

Medicare/Medicaid Coordination “Strawman”

The strawman outlines at a conceptual level the administration’s vision for coordinating and integrating services for 190,000 dual eligible individuals. Many of the duals reside in skilled nursing facilities or receive other governmentally funded long-term services and supports. The strawman proposes that all Medicare and Medicaid services for duals, specifically including long-term care, will be coordinated by managed care plans under a blended capitation payment.

- The new program is scheduled to be implemented beginning January 1, 2013, and to be phased in over the following year.
- The program will be regional at first, probably starting in urban areas. The state expects to have two plans per region.
- Director McCarthy said the state will issue a request for proposals to the managed care plans in June or July.
- Beneficiaries will be able to opt out of managed care for Medicare benefits, but not Medicaid benefits. This is a requirement of the U.S. Centers for Medicare and Medicaid Services (CMS).
- Although the strawman suggests the managed care plans will be paid less than what would be spent under fee for service, Director McCarthy emphasized that the administration’s intent is to achieve savings through greater efficiencies and not through provider rate cuts.
- The administration wants to establish tiered level of care criteria with a higher level required for SNF services than for waivers. While the intent is to “grandfather” current SNF patients, there are many other questions about how the tiered level of care would work.
- The strawman is silent as to how the managed care plans would develop their networks of providers, although the state expects them to have a “robust” network.
- The proposal does not include dual eligibles who have intellectual or developmental disabilities, at least to the extent they are in the “DD system.”
- The state’s plan must be submitted to CMS for approval, including a section 1115 Medicaid waiver. Because the administration will be seeking to share in potential Medicare savings (a primary motivator for this plan), they are following a timeline set by CMS for expedited consideration of shared savings proposals.

Health Homes Proposal Includes SNF Patients

In late December, the Kasich Administration forwarded to the U.S. Centers for Medicare and Medicaid Services a draft Medicaid State Plan Amendment (SPA) to establish health homes for individuals with severe and persistent mental illness (SPMI). A health home is not a physical structure, but a community mental health center that also includes medical direction and case management to coordinate all physical and behavioral health services an individual needs. The draft SPA specifically calls for the health home to coordinate any long-term services and supports (including skilled nursing facility care) that are needed by a person with SPMI. Given that admission to a SNF already has “gatekeeping” functions such as PASRR and level of care, the health home’s role is unclear. We will be working with administration officials to clarify how the health home proposal interacts with SNFs. In yesterday’s Unified Long-Term Care System Advisory Workgroup meeting, Ohio Medicaid Director John McCarthy made it clear that the administration is committed to the health home plan, stating that it will go ahead of the care coordination initiative for dual eligibles (see separate article) and that the SPMI population initially may be excluded from the duals project so the health homes can get off the ground.

Single Home and Community Based Waiver

The Kasich Administration announced that the single home and community-based waiver for people with a nursing facility level of care, originally slated to be submitted to the federal government in March, has been delayed until after proposal for Medicare/Medicaid dual eligibles is completed. The administration’s intent is to include waiver services in the duals project, but feels it would not make sense to move waiver recipients from their existing waiver onto the single waiver and shortly afterward move them into waiver services under the managed care model proposed for the duals. As a result, work on the single waiver will be coordinated with the duals waiver, with an expected completion date around the end of 2012. The single waiver proposal has drawn fire, particularly because it could remove the area agencies on aging from their current role.