As governors and state legislatures start to develop budget plans for 2011, the outcome of federal decisions to extend the ARRA funds is a key element in shaping state Medicaid policy.

State Economic Conditions

The national unemployment rate stood at 9.7% in January 2010 nationwide. Although a slight dip from the 10% in December, it represents another 20,000 lost jobs. In December 2008, 17 states (including the District of Columbia) had unemployment rates at or above 10%, compared to 2008 when only Michigan had an unemployment rate above 10%. (Figure 1)

Forty-one states are facing mid-year budget shortfalls for state fiscal year 2010 that could total $35 billion. Looking forward to 2011, states estimate a budget gap of $102 billion but could grow to $180 billion as revenues continue to decline. Including current gaps and those already closed by states, budget shortfalls total $350 billion for 2010 and 2011. According to the Rockefeller Institute, 48 states saw revenues decline in the third quarter of 2009 (July – September). Total state tax revenues fell by 11% during that period, the third consecutive quarter of double digit declines. The first three quarters of 2009 represent the largest decline in state tax revenues on record. (Figure 2)

Unlike the federal government, states are legally required to balance their budgets. States can use reserves or rainy day funds, increase taxes or cut spending to close budget gaps.
Need LTSS? – Web Sources Abound
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Need LTSS? – Telemedicine and Home Health Emerging
Need LTSS? – Consumer Engagement and Social Media
NAB Six Principles

1. Enhance Self-Care Through Improved Coordination
   People must be empowered to take an active role in their own health care

2. Encourage Community Integration
   Support services, housing, and transportation must be interconnected and accessible for all people to participate in the social, economic, educational and recreational activities available through community living

3. Expand Accessibility of Services and Supports
   Infrastructure must enable people to access services they need to live independently
4. Uphold Personal Preference
   Best practices of successful long term service and support programs must be integrated and responsive to the personal preferences of individuals

5. Empower People to Participate in Economic Mainstream
   Encourage and support individuals to seek employment and establish careers

6. Invest in Improved Technology
   Technology that empowers individuals to remain in the community, provide advanced health monitoring, reduce hospitalizations and reduce human service hours for personal assistance would yield greater cost savings for programs like Medicaid

Topics for Today’s LTSS Panel

- What’s next for LTSS - with or without National Health Reform?

- How can we align private sector healthcare innovation with health policy?

- What are the top program and policy changes we can make today?