



**Arizona for
Better Medicaid**

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Managed LTSS Improves Quality of Care



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Background

Medicaid managed long-term services and supports (MLTSS) refers to the delegation of state Medicaid long-term care benefits—including both facility-based care, like skilled nursing facilities, and home-and-community based services (HCBS), like home care and adult foster care—to managed care organizations (MCOs). Forty states have delegated Medicaid acute care benefits, such as hospital care, primary care, and specialty care, to MCOs.¹ The advantages of managed care go beyond predictable annual state budgets. States also require and/or incent MCOs to improve quality of care, address unmet social needs, and increase access to care through managed care contracts. Although LTSS makes up 34% of all

Medicaid spending², states have been slower to adopt managed care for LTSS, with only 23 states delegating management of LTSS to MCOs.³

The alternative to MLTSS is fee-for-service LTSS. This generally means that either a state agency or a subcontractor pays LTSS providers for a Medicaid beneficiary's LTSS based on the volume of services the beneficiary receives. MCOs, on the other hand, are paid a prospective capitation (per-person) rate for the total anticipated cost of benefits the state requires the MCO to provide. Typically, fee-for-service LTSS programs also offer less care coordination support than MLTSS programs.

Improved Beneficiary and Provider Experience

MLTSS offers several perks that are not available in fee-for-service programs. Since most Medicaid beneficiaries' acute care benefits are provided by managed care organizations, MLTSS programs

allow the same entity to manage beneficiaries' acute care and long-term care benefits. This benefits beneficiaries, providers, and states.

BENEFICIARIES

MLTSS programs focus on a “whole person” approach to care, providing beneficiaries with robust care coordination and integrated care addressing the full range of their care needs. This approach creates a more seamless experience of care for beneficiaries and improves their health and well-being. It also removes the burden of care coordination across acute and long-term care systems from the beneficiary or their family. Evidence shows that MLTSS improves the beneficiary experience with the long-term care system.

- In a multi-state study designed to compare MLTSS to fee-for-service LTSS, researchers found “on average, **MLTSS enrollees had 28% higher odds of responding favorably**

to questions related to experience of care and quality of life compared to FFS beneficiaries.”⁴ Self-reported experience of care may be the single most important measure of LTSS quality, since beneficiaries receiving LTSS services have frequent interactions with their LTSS providers.

- In an interview, a mid-western disability rights organization executive indicated that a benefit of MLTSS could be increasing access to HCBS, allowing more members with intellectual and developmental disabilities (I/DD) to maintain their independence.⁵
- Seven states (Arizona, Florida, Kansas,

New Jersey, Massachusetts, Minnesota, and Tennessee) reported that their **MLTSS programs improved the physical health of consumers enrolled**. MLTSS program features such as a dedicated care coordinator, better support for family caregivers, and improved connection to the community-based services all have positive effects on consumer health and well-being.⁶

- In Kansas, the KanCare program **increased primary care physician visits for beneficiaries receiving MLTSS by 80%, decreased costly hospital stays by 29%, and decreased emergency department**

use by 7%. Non-emergency transportation also increased by 56%, suggesting KanCare beneficiaries were attending more appointments with providers.⁷

- Florida reported that in a survey it developed for its MLTSS program enrollees, **nearly 60% of respondents said their overall health improved since their enrollment, and 77% reported an improved quality of life since joining an MLTSS plan.**⁸

State MLTSS Successes

80%

increase in Kansas primary care physician visits for MLTSS beneficiaries

29%

decrease in costly hospital stays through the Kansas program

77%

of Florida MLTSS enrollees reported an improved quality of life

PROVIDERS

Beneficiaries are not the only people who benefit from managed care. LTSS providers also gain a single point of contact for care coordination and payment for their patients. Additionally, MCOs often offer technical support to LTSS providers to help them provide the best quality of care for their beneficiaries.

- According to a 2019 study in the American Journal of Managed Care, studies show that physician satisfaction with health plans is most closely associated with “patient satisfaction, adherence to chronic disease management recommendations, and quality of care.”⁹ While this is not specific to

MLTSS, long-term care providers may be similarly drawn to plans that have high member satisfaction and quality performance.

- In an interview, a mid-Atlantic long-term care provider association executive indicated that LTSS providers in that state felt that the **single point of contact for care coordination was a positive aspect of MLTSS** when the care coordinators have manageable caseloads.¹⁰

STATES

Improved quality of care benefits states for several reasons. First, states that contract with MCOs are required to hold MCOs to quality standards under each state's contract with the Centers for Medicare & Medicaid Services (CMS), and they must be able to demonstrate their compliance with these requirements. Some Medicaid waivers also have financial penalties attached to compliance with agreements around quality, and states do not want to forfeit any federal investment in their Medicaid programs.

- In a 2019 survey of twelve states transitioning to MLTSS:
 - 12 states cited **increasing care coordination** to improve quality of life and health for individuals as a motivator for switching to MLTSS.
 - 6 states cited **addressing access gaps** by decreasing or eliminating HCBS waiting lists to allow individuals to receive care in the setting of their choice as a motivator.¹¹

- The same survey indicated states' primary goals in transitioning to MLTSS included:
 - Coordination of **dual-eligibles**
 - **Inclusion of I/DD** in coordinated care delivery and access to support services
 - **Standardizing assessments**
 - Improved participant **outcomes and quality of care**
 - Increased **access to HCBS**¹²

State MLTSS Goals

12

states cited increasing coordination to improve quality of life and health

6

states cited addressing access gaps by decreasing or eliminating HCBS waiting lists

Increased Quality Oversight

Quality oversight is a key component of Medicaid managed care. All states require MCOs to monitor both quality of care and quality improvement. Most states tie incentive payments to quality metrics. States have been slower to adopt MLTSS-specific quality metrics because there was not a national measure set to adopt and apply universally. However, most states have some mechanism to measure MCO quality performance, such as beneficiary satisfaction surveys, which compare MCO performance across plans.

Until 2018, CMS had not yet developed a set of quality metrics for MLTSS. In 2018, CMS partnered with the National Center for Quality Assurance (NCQA) to develop a set of Healthcare Effectiveness Data and Information Set (HEDIS) measures specifically for MLTSS.¹³ NCQA tested eight measures and adopted four of them into HEDIS. The measures evaluate the quality of assessment, care planning, and care coordination provided by MCOs:

- LTSS Comprehensive Assessment and Update
- LTSS Comprehensive Care Plan and Update
- LTSS Shared Care Plan with Primary Care Provider
- LTSS Reassessment/Care Plan Update After Inpatient Discharge

CMS does not require states or MCOs to use these measures, but it is likely they will be adopted over time. Since the measure set was just released in 2018, there has not yet been time for MLTSS quality performance to be measured using this set.

The contents of the HEDIS measure set are instructive. Half of the measures only work when an MCO is managing both acute health care and LTSS, indicating that CMS and the NCQA see the quality improvement value of the single point of care coordination.¹⁴

State Highlights

Several of the states that delegate LTSS to managed care organizations serve as examples for successful quality improvement.

NEW JERSEY

NJ FamilyCare integrated LTSS into its Medicaid managed care program in 2014. All acute and long-term services are integrated into New Jersey's Medicaid managed care program, managed by five MCOs. This allows New Jersey MLTSS beneficiaries to receive the highest level of care coordination.

MLTSS Quality in NJ

- All five of the NJ MCOs are NCQA accredited. Two of the five NJ MCOs have earned the NCQA LTSS distinction.¹⁵
- One common goal of MLTSS is ensuring as many Medicaid beneficiaries receiving LTSS receive services in the least restrictive setting possible, generally through HCBS. As of February 2021, 67% of beneficiaries receiving MLTSS are in HCBS.¹⁶

NCQA LTSS DISTINCTION

The NCQA has also created an LTSS distinction that accredited Medicaid plans can earn. The distinction is based on five core areas of quality improvement:

- Person-Centered Care Planning
- Care Transitions
- Coordination of Services
- Critical Incident Management System
- Qualifications and Assistance for LTSS Providers

Health plans that earn this distinction have demonstrated the highest standards of quality in delivering MLTSS. Fee-for-service LTSS programs are not evaluated for quality in the same way.

TENNESSEE

TennCare integrated LTSS into its managed care program in 2010 under a 2009 CMS waiver approving the TennCare CHOICES in Long-Term Services and Supports program. This program serves older adults and individuals with physical disabilities. TennCare says of CHOICES, "This program has been recognized nationwide as an example of how giving those in need of LTSS more choice can lead to **better quality of life for members** while at the same time reducing the per person cost of care."¹⁷

In 2016, TennCare added the Employment and Community First CHOICES program (ECF CHOICES) for people with I/DD. This program is designed to facilitate employment and independent living in the community. Improved employment rates have been the main quality outcome, according to an interview with a representative of an independent state agency supporting individuals with I/DD. 26% of beneficiaries enrolled in the ECF CHOICES managed care program are employed, while only 17% of those in the fee-for-service 1915(c) waiver program are employed.¹⁸

MLTSS Quality in TN

- The number of individuals receiving HCBS on the last day of 2018 was 151% higher than the number of individuals receiving HCBS the day before CHOICES was implemented, suggesting that the transition to managed care led to rebalancing.¹⁹
- By the conclusion of 2018, the CHOICES ECF program enrollment grew by 17% over the enrollment total from the previous year, suggesting that the program continues to be popular with beneficiaries.²⁰
- All three Medicaid MCOs operating in Tennessee are NCQA accredited, indicating they have met or exceeded the nationwide industry standards for health plan quality. All three MCOs also have the LTSS distinction.²¹ As noted above, health plans that earn this distinction have demonstrated the highest standards of quality in delivering MLTSS.
- Consumer satisfaction with TennCare has exceeded 90% since 2011, with a rating above 94% in 2019.²²

VIRGINIA

Virginia launched its statewide MLTSS program, Commonwealth Coordinated Care (CCC) Plus, in August 2017, implementing the program statewide by January 2018. The program operates under a 1915(b) waiver authority and contracts with six MCOs.

MLTSS Quality in VA

- All six of Virginia's MCOs are NCQA accredited. Five of the six have earned the LTSS distinction.²³ Health plans that earn this distinction have demonstrated the highest standards of quality in delivering MLTSS.
- In a 2019 survey of CCC Plus beneficiaries, 90% were satisfied with the services provided by their health plan, including 40% who were very satisfied and 50% who were satisfied.²⁴
- Care coordination is a central feature of MLTSS. In the same survey of CCC Plus beneficiaries, 72% of beneficiaries would recommend their care coordinator to a family member or friend and 77% rate the help that they received from their care coordinator as excellent, very good, or good.²⁵

State MLTSS Facts

67%

of New Jersey Medicaid beneficiaries receiving MLTSS are enrolled in HCBS

72%

of Virginia MLTSS beneficiaries would recommend their care coordinator to a family member or friend

26%

of Tennessee Medicaid beneficiaries enrolled in the ECF CHOICES managed care program are employed

Medicaid MLTSS programs offer states increased budget predictability and critical strategies to manage costs.

MLTSS programs can improve budget predictability for states because they are paid a fixed monthly capitation rate for all covered services. MLTSS strategies to manage costs includes rebalancing LTSS spending to provide more HCBS, managing service utilization, and using care coordination to avoid unnecessary inpatient or institutional placements.

- Seven states (Florida, Iowa, Massachusetts, New Jersey, New Mexico, Rhode Island, and Tennessee) reported that their MLTSS programs were helping to reduce the rate of growth in Medicaid expenditures.²⁶
- In Florida, the MLTSS program met five percent savings targets established by the legislature during the first three-month period of statewide implementation in 2013 and 2014.²⁷

Endnotes

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