

NYS Department of Health Office of Long Term Care

2010-11 Executive Budget Summary

New York State Public Welfare Association

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Office of Long Term Care

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Current Fiscal Situation

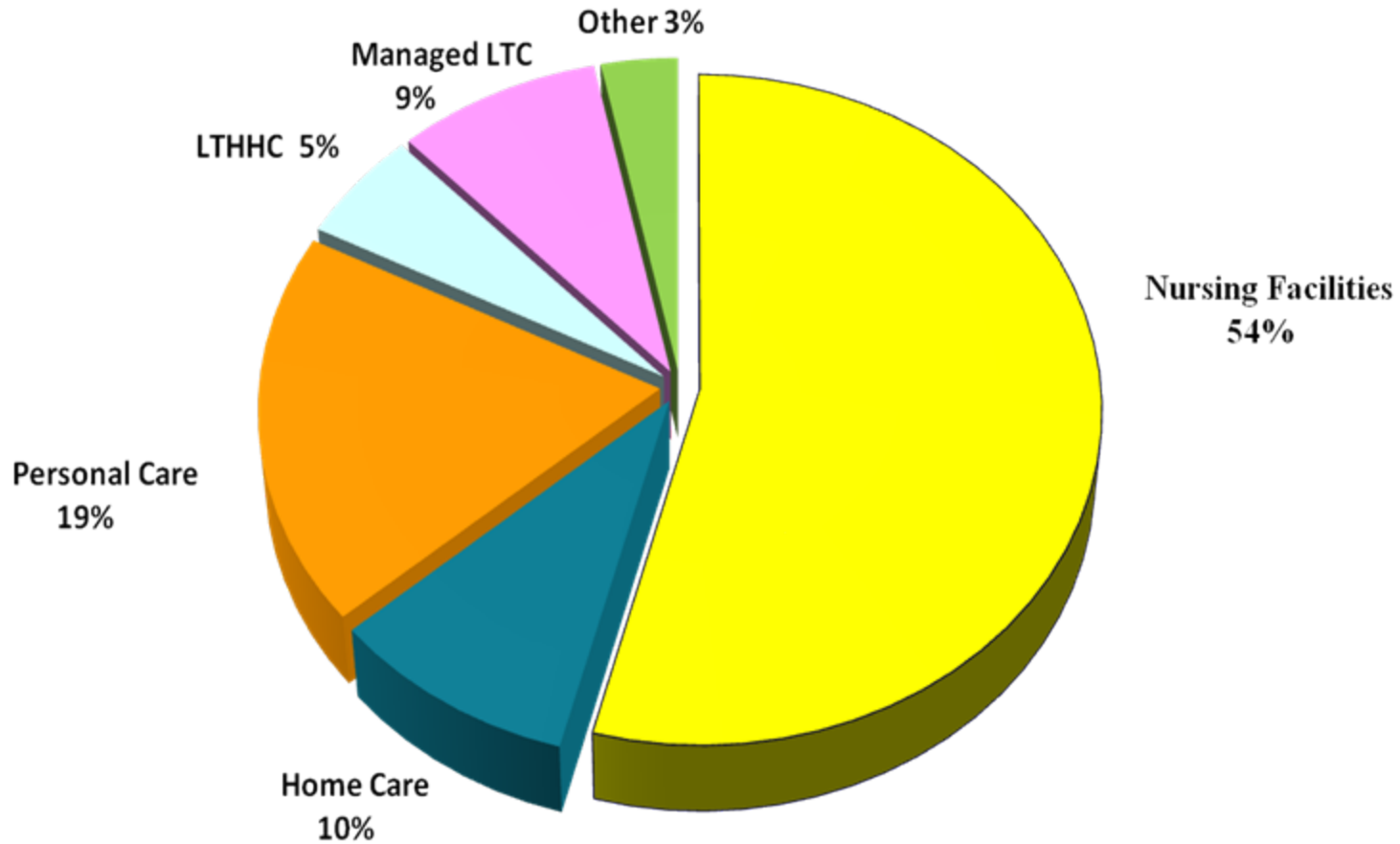
- 09-10 Deficit Reduction Plan left \$500M deficit unresolved
- \$6.9B 10-11 deficit projected
- \$7.4B deficit addressed comprehensively in 10-11 Executive Budget



NYS Medicaid Spending

- NYS spends more than any other state per capita on Medicaid (\$2,360) and twice the national average (\$1,077).
- Medicaid spending will still reach \$51.5 billion, a 1.8% increase over 2009, with all proposals enacted.

28% of Medicaid Spending (\$12.3B) is on Long Term Care Services



Data Source: NYS DOH/ OHIP Datamart (CY 2008)

Medicaid Spending has Increased for Nursing Home, CHHA and Personal Care Services while the Number of Recipients Served has Decreased

| (\$ in Millions) | \$ Change in Spending 2003 to 2008 | % Change in Spending 2003 to 2008 | Change in # of Recipients 2003 to 2008 | %Change in # of Recipients 2003 to 2008 |
|--------------------------|---------------------------------------|--------------------------------------|--|---|
| Nursing Homes | \$715.1 | 12.0% | -7,780 | -5.6% |
| CHHAs | \$414.1 | 54.5% | -11,130 | -12.0% |
| Personal Care | \$503.3 | 27.6% | -7,023 | -8.3% |
| CDPAP | \$147.1 | 99.4% | 3,433 | 24.2% |
| MLTC | \$634.0 | 142.7% | 17,674 | 143.8% |
| Other: LTTHCP, ALP, ADHC | \$244.9 | 29.6% | 1,716 | 3.7% |



Reform Efforts Continue

- Executive Budget allows for continuation and expansion of efforts to:
 - Maintain Quality of Care
 - Promote access to less restrictive settings
 - Contain Costs



Nursing Home Budget Actions

- Extend 2002 rebasing (\$210 M cap) and implement value based purchasing. (\$160 M)

- Establish a nursing home quality pool to increase Medicaid rates of payment for facilities that meet certain quality of care criteria. (up to \$50 M)

- Eliminate balance of 2010 trend factor increase. (\$112.8 M)

- Increase nursing home assessments from 6% to 7%. (\$67.8 M)



Nursing Home Budget Actions

- Cap annual \$ of rate appeals and authorize rate appeal settlements. (\$40 M)
- Shift prescription drug reimbursement to Medicaid fee-for-service. (\$6 M)
- Reduce reimbursement for bed hold days and reduce the number of days a skilled nursing facility is reimbursed for hospital leave to 14 days per year and therapeutic leave to 10 days per year. (\$16.5 M)



Home Care Budget Actions

- Implement CHHA episodic pricing, effective January 1, 2012.
- Reduce the required LTHHCP assessments to 2 times per year. (\$1.2 M)
- Eliminate balance of 2010 trend factor. (\$27.8 M)



Home Care Budget Actions

- Increase cash receipts assessment by .35% to .7% for CHHAs and LTHHCP. (\$10.7 M)
- Improve transparency in home care by increasing civil penalties to \$5,000 for lack of compliance with reporting requirements.
- Manage Personal Care utilization. (\$30 M)



Manage Personal Care Utilization

- ❑ Persons receiving PCSP or CDPAP will be eligible for up to an average of 12 hours/day over the course of their authorization period.
- ❑ Persons requiring services in excess of the 12 hours/day average are eligible to move into certain waiver programs or alternative service providers where their care can be managed and coordinated.
- ❑ Affected persons can move to programs such as: Managed Long Term Care (MLTC), the Nursing Home Transition and Diversion Waiver (NHTD), and the Long Term Home Health Care Program (LTHHCP).
- ❑ State will pick up expenditures that fall outside the aggregate cap limitation for the NHTD waiver.
- ❑ This proposal will take effect for assessments and reassessments occurring on or after July 1, 2010.

Why manage personal care utilization?

- NYS spends far and away more, per recipient, than any other state on personal care services, spending more than \$2.3 billion/year on PCSP services to approximately 82,000 individuals.
- All other states with a PCSP limit program expenditures by capping allowable hours, establishing more restrictive eligibility criteria, or providing the services only within a cost-neutral waiver program.
- A limit on the number of hours/month of PCSP services will result in individuals with significant care needs utilizing alternative service delivery models that provide care management.



Long Term Care Initiatives

- County Long Term Care Financing Demonstration Program supports up to 5 counties to shift county nursing homes to alternative settings.
- Long Term Care Financing Demonstration Program allows Medicaid eligibility for up to 5,000 persons under certain conditions.
- Nursing Home Rightsizing Demonstration Program expands to additional 2,500 beds.



Long Term Care Initiatives

- Undertake reimbursement study of Assisted Living Program (ALP) based on resident data generated from a uniform assessment tool (UAT).
- Extend the Transitional Care Unit (TCU) demonstration by five years and increase the number of sites by five.
- Replace EnABLE and QUIP with a new ACF quality initiative.
- Seek federal approval for establishment of a Federal – State Medicare Shared Savings Partnership.

County Long Term Care Demonstration Program

Establish up to 5 demonstrations in counties that operate nursing homes to transform capacity into investments in other long term care services.

- Recognizes ongoing difficulties of county nursing homes.
- Allows innovation in addressing hard to serve populations.
- Creates incentive to increase access and support for community based settings.

Long Term Care Financing Demonstration

Provide Medicaid Extended Coverage (MEC) to individuals choosing to finance part of their care.

- Allows the state to work with individuals to make private contributions for their own long term care costs.
- Allows the testing of another avenue to finance long term care.
- Limits the demonstration to 5,000 persons.
- Requires approval by the federal government.

Expand Nursing Home Rightsizing Demonstration Program

Increase the cap on the NH rightsizing demonstration from 2,500 beds to 5,000 beds.

- Rightsizing demonstration allows nursing homes to convert beds to long term home health care slots, adult day care slots, and/or assisted living program slots.
- Complements Assisted Living expansion.

Assisted Living Reimbursement Rate Study

Use results of a UAT to guide study on reimbursement rates for ALPs.

- The ALP is slated for major expansion over the next 5 years.
- The uniform assessment will allow participant specific data to be generated and analyzed to identify actual needs.
- This will address gaming that can occur in current system.

Expand and Extend the TCU Demonstration

Authorize five (5) additional transitional care unit (TCU) demonstration programs in general hospitals and extend the demonstration for an additional five years.

- Goal of TCU demonstration to improve quality outcomes by delivering appropriate care in the most effective manner.
- Initial DOH report found program provides cost-effective and beneficial outcomes to participants .
- Limited expansion is recommended (bringing the total number of demonstration sites to 10) to ensure outcomes are maintained.

Federal – State Medicare Shared Savings Partnership

Seek federal approval to allow NYS to implement initiatives designed to efficiently integrate care for individuals eligible for both Medicaid and Medicare.

- Over 650,000 individuals in NYS are eligible for both Medicaid and Medicare.
- These persons comprise 40% of total Medicaid spending in NYS (\$16 B in 2007), but represent only 16% of total number of beneficiaries.
- This waiver authority will allow NYS to move forward with demonstration proposals to share in Medicare savings.



ACF Quality Initiative

A new adult care facility (ACF) quality initiative will replace EnABLE and QUIP to provide financial incentives to ACFs to make quality improvements.

- Current process is cumbersome, results in disadvantage to smaller adult homes, does not reach sufficient number of adult homes, and does not effectively target spending on quality improvements.
- The new quality initiative will allow for an improved allocation method targeted to reach the homes and residents that are most in need.



Budget Initiatives Affecting Medicaid-Eligible LTC Consumers

- ❑ Permit Medicaid enrollees receiving community-based long term care to attest to income, resources, and residency at renewal.
- ❑ Procure a Vendor to implement an asset verification system to identify bank resources that are not captured today.
- ❑ Broaden the definition of estate.
- ❑ Require burial agreements for family members to be irrevocable to close a loophole to transferring assets.



QUESTIONS?

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