

**Senate Health & Human Services
Committee**

Interim Charge 12: Medicaid HCBS Waivers



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LTC for Seniors and People with Physical Disabilities

- Two Systems:
 - Fee-For-Service (CBA and other services)
 - or
 - Managed Long Term Care (Star+Plus)

- What you get depends on where you live



Community Based Alternatives (CBA) Helps Elderly Stay Independent

- CBA is the only HCBS waiver that covers people age 65+ who would otherwise be in a nursing facility
- CBA (wait list of 34,839)
- Average wait for CBA services is shorter because of the age of the population



Too Much Variation Across Waivers

- Each waiver offers a different array of services
- No one waiver really covers the full array of services a population needs
- Assessments are done by different entities



Streamlining HCBS Waivers

- Lessons to be learned from the CWP
 - Streamline administrative procedures across waivers (forms, who does assessment)
 - Standardize the list of available services
 - Standardize rates across waivers for the same service

Managed Long Term Care: Star+Plus

- ❑ Star+Plus is a special HCBS waiver
- ❑ Your aging parent needs some help to continue to live independently and to prevent dangerous falls, and some help with making sure they take their medicines correctly: is that long term care or medical (acute) care?
- ❑ Providing help with these types of daily tasks helps to prevent or delay expensive hospital or nursing home care and helps to manage chronic disease.
- ❑ Integrating acute and long term care is designed to:
 - better manage care; and
 - achieve savings by reducing unnecessary hospital and nursing home stays.

Who is Enrolled in Star+Plus?

- ❑ Star+Plus is the community long-term care system for Houston, Austin, San Antonio, Corpus Christi and soon for DFW service areas
- ❑ 166,669 Star+Plus enrollees (aged and physically disabled)
- ❑ Dallas/Fort Worth will add more than 77,000 new enrollees
- ❑ 53 Percent of all enrollees get acute care from Medicare
- ❑ 4,092 people on the interest list

Is Star+Plus Living up to the promise?

- The State has made a significant financial investment in Star+Plus
- Care for this population is more expensive, therefore managed care rates for this population are much higher:
 - STAR+PLUS monthly premium payments to the health plans for a Medicaid (only) member can range from about \$543 to about \$4000 per month.
 - Medicaid member who also has Medicare – a dual eligible, those payments can range from about \$179 per month to about \$1812 per month.
- Does the state know what services dual eligibles are receiving since all acute care is provided by Medicare?
- This is most definitely a population with a lot of medical and community-based care needs and those rates accurately reflect that high level of need, but still, for that kind of money, the state needs to be very sure that it is getting what it is paying for.

Is the State getting what it pays for...

Quality data suggests the state is not getting what it pays for.

- Recent findings¹ from HHSC's external quality review organization indicate that the STAR+PLUS program is doing a poor job of providing effective primary care/medical home access and basic disease management, both fundamental health plan contract requirements under the STAR+PLUS program.
- On average, about 44% of STAR+PLUS members' hospitalizations are for a primary diagnosis that can typically be managed in an outpatient, ambulatory care setting. In the Travis service area, some rates were at almost 60%. HHSC's own 2008 benchmark for this quality indicator is 11%.

¹ See *Annual Chart Book, Texas Medicaid Managed Care STAR+PLUS Quality of Care Measures*, The Institute for Child Health Policy Annual STAR+PLUS Chart Book, FY 2007

Quality Concerns (continued)

- ❑ STAR+PLUS plans also had very high rates of hospital admissions for several conditions that are typically targeted by aggressive disease management programs: hypertension, uncontrolled diabetes, and angina without procedure.
- ❑ Since hospital costs are carved out of STAR+PLUS, this means that the health plans' poor disease management performance is causing extra and unnecessary expenditures in the Medicaid Fee for Service/PCCM programs and sets the stage for more expensive long term care, such as nursing home placements.
- ❑ Since the plans are not responsible for the cost of nursing facility (NF) care, there is little incentive to manage complex cases. Plans can shift financial responsibility to NFs which are not part of Star +Plus (NFs paid via fee-for-service).

The Future of Star+Plus

- ❑ STAR+PLUS has been sold as a tool to manage these services and costs and that expansions in STAR+PLUS will help contain costs
- ❑ With the Dallas/Fort Worth STAR+PLUS expansion currently underway, by this time next year there will be almost quarter of a million Texans enrolled.
- ❑ AARP is very concerned that the quality of the current STAR+PLUS services has not measured up to the pace of the STAR+PLUS expansion.
- ❑ The Committee and the State Leadership should step back and make sure that this program is delivering on its promises before additional expansions are considered.