



**Executive Medicaid
Management Administration**

**Federal Health Care Reform:
Potential Impact on Long Term Care Services and Supports**

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Process

- Two Committees in the Senate
 - Senate Finance Committee
 - Senate Health, Education, Labor and Pensions Committee
- Three Committees in the House
 - Ways and Means
 - Energy and Commerce
 - Education and Labor

**DOES HEALTH CARE REFORM
INCLUDE LONG TERM CARE?**

Senate Finance Proposal

Medicare Dual Eligibles

- 5-year Medicaid demonstration program to develop new approaches for coordinating care for dual eligibles.
- Authority to use savings from care coordination of dual eligibles in Medicaid 1915(b) waiver applications.
- Creates an Office of Coordination for Dually Eligible Beneficiaries within CMS.
- Reduces the Medicare disability waiting period
- Creates Medicare Buy-In for persons between 55 and 65 without employer sponsored insurance prior to the operation of the Exchange.

Senate Finance Proposal

Long Term Care Services and Supports

- Authorizes states to seek HHS approval to offer additional services under 1915(c) waivers.
- Individuals could be allowed to enroll in more than one waiver simultaneously.
- Eliminates the existing institutional level of care requirement for eligibility for 1915(c) waivers and requires states to replace it with less stringent criteria.
- Extends the Money Follows the Person demonstration project to 2016
- Resets the look back period for asset transfers to 36 months from the 60 month period created in the Deficit Reduction Act.

Senate Finance Proposal

Long Term Care Services and Supports

- Removes the prohibition against providing 1915(i) services to persons with income levels above 150 percent FPL.
- Allows states to confer eligibility for 1915(i) home and community based services as well as full Medicaid benefits to individuals with incomes up to 300% of the maximum SSI Payment, as long as these individuals would also meet the state-defined needs-based criteria.
- Increases the FMAP rate for home and community based services by 1 percent.
- Gives states the flexibility to allow HCBS applicants to retain higher levels of assets

Senate Finance Proposal

Nursing Home Transparency

- Proposes a number of changes aimed at improving transparency of information about SNF and nursing homes, enforcement of SNF and nursing home standards and rules, and training of SNF and nursing home staff.
 - Information on direct and indirect ownership, governing bodies and organizational structure
 - New information on Medicare Nursing Home Compare website
 - New Ethics and Compliance program

HELP Committee Proposal

CLASS Program

- Creates the Community Living Assistance Services and Supports (CLASS) Program
- Voluntary, nationwide insurance program that would provide a cash benefit to people who become disabled to pay for long-term care services and supports needed to function independently.
- Requires program to be actuarially sound and self-sustaining
- Premiums would be charged on a sliding scale by age and income, not to exceed average \$65 per month.

HELP Committee Proposal

CLASS Program

- Requires a 5 year vesting period before eligible for benefits.
- Requires that the individual be determined to have functional disability for continuous period of more than 90 days before benefits dispersed.
- Provides a cash benefit of a minimum of \$50 per day, varied based on a scale of functional ability. May be supplemented with additional insurance purchased through the Gateway
- No annual or lifetime limit on benefits

HELP Committee Proposal

Health Care Workforce

- Establishes a National Health Care Workforce Commission
- Proposes multiple strategies, new funding streams, training opportunities and educational requirements to increase the health care workforce.
- Creates competitive grants to states for workforce planning activities.
- Establishes grants to provide new training opportunities for direct care workers employed in long-term care settings.
- Creates Centers of Excellence to support the existing health care workforce.

House Proposal

Medicare Improvements

- Adds a productivity adjustment for SNFs, long-term care hospitals, inpatient rehab facilities, psychiatric hospitals and hospice care
- Creates incentive payments for areas in the lowest fifth percentile in utilization based on per capita spending
- Reduces payments to hospitals with excess readmissions
- Requires the Secretary to develop a plan within 3 years of enactment to reform payment for post acute services
- Makes several technical changes to reimbursement for home health care

House Proposal

Medicare Improvements

- Makes several technical changes to Medicare Advantage plans, including new quality payments for high quality MA plans, limitations on out of pocket costs, and new Medical Loss Ratio (MLR) requirements
- Calls for the creation of a new office or other mechanism within HHS for a “focused effort” to improve coordination between Medicare and Medicaid for dual eligibles.
- Authorizes the Secretary to designate a new category of special needs plans called “fully integrated dual eligible special needs plans (FIDESNPs) to advance full integration of Medicare and Medicaid benefits and services for dual eligibles.

House Proposal

Medicare Improvements – Part D

- Requires drug rebates for certain full premium subsidy eligible individuals
- Calls for a phased-in elimination of the coverage gap or “doughnut hole”
- Calls for the Secretary to expand access to telehealth services
- Eliminates Part D cost sharing for certain non-institutionalized, full-benefit, dual eligibles
- Calls for administrative simplification and automatic enrollment and reenrollment of certain low-income Medicare eligible individuals

House Proposal

Nursing Home Transparency

- Imposes new disclosure and reporting requirements on nursing facilities
- Calls for a GAO study of nursing facility undercapitalization
- Calls for additional information on the HHS nursing home compare website
- Provides for monetary penalties for non-compliance
- Establishes a pilot program for the use of an independent monitor to oversee interstate and large intrastate claims for nursing facilities and skilled nursing facilities

House Proposal

Program Integrity

- Increases funding, enhances penalties and implements new safeguards to address fraud, waste and abuse in Medicare.
 - Payment modifier for evaluation and management services that result in the ordering of additional services, tests, prescriptions or DME.
 - Requires providers to establish compliance programs to reduce waste, fraud and abuse.
 - Requires additional documentation from physicians referring to programs at high risk for fraud and abuse (DME, Home Health).
 - Requires face-to-face encounter with patient prior to physician certifying eligibility for home health under Medicare

House Proposal

Workforce

- Primary Care Workforce
 - Amends the National Health Service Corps Program
 - Establishes Health Professionals Needs areas
- Nursing Workforce
 - Amends the Public Health Service Act
 - Establishes several grant and student loan forgiveness programs
- Public Health Workforce
 - Establishes a Public Health Workforce Corp
 - Created scholarship and student loan forgiveness programs

House Proposal

Workforce

- Implements strategies to adapt the workforce to evolving health system needs
- Establishes provisions to train health care workers for diversity
- Provides for scholarships, loan repayment and other assistance for disadvantaged students
- Creates and calls for the Secretary to coordinate various diversity and cultural competency programs
- Establishes an Advisory Committee on Health Workforce Evaluation and Assessment
- Establishes a National Center for Health Workforce Analysis within HRSA

Resources

Kaiser Family Foundation Side-by-Side

- <http://www.kff.org/healthreform/sidebyside.cfm>

Senate Finance White Paper

- <http://www.finance.senate.gov/sitepages/leg/LEG%2009/051109%20Health%20Care%20Description%20of%20Policy%20Options.pdf>

Senate HELP Discussion Draft

- http://help.senate.gov/BAI09A84_xml.pdf

House Discussion Draft

- <http://edlabor.house.gov/documents/111/pdf/publications/DraftHealthCareReform-BillText.pdf>