Commonwealth of Pennsylvania

MANAGED LONG-TERM SERVICES AND SUPPORTS (MLTSS) DISCUSSION DOCUMENT

June 2015

June 1, 2015

Dear Fellow Pennsylvanian:

Today we are beginning a very important process that will help improve the quality of care for Pennsylvania seniors and individuals living with disabilities. We want your help.

In February 2015, Governor Wolf directed the Departments of Human Services and Aging to explore managed long-term services and supports (MLTSS) to increase opportunities for older Pennsylvanians and individuals with physical disabilities to remain in their homes. When giving this charge, the Governor made it clear that the status quo is not acceptable and he encouraged us all to be innovative and bold.

Over the last few months, the Commonwealth worked with the University of Pittsburgh to identify the best practices in MLTSS throughout the country, lessons learned from other states, and innovations that are needed to ensure MLTSS will be effective in Pennsylvania. The result of that work is the following discussion document.

We view this document as the start of a conversation and a way to hear from you to develop a path forward in Pennsylvania. We want to hear from you. What ideas in this document do you like? What ideas in this document don't you like? How can this plan be improved? How can we break down barriers that prevent individuals from receiving the care they need? How can we help more people live in the community? What are your ideas for improving access and the quality of care?

Over the next few months, we will be meeting with participants, caregivers, advocates, providers and other stakeholders through the public input process described in this document. Conversations, however, will not stop there. Throughout the next several years, we will need your partnership to make MLTSS a success.

Thank you for taking the time to share your thoughts. We look forward to working with you throughout this process.

Sincerely,

Theodore Dallas
Acting Secretary
Department of Human Services

Teresa Osborne
Secretary
Department of Aging

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INTRODUCTION

Governor Wolf's proposed FY 2015-16 budget makes a commitment to older Pennsylvanians and individuals with physical disabilities to streamline eligibility and access to services and enhance the quality and coordination of those services. The Commonwealth serves over 130,000 adults with long-term services and supports (LTSS) needs in its Medicaid program. In total, the Commonwealth spends approximately $5 billion annually on publicly funded LTSS.

The Commonwealth has engaged in past efforts to reform LTSS in Pennsylvania; the most recent of these efforts is the Pennsylvania Long-Term Care Commission, which released its report in 2014. The Pennsylvania Long-Term Care Commission found that the LTSS delivery system has many challenges that need to be addressed, particularly in light of changing demographics. Those demographics include a significant increase in the Commonwealth's older population and the expectation that in the next decade the number of those aged 85 and over will grow faster than the total population. Additionally, there are over 1.7 million Pennsylvanians with physical disabilities.

PA Key **Themes**

Critical elements of Pennsylvania's MLTSS include:

- **Health, safety, and well-being of the population**
- **Full integration of behavioral and physical health**
- **Program innovation**
- **Care coordination**

Common findings from the multiple commissions and workgroups that have looked at the LTSS system in Pennsylvania include:

- A lack of service coordination in the LTSS system resulting in consumers not having access to integrated supports and services throughout the continuum of care;

- Limited or no preventive care;

- Limited access to appropriately qualified providers of care, services and supports;

- Limited service design and lack of reliance on evidence-based practices that are based upon quality measures and outcomes; and

- Institutional bias and a lack of emphasis on transitions from more to less intensive settings to ensure continuity of care and prevent unnecessary readmissions.

The Commonwealth of Pennsylvania is committed to improving the health and welfare of older Pennsylvanians and individuals with physical disabilities by enhancing and integrating health care and LTSS services while ensuring efficiency, transparency, accountability, and effectiveness. As part of this

commitment, and in accordance with Governor Wolf's initiative to improve home and community-based services for older Pennsylvanians and individuals with physical disabilities, the Commonwealth plans to implement a managed care delivery system. This initiative, which builds on the Commonwealth's past success in implementing managed care delivery systems, will be identified as Managed Long-Term Services and Supports (MLTSS).

The Centers for Medicare and Medicaid Services (CMS) defines MLTSS as "the delivery of long-term services and supports through capitated Medicaid managed care programs".

The Centers for Medicare and Medicaid Services (CMS) defines MLTSS as "the delivery of long-term services and supports through capitated Medicaid managed care programs."[i] As of 2015, 22 states offered some type of MLTSS program including Pennsylvania (for specific populations), and multiple other states are currently exploring this option as a way to address the known limitations in their LTSS systems. CMS authority has been required for these MLTSS initiatives.

The purpose of this document is to introduce the Commonwealth's current thinking on a model for MLTSS in Pennsylvania and to solicit input from all interested parties on the best approach to program design and implementation. The sections to follow will examine the target population for this program, the MLTSS goals and objectives, design components, implementation strategy, and the discussion document response process.

The Facts: Long-Term Services and Supports in Pennsylvania
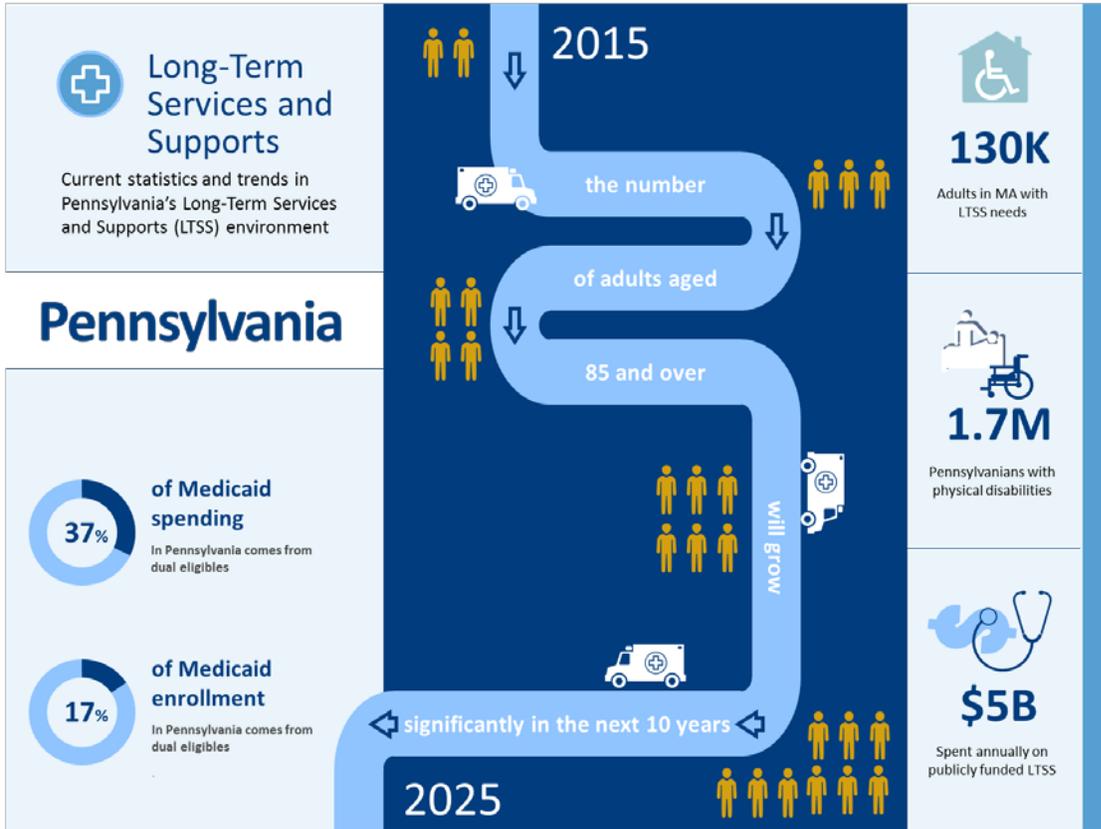
Long-Term Services and Supports

Current statistics and trends in Pennsylvania's Long-Term Services and Supports (LTSS) environment

Pennsylvania

37% of Medicaid spending
In Pennsylvania comes from dual eligibles

17% of Medicaid enrollment
In Pennsylvania comes from dual eligibles

2015

the number of adults aged 85 and over will grow significantly in the next 10 years

2025

130K Adults in MA with LTSS needs

1.7M Pennsylvanians with physical disabilities

$5B Spent annually on publicly funded LTSS

I: MLTSS Target Populations

The following will be enrolled in MLTSS (excluding individuals eligible for Medicaid-funded or Base-funded programs available through the Office of Developmental Programs):

A. Dual eligible adults over the age of 21 who are entitled to Medicare Part A and/or Part B and Part D and are eligible for Medicaid benefits.
B. All nursing facility clinically eligible (NFCE) non-dual eligible adults age 18 and older who are eligible for the Pennsylvania Medicaid Program.
C. Non-Medicaid recipients of the Act 150 Program.

PA Highlights

MLTSS target population includes:

- **Dual eligible individuals**
- **Nursing facility clinically eligible**
- **Act 150**

Of the

130,000

adults with LTSS needs in PA's Medicaid program,

104,000

are dually eligible for Medicare and Medicaid..

A: Dual Eligibles: Dual eligibles are defined as Medicare Part A and/or B and Part D recipients who qualify for Medicaid benefits. Dual eligibles are part of this target population because, historically, Medicare and Medicaid-covered services have had little coordination. With limited integration in services, both providers and recipients have struggled to navigate service eligibility and reimbursement requirements of both funding streams.

According to the Medicare Payment Advisory Commission (MedPAC),[ii] dual eligibles account for a large share (37 percent) of total Medicaid spending, although they represent just 17 percent of Medicaid enrollment.[ii] All of these individuals currently receive their physical health care services through the Medicaid fee-for-service system and may be served in nursing facilities, home and community-based (HCBS) waiver programs, or the Living Independence for the Elderly (LIFE) program. Most individuals who are dually eligible for Medicare and Medicaid are also currently enrolled in the behavioral health HealthChoices managed care program.

Nearly

318,000

individuals are dually eligible for Medicare and Medicaid but do not have LTSS needs.

Generally, dual eligibles are poorer and sicker than the rest of the Medicare population. According to the MedPAC's June 2014 Data Book,[iii] 54 percent of dual eligibles have incomes under the federal poverty level and 94 percent have incomes below 200 percent of the federal poverty level, as compared to 10 percent of non-dual eligible Medicare participants living below the federal poverty level and 35 percent of non-duals living below 200 percent of the federal poverty level. Nineteen percent of dual eligible

individuals report being in poor health as compared to seven percent of non-dual eligible Medicare participants who report the same. Nineteen percent of dual eligible individuals are institutionalized as compared to only three percent of non-dual eligible Medicare participants. Dual eligible individuals have a greater incidence of cognitive impairments, mental disorders, diabetes, pulmonary disease, stroke and Alzheimer's disease than do non-dual Medicare participants.

B: Individuals Receiving LTSS Currently Eligible for the Pennsylvania Medicaid Program: This program will also serve non-dual eligible Medicaid participants that are found to be nursing facility clinically eligible. This includes participants who may be receiving services in nursing facilities, the LIFE program or HCBS waivers.

C: Act 150 Program: MLTSS will include individuals served in the Act 150 Program which is a state-only funded program for adults with physical disabilities.

The following graphic presents the current estimates of these populations:

MLTSS Target Populations
Data as of 2012

Over 2,200 Adults in Act 150 (Non-MA Eligible)

23,000 Non Dual Eligible NFCE Adults age 18+ ✓

~450,000 adults comprise the MLTSS target population

Dual Eligible Individuals

104,000 Dual Eligible Adults age 21+ with LTSS ✓

318,000 Dual Eligible Adults age 21+ without LTSS ✓

✓ Eligible for Medicaid
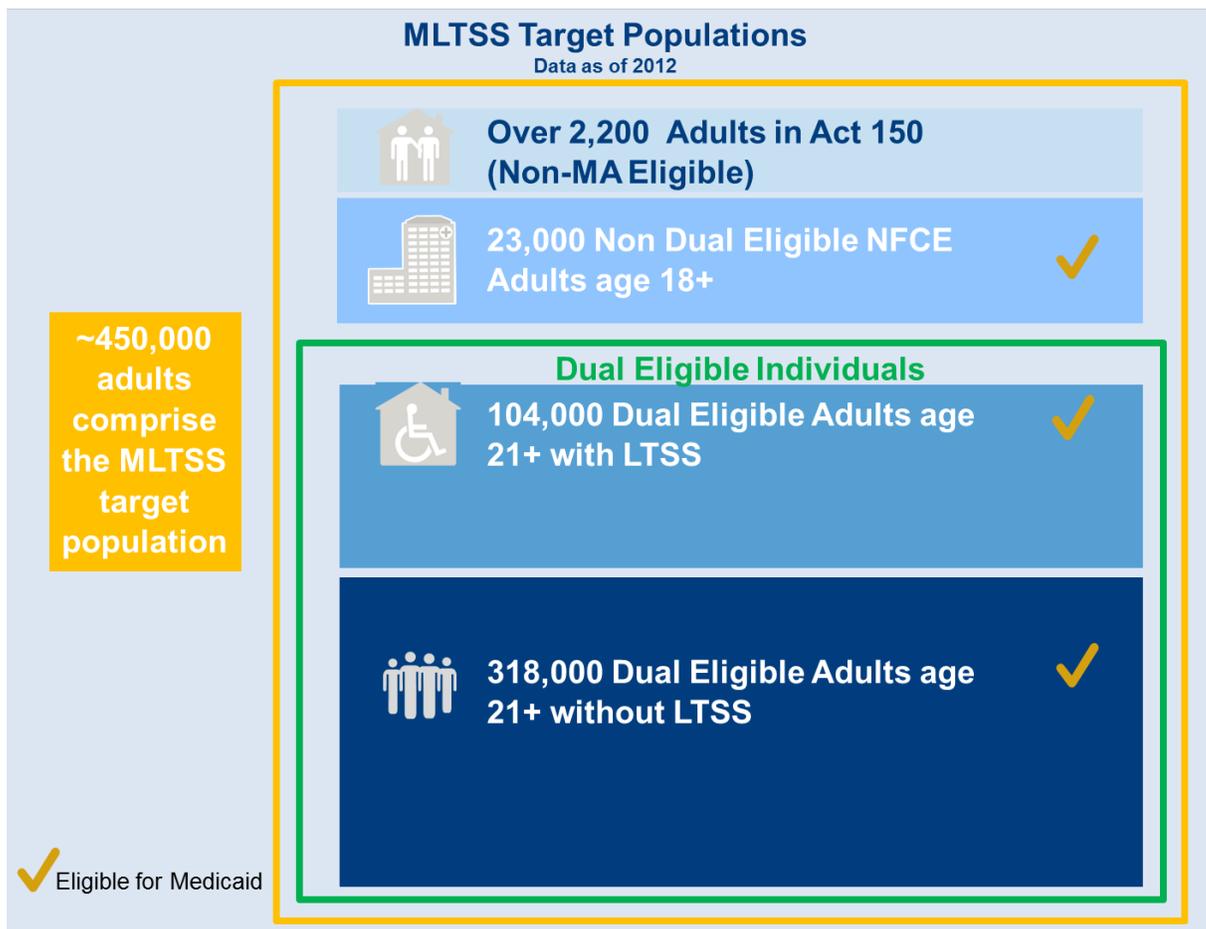
II: MLTSS Goals and Objectives

MLTSS key goals include design, implementation, and ongoing operations elements. MLTSS goals and objectives are listed below.

- Promoting health, safety, and well-being of the target population
- Strengthening health care and LTSS
- Enhancing opportunities for community-based services
- Incorporating person-centered service design
- Advancing program innovation
- Ensuring efficiency, transparency, accountability, and effectiveness of programs

To achieve these goals, the program must be designed with each of these components:

- Person-centered program design and service plan development
- Services and supports coordination
- Access to qualified providers
- Emphasis on home and community-based services
- Performance-based payment incentives
- Participant education and enrollment supports
- Preventive services
- Participant protections
- Quality and outcomes-based focus

PA Highlights

MLTSS Goals include:

- **Promote health & safety**
- **Strengthen health care**
- **Enhance opportunities for community-based services**
- **Advance innovation**
- **Ensure efficiency in programs**

III: MLTSS Program Components

Pennsylvania's MLTSS will include nine critical components in the design and implementation of the program.
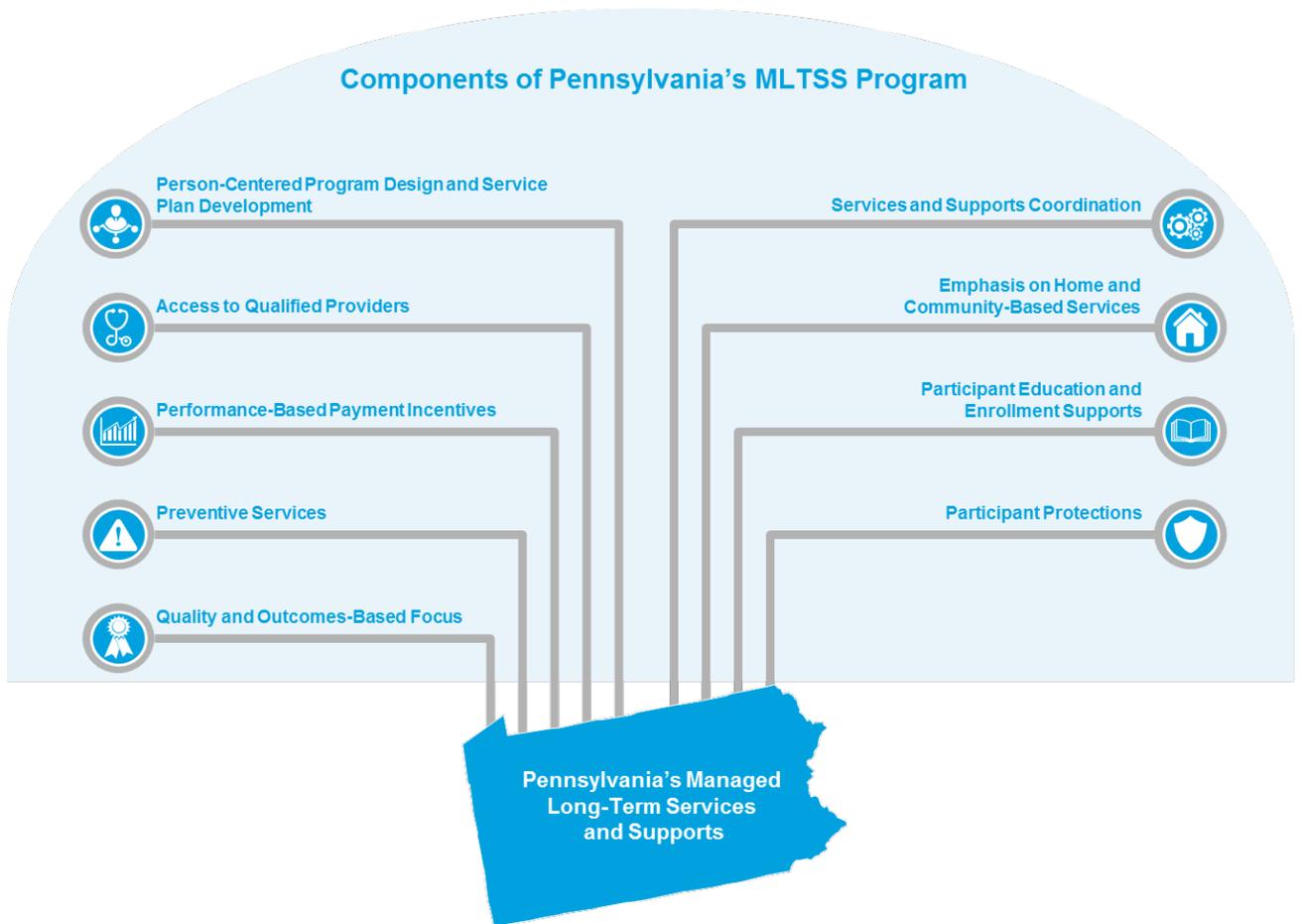
Components of Pennsylvania's MLTSS Program

- Person-Centered Program Design and Service Plan Development
- Access to Qualified Providers
- Performance-Based Payment Incentives
- Preventive Services
- Quality and Outcomes-Based Focus
- Services and Supports Coordination
- Emphasis on Home and Community-Based Services
- Participant Education and Enrollment Supports
- Participant Protections

Pennsylvania's Managed Long-Term Services and Supports

A: Person-Centered Program Design and Service Plan Development

Service planning, service coordination, and service integration will be based on an individual's assessed needs and participant involvement in the planning process. Self-direction of services will be emphasized. Person-centered approaches to LTSS involve:

- Continuity of service protections that remain in place until the new service plan is developed and implemented;

- The application of a person-centered service planning process;

- The use of a standardized and validated assessment tool that reviews an individual's physical, psychosocial, and functional needs and preferences;

- Choice in service providers;

- The maximization of self-direction in services including education on how to use these self-directed service options;

- The application of a service planning process that is culturally and linguistically competent for the participants;

- Service plan design that includes transition between settings and services based upon the participant's specific needs and preferences; and

- Distinct and expeditious timelines for assessing and reassessing participants' needs.

PA Highlights

MLTSS program components:
- **Person-centered**
- **Performance-based**
- **Quality-focused**

B: Services and Supports Coordination

The service package for MLTSS will be broad and integrated and will include:

- Medicaid state plan services;
- Medicaid HCBS waiver services;
- Medicare parts A, B, and D services; and
- Additional supportive services appropriate to the target population.

To achieve this integration, MLTSS vendors will be required to operate companion Medicare and Medicaid LTSS plans so that the full range of Medicaid and Medicare benefits are provided by the same health plan.

These services will be included in MLTSS to address the lack of service integration, which causes confusion and prevents dual eligible individuals from obtaining a full array of services for which they are eligible. In addition, vendors will receive financial incentives to encourage coordination of services between Medicare and Medicaid to prevent cost-shifting.

Service coordination will be used to ensure consumers have integrated supports and services including Medicare services, Medicaid acute care, and LTSS. Service coordination will also consider the whole person, including natural and community supports that will enable an individual to live as independently as possible with the least restrictive setting to meet the individual's needs. According to Medicare.gov, the goal of coordinated supports is to ensure that participants, especially those identified with high need, get the right care at the right time, while avoiding unnecessary duplication of services and maintaining quality.

MLTSS will provide coordination of services and supports in the Medicare and Medicaid physical health, LTSS, and behavioral health systems and will ensure that participants receive those services "in the amount, duration, scope, and manner as identified through the person-centered assessment and service planning process."[iv]

In MLTSS, every participant will be assigned a service coordinator who will be responsible for monitoring the participant's care and the quality of services he or she is receiving from his or her health plan. The agreement between the Commonwealth and the vendor will include specific requirements for how frequently service coordinators must be in contact with participants, as well as other service coordination standards.
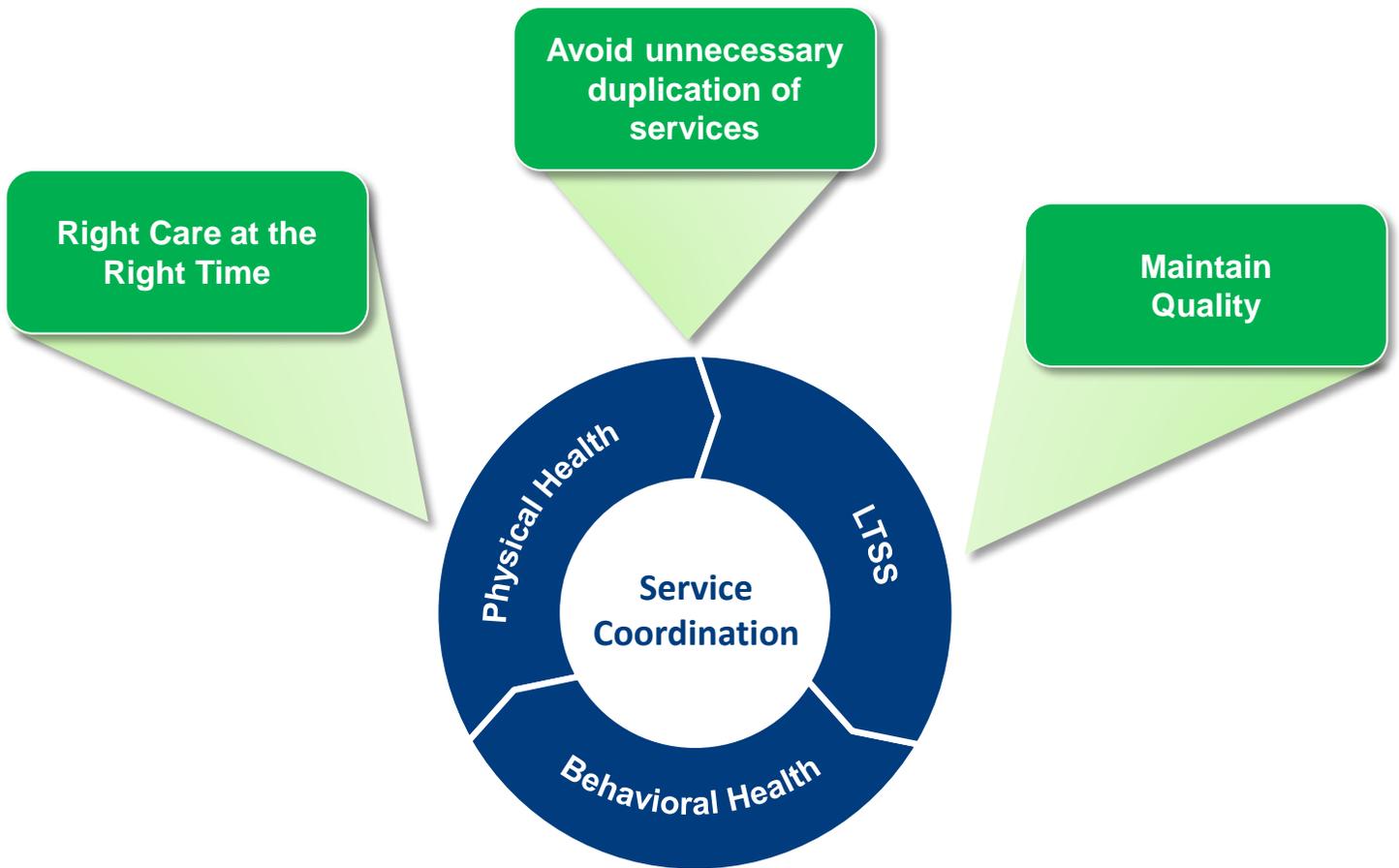
MLTSS Provides Coordination of Services & Supports

C: Access to Qualified Providers

Current System:

◆**Disparate levels of access to service providers based on location**

◆**Providers required to undergo different processes for Medicare and Medicaid**

◆**Participant protections are not standardized**

The selected vendors participating in the MLTSS program will ensure that consumers have streamlined access to appropriately qualified providers of service. The development and maintenance of a network of qualified providers in the LTSS system is essential for a successful MLTSS and must consider:

- Access, including availability of adequate providers for LTSS services for specific populations;
- Qualifications and credentialing;
- Participant protections;
- MLTSS transition and education including provider incentives to support transition from fee-for-service to managed care for providers operating in the existing service system;
- Facilitation of the MLTSS transition through provider education and supports;
- Network adequacy standards for all provider types to account for the greater needs of the covered population;
- Continuity of service provisions, ensuring access to current providers during transition into MLTSS; and
- Out-of-Network (OON) rules allowing for the possibility of staying with OON specialists where an insufficient number of specialists are in-network.

D: Emphasis on Home and Community-Based Services

Current System:

◆**Inconsistent education on HCBS options**

◆**No emphasis on participation in workforce**

◆**Limited financial incentives for encouraging less intensive settings**

MLTSS will be developed consistent with current federal HCBS waiver requirements intended to address the historical LTSS institutional bias. Current federal regulatory standards include the requirement to ensure that participants are given the greatest amount of community integration and opportunities for participation in a fully integrated workforce. MLTSS will include this requirement and help reorient the existing service system toward service access in HCBS settings.

Pennsylvania MLTSS Program Supported by HCBS

Home and Community-Based Services

| Aligns with HCBS Waiver Requirements | Offers options for less intensive settings |
| Emphasizes Service Access in HCBS Settings | Focuses on Community and Workforce Participation |
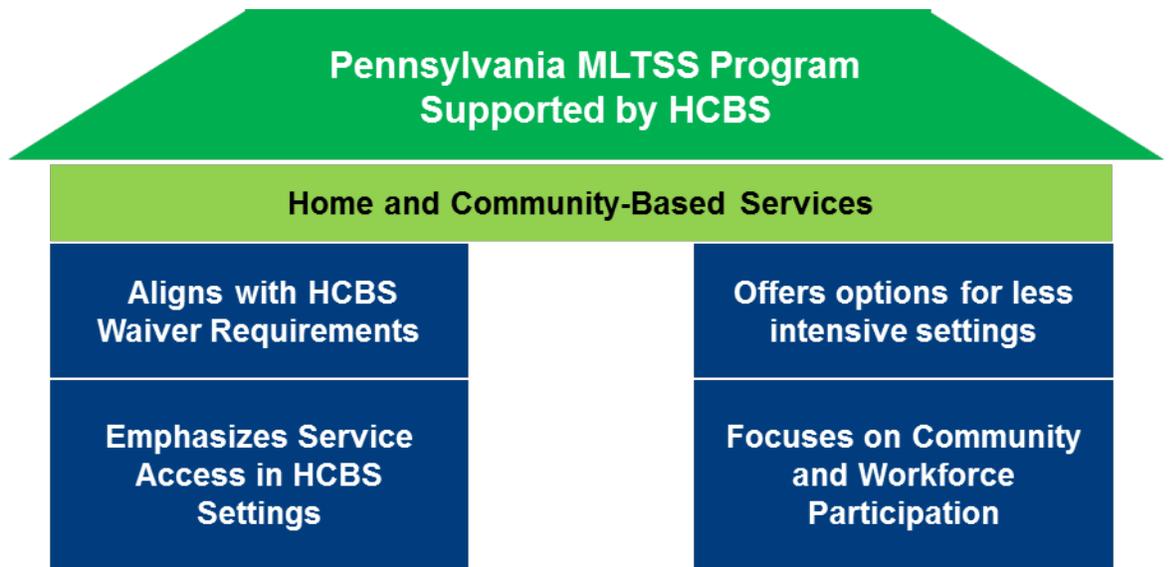
E: Performance-Based Payment Incentives

Current System:

◆Payments have no alignment with program objectives

◆Lack of incentives for collaboration and coordination with Medicare and Medicaid

◆Lack of incentives against cost-shifting between Medicare and Medicaid

MLTSS will be developed with payment structures that encourage the achievement of program goals and objectives. The payment structure must have a direct relationship with achieving the program goals of:

- Strengthening health care and LTSS;
- Improving opportunities for community-based services;
- Incorporating person-centered service design;
- Advancing program innovation;
- Promoting health, safety, and well-being of the target population; and
- Ensuring efficiency, transparency, accountability, and effectiveness of programs.

Contracting options could include a three-way contract between CMS, the Commonwealth, and each selected vendor that follows a capitated model or a contract between the Commonwealth and the selected vendors. In either case, the payment structure adopted for the MLTSS program will have built-in financial incentives to encourage vendors and providers to achieve program goals.

F: Participant Education and Enrollment Supports

Current System:

◆**Fragmented education on options**

◆**Fragmented enrollment systems**

◆**Advocacy and ombudsman services often do not consider the entire service system**

MTLSS will include program and service education components, assistance with vendor and program enrollment, and participant advocacy. Because enrollment in MLTSS is mandatory for the target population, participant education and enrollment supports are critical components to the design of the program. At a minimum, they involve:

- Conflict-free choice counseling to understand MTLSS options;
- Enrollment and disenrollment independent of the vendors;
- Advocacy and ombudsman services;
- Streamlined notices of enrollment;
- Choice of plan; and
- Sufficient advance notice of enrollment.

G: Preventive Services

Current System:

Preventative care not integrated into service system

No financial incentives for preventative care

Preventive services include, but are not limited to, wellness checks, colonoscopies, mammograms, and preventive vaccinations as well as services to prevent deterioration. The existing Medicare preventive services will be integrated or expanded into the Medicaid program and LTSS.

By creating a program that will address all medical and preventative health, LTSS and behavioral health services incentives for alignment will be achievable.

H: Participant Protections

Current System:

Fragmented participant protections between systems

Participant protections will encourage the best approach to ensure the health and safety of participants. MLTSS will use safeguards to ensure that participant health and welfare is assured within the MLTSS program. This includes protections from abuse, neglect, abandonment, and exploitation through coordination with the Adult Protective Services and Older Adult Protective Services programs. It also includes a comprehensive grievance and appeals process.

I: Quality and Outcomes-Based Focus

Current System:

◆ **Does not consider integration of acute care and LTSS**

◆ **Limited measures for quality of life, customer experience and satisfaction, health/service outcomes, community integration, and rebalancing**

MLTSS will incorporate a comprehensive quality strategy that considers all aspects of acute and LTSS services and evaluates outcomes and quality of life.
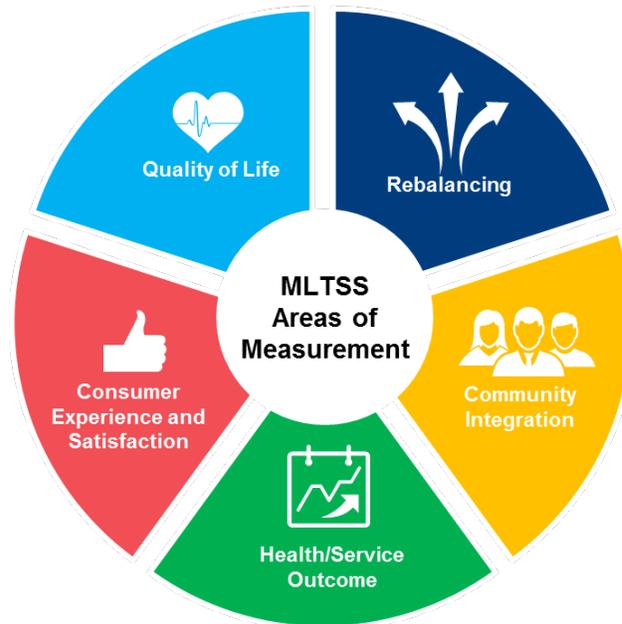
MLTSS Quality Strategy Components:

- The integration of existing and mandated quality measures for the current service system

- The evaluation of person-level encounter data

- The application of an Independent and External Quality Review Process such as the use of Healthcare Effectiveness Data and Information Set (HEDIS) measures determined by the National Committee for Quality Assurance

- Reporting from vendors and providers on key areas of oversight such as access, service plan development, process measures, enrollment, quality of care, fraud and abuse, participant health, complaints, and appeals

- Measurements for these key areas:

  – Quality of life

  – Consumer experience and satisfaction

  – Health/service outcome

  – Community integration

  – Rebalancing

IV: Program Rollout

The timeline below illustrates the rollout strategy for this program. The program will be deployed in three phases. The first phase will focus on enrollment in the Southwestern portion of the Commonwealth. The second phase will focus on the Southeast. The third phase will address enrollment in the remainder of the Commonwealth.

Description	Date
Discussion Document Release	June 1, 2015
Public Comment and Engagement Period including online/webinars options	June 1 - July 15, 2015 – continuing throughout the entire rollout
Deadline for Submission of Comments	July 15, 2015
RFP (Including all Three Phases)	Release October, 2015
Phase 1 Ramp-up Period	July-December, 2016
Phase 1 Enrollment Date	January 1, 2017
Phase 2 Ramp-up Period	July-December, 2017
Phase 2 Enrollment Date	January 1, 2018
Phase 3 Ramp-up Period	July-December, 2018
Phase 3 Enrollment Date	January 1, 2019

The Request for Proposal (RFP) process will include one contract with multiple lots considering all three phases of the program. Vendors may bid by lot or may bid for statewide participation in the program.

Stakeholder engagement is central to the structure for the development and implementation of MLTSS. Stakeholders include program participants and their families, community representatives, private and government-based service entities, legislators, providers, vendors, and advocacy groups. Areas of input include: Program Design, Planning Phases, Implementation, Oversight, and Quality.

Stakeholders will have the opportunity to participate in public meetings, targeted stakeholder engagement meetings, workgroups by program design topic and issue, interactive webinars, and quarterly stakeholder meetings throughout the deployment of the program.

Highlights

Program rollout:

- Executed in three phases
- One RFP with multiple lots
- Ongoing stakeholder engagement

V: Discussion Document Response Process

Individuals may also request a copy of the document by contacting the Department of Human Services, Office of Long-Term Living at (717) 783-8412. Individuals may request a copy of the discussion document in an alternate format by using the number listed above.

This discussion document is available at the following address: www.dhs.state.pa.us/ForAdults/ManagedLongTermSupports

Interested parties are invited and encouraged to submit written comments regarding this discussion document using the form in **Appendix A** and available online at http://www.dhs.state.pa.us/dhsorganization/officeoflongtermliving/index.htm as this will ease and expedite review. Comments, however, will be accepted in any form and format submitted.

Comments should be submitted by one of the following:

BY MAIL: Hardcopy comments should be addressed as follows and mailed to:

April Leonhard
Department of Human Services
Office of Long-Term Living, Bureau of Policy and Regulatory Management
P.O. Box 8025
Harrisburg, PA 17105-8025.

BY EMAIL: Comments may also be submitted via email at

RA-MLTSS@pa.gov

BY PHONE: Comments may be submitted by calling (717) 783-8412. Persons with a disability who require an auxiliary aid or service may submit comments using the Pennsylvania AT&T Relay Service at (800) 654-5984 (TDD users) or (800) 654-5988 (voice users).

IN PERSON: Comments may be submitted in person by attending one of the public meetings.

PA Highlights

Response process options:

- **Mail comments**
- **Email comments**
- **Call with your comments**
- **Attend a public meeting**

Comments are due by July 15, 2015.

VI: Public Meetings

The Administration will hold six public input meetings throughout this Commonwealth to receive comments on the MLTSS discussion document. The locations and times of these public meetings are listed below.

Erie – Wednesday, June 10, 2015
Bayfront Convention Center
1 Sassafras Pier
Erie, PA 16507
9 a.m. to 11 a.m.

Pittsburgh – Thursday, June 11, 2015
Allegheny County Courthouse
Gold Room
436 Grant Street
Pittsburgh, PA 15219
9:30 a.m. to 12:30 p.m.

Altoona – Tuesday, June 16, 2015
Blair County Convention Center
One Convention Center Drive
Altoona, PA 16602
1 p.m. to 3 p.m.

Scranton – Wednesday, June 17, 2015
Hilton Scranton & Conference Center
100 Adams Avenue
Scranton, PA 18503
9 a.m. to 11 a.m.

PA Highlights

Public input meetings will be held on the following dates and locations:

- **June 10 – Erie**
- **June 11 – Pittsburgh**
- **June 16 – Altoona**
- **June 17 – Scranton**
- **June 23 – Harrisburg**
- **June 26 - Philadelphia**

Harrisburg – Tuesday, June 23, 2015
PaTTAN – Harrisburg
Conference Room 1
6340 Flank Drive
Harrisburg, PA 17112
9 a.m. to 12 p.m.

Philadelphia – Friday, June 26, 2015
Temple University Center City, Room 222
1515 Market Street
Philadelphia, PA 19102
1 p.m. to 4 p.m.

Additional opportunities to provide input, including interactive webinars, will be announced.

Appendix A

Managed Long-Term Services and Supports (MLTSS) Discussion Document Comment Matrix	
The discussion document is available at http://www.dhs.state.pa.us/foradults/managedlongtermsupports/index.htm or by contacting the Department of Human Services, Office of Long-Term Living at (717)783-8412. If you wish to request a copy of the discussion document in an alternate format, please use the number listed above.	
Please use the matrix below to assist you in compiling and organizing your comments on the MLTSS discussion document. The document specifically solicits comments on: program design, planning phase, implementation, oversight, and quality. Please enter your comments in the most applicable category. **Thank you in advance for your participation and comments.**	
Please return comments via email to RA-MLTSS@pa.gov; Or by mail to: **April Leonhard,** Department of Human Services Office of Long-Term Living, Bureau of Policy and Regulatory Management, P.O. Box 8025, Harrisburg, PA 17105-8025	
Name:	
Contact information (email, phone, or other method of your choice):	
Organization (if applicable):	
How do you identify yourself?	☐ Consumer ☐ Provider ☐ Advocate ☐ Future Vendor (For example, Managed Care Organizations) ☐ Provider Association
Program Design:	
Planning Phase:	
Implementation:	
Oversight:	
Quality:	

Comments are due by July 15, 2015.

[i] Medicaid.Gov. http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Delivery-Systems/Medicaid-Managed-Long-Term-Services-and-Supports-MLTSS.html

[ii] www.medpac.gov. http://www.medpac.gov/documents/data-book/january-2015-medpac-and-macpac-data-book-beneficiaries-dually-eligible-for-medicare-and-medicaid.pdf

[iii] MedPAC, "A Data Book: Health Care Spending and the Medicare Program", June 2014. Available at http://medpac.gov/documents/publications/jun14databookentirereport.pdf?sfvrsn=1.

[iv] CMS, May, 2013. Guidance to States using 1115 Demonstrations or 1915(b) Waiver for Managed Long-Term Services and Supports Programs.