

Managed Care and the Aging Network in Washington State



**HEALTH REFORM AND AREA AGENCIES ON
AGING**



Setting the Stage

- **Medicaid**
- **AAA**
- **Managed Care**
- **WA St. Healthcare evolution**
- **Arizona experience**
- **Emerging Role of the AAA**

Medicaid



- ▶ Created by the Social Security Amendments of 1965
- ▶ Added Title XIX.
- ▶ Each State administers its own program
 - ▶ Centers for Medicare and Medicaid (CMS) oversees and monitors
- ▶ Washington State Medicaid administered by Health Care Authority.

Area Agencies On Aging



- Congress passed the Older Americans Act (OAA) in 1965
- Created a national network of 56 State agencies on aging, 629 area agencies on aging, nearly 20,000 service providers, 244 Tribal organizations, and 2 Native Hawaiian organizations representing 400 Tribes.
- 13 AAA's exist in Washington

Managed Care



- **Managed Care Organizations (MCOs)** – like HMOs, these companies agree to provide most Medicaid benefits to people in exchange for a monthly payment from the state.
- **Limited benefit plans** – these companies may look like HMOs but only provide one or two Medicaid benefits (like mental health or dental services).
- **Primary Care Case Managers** – these individual providers (or groups of providers) agree to act as an individual's primary care provider, and receive a small monthly payment for helping to coordinate referrals and other medical services.

The Washington State Healthcare Evolution



- **1854** *Origins of Public Mental Health Care*
 - *The first session of the territorial legislature adopted a poor law that contained a provision for care of the “insane”.*
- **1870** *Western State Hospital*
 - *The territorial legislature purchased the abandoned military buildings at Steilacoom for use as an “insane asylum”. By the mid 1870s mental health care was the largest single item in the territorial budget.*
- **1935** *Social Security Act*
 - *Congress enacted the foundation for social insurance in the United States. achieve health and economic security.*
- **1945** *Geriatric Mental Health*
 - *A geriatric problem was identified at Western State Hospital as increasing cases of “senile psychosis.”*
- **1951** *Nursing Home Licensure*
 - *The public out-cry for improved services and monitoring resulted in the enactment of nursing home licensure laws.*
- **1965** *Medicare and Medicaid*
 - *Congress created the Medicare and Medicaid programs to improve health care access for the elderly and the poor.*
- **1966** *State Office on Aging Founded*
 - *Funding from the Older Americans Act.*
- **1972** *Supplemental Security Income Program Established (SSI)*
 - *The SSI program was a significant benefit improvement for persons whose Social Security income was very low and also provided an automatic categorical eligibility for Medicaid health and long-term care benefits.*
- **1973** *Area Agencies on Aging Established*
 - *The State Office on Aging designated thirteen Area Agencies on Aging.*
- **1975** *Community-based care project*
 - *This federally-funded research and demonstration project proved that nursing home utilization could be reduced through a program of assessment and service coordination on behalf of functionally disabled adults and low income aged at high risk of nursing home placement.*
- **1978** *Bureau of Community and Residential Care Created (BCRC)*
 - *The department established BCRC to consolidate management responsibility for home and community-based services designed for disabled and older adults.*

The Washington State Healthcare Evolution



- **1984 DSHS Long-Term Care Policy**
 - DSHS adopts Long-Term Care Policy recommended by the LTCPCG. Policy calls for expansion of home and community-based care in conjunction with reduced emphasis on nursing homes.
- **1986 Creation of Aging & Adult Services Administration (AASA)**
 - Activities formerly performed by the Bureau of Aging and Adult Services and Bureau of Nursing Home Affairs are combined into the Aging and Adult Services Administration.
- **1989 Significant Legislative Developments**
 - *Title XIX Personal Care approved*
 - *Statewide Respite Program enacted*
 - *Mental Health decentralization mandated (RSN system)*
 - *Prenatal and infant care funded*
 - *In-patient skilled nursing care mandated for medically fragile children*
 - *Long-term Care Commission established*
 - *Department of Health created*
- **1992 Healthy Options begins in Spokane County**
 - Under a 1915B waiver. It would expand statewide the following year, but not become an official program under a State Plan Amendment until 2002.
- **1993 Clinton Health Reform Includes New LTC Program**
 - *President Clinton delivered to Congress a comprehensive health reform plan, which included a new LTC benefit for functionally disabled persons of all ages and income levels. The plan also included a study of integrated acute and LTC.*
- **1995 State Health Reform Law Revised**
 - The legislature made substantial changes to the 1993 health reform law. Without federal action on ERISA it was impossible to mandate universal coverage and the uniform benefits package. Medicaid and Basic Health Plan were expanded and insurance reforms were adopted.

The Washington State Healthcare Evolution



- **1995 State Health Reform Law Revised**
 - Washington state legislature enacted E2SHB 1908 to increase the number of cost-effective long-term care options for persons enrolled in Medicaid and other programs in which the state participates in the cost of care to include; include adult family homes, and other alternatives to nursing homes, such as assisted living
- **1996 Kennedy-Kassebaum Health Insurance Reform (HIPAA)**
 - *Twenty-five million Americans will be free of pre-existing conditions barriers to health insurance and will be more able to change jobs without worrying they will lose access to insurance. The Act provides no help for those who cannot afford insurance. The Act does include tax preferences for LTC insurance for both employers and employees. The law's formal name is Health Insurance Portability and Accountability Act (HIPAA).*
- **1996 Healthy Options SSI**
 - *The state-managed Medicaid program, called Healthy Options has transitioned 400,000 AFDC families into managed health care plans with reliable access to primary health care.*
- **1997 AARP Initiative on Managed Care Consumer Protection**
 - AARP acknowledged the momentum behind managed care and began a nationwide effort to enact consumer protection legislation for seniors enrolling in organized health care plans. In Washington, the bill is S 5883.
- **1998 WA State Legislature issued the 1:100 CM to client ratio**
- **1999 SHB 1546 which increased responsibilities and accountability of in-home care workers, distribution of the care plan mandates, provided language to support case managers in terminating payment to IP(s) who place clients at risk**
- **1999 WA State Legislature issued the 1:85 CM client ratio and also passed Self-Directed Care which allowed for in-home care clients to self-direct their care to include skilled nursing tasks**
- **2000 WA State Legislature passed State Family Caregiver Support Program**

The Washington State Healthcare Evolution



- **2001 MMIP Partially Successful, Phase II Put on Hold**
 - MMIP was not able to implement a pilot project to integrate health care for dual eligible seniors at Group Health Cooperative. This previously planned project was put on hold as a result of “market chaos” in both Medicaid and Medicare+Choice.
- **2003 Washington State implemented the automated assessment and CARE went statewide, providing a uniform assessment in LTSS. Chore was eliminated**
- **2002 DSHS Launches Washington Medicaid Integration Project**
 - An RFI was sponsored in August to identify health plans and provider networks interested in delivering medical, LTC and MH services on an integrated basis.
 - Secretary Braddock mandated the merger of Aging & Adult Services Administration and the HRSA Division of Developmental Disabilities.
 - State adopts State Plan Amendment establishing Healthy Options program – although the program actually began in early 1990s under a 1915 B waiver.
- **2005 Medicaid Integration Partnership**
 - Managed care model integrating medical and chemical dependency services
- **2006 Long Term Care Services**
 - Molina operating in Snohomish County only
- **2008 The Training Initiative 1029 passed, which calls for intrastate criminal history background checks and an additional 80 hours of initial training and 12 hours of CE. The legislature suspended it, but the same initiative passed again in 2010.**
- **2012 Healthy Options**
 - New contract begins with expiration date of December 2013
 - Includes Health Home requirement
- **2012 Duals Proposal**
 - WA State submits proposal to CMS to create a program to combine Medicaid/Medicare dually eligible high risk individuals
 - Goal is to produce a shared savings between Health Plan, State and CMS
 - Counties have legislative authority on which strategy to implement
 - 36 of 39 counties to implement Strategy 1; King, Snohomish, Whatcom exploring Strategy 2

How we rank - 2011



- **47**

- HMO's licensed in Washington State

- **1.3 million**

- Total enrollment

- **Penetration rate**

- 19.4%

- **13**

- US ranking for # of licensed HMO's

- **15**

- US ranking of total enrollment

- **20**

- US ranking of penetration rate

The Affordable Care Act

Signed into law March 23 2010



2010

- Putting Information for Consumers Online
- Prohibiting Denying Coverage of Children Based on Pre-Existing Conditions.
- Prohibiting Insurance Companies from Rescinding Coverage.
- Eliminating Lifetime Limits on Insurance Coverage.
- Providing Small Business Health Insurance Tax Credits.
- Offering Relief for 4 Million Seniors Who Hit the Medicare Prescription Drug “Donut Hole.”
- Providing Access to Insurance for Uninsured Americans with Pre-Existing Conditions.
- Extending Coverage for Young Adults.
- Increasing Payments for Rural Health Care Providers.

2011

- Offering Prescription Drug Discounts.
- Providing Free Preventive Care for Seniors.
- Improving Care for Seniors After They Leave the Hospital with The Care Transitions Program
- Increasing Access to Services at Home and in the Community through The Community First Choice Program
- Addressing Overpayments to Big Insurance Companies and Strengthening Medicare Advantage.

2012

- Linking Payment to Quality Outcomes.
- Encouraging Integrated Health Systems. The new law provides incentives for physicians to join together to form “Accountable Care Organizations.”

2013

- Improving Preventive Health Coverage.
- Expanding Authority to Bundle Payments.
- Increasing Medicaid Payments for Primary Care Doctors.

2014

- Prohibiting Discrimination Due to Pre-Existing Conditions or Gender.
- Eliminating Annual Limits on Insurance Coverage.
- Tax credits to make it easier for the middle class to afford insurance will become available for people with income between 100% and 400% of the poverty line who are not eligible for other affordable coverage.
- Establishing Affordable Insurance Exchanges.
- Americans who earn less than 133% of the poverty level (approximately \$14,000 for an individual and \$29,000 for a family of four) will be eligible to enroll in Medicaid.

2015

- Paying Physicians Based on Value Not Volume.

Arizona Managed Care



- **1982 – Arizona is the last state to join Medicaid**
 - Arizona Healthcare Cost Containment System (AHCCCS)
 - Prepaid capitated care vs. fee for service
 - Covered acute care only
- **1989 – Arizona Long Term Care System (ALTCS) created**
 - Managed care enters market in AZ
 - Four of 15 counties administer LTC
- **1990 – AHCCCS phases in mental health services**
 - Four RBHA's current – two MCO, two non-profit – new RFP in 2013
- **1997 – Rescinded County Right of First Refusal**
- **2010 – Pima County can no longer afford to administer LTC**
- **2011 – County LTC programs cannot compete in new RFP - \$\$**
- **ALTCS all MCO**
 - Aetna – Mercy Care
 - Centene - Bridgeway
 - SCAN* - enrollment capped
 - United Healthcare – Evercare
- **Yavapai County Long Term Care (YCLTC)**
 - 2010 – 2011 Net earnings \$3.8 mil
 - 2009 Presented cost savings to Governor
 - 2009 Asked to participate in HCBS best practices forum with CHCS
 - 2008 member survey
 - 2007 - 2011 Lowest pended encounter rate
 - 2007 – 2011 Reduced admin expense from 8.2% to 6.4% - without a RIF

AAA in AZ



- **Close relationship with county administered LTC**
 - Cochise*
 - Pima
 - Pinal/Gila*
 - Yavapai*
- **County LTC* shared capacity building and planning resources**
 - Served on Advisory Council
 - Partnered in regional outreach activities
- **Heavy reliance in volunteers**
 - Transportation
 - Meals
 - Companionship

Role of the AAA



- **Chronic Care Management**
- **Care Transitions**
- **Duals**
 - **Strategy One**
 - **Strategy Two**
- **System Building**
- **Collaborate with caution**
- **Explore all private pay options**
- **Continue to lead Washington State with Long Term Services and Supports**
- **Continue to advocate for seniors and adults with functional disabilities**

Helpful Links



Kaiser Foundation

<http://healthreform.kff.org/en/the-basics.aspx>

Federal government website on the newly enacted Affordable Care Act

<http://www.healthcare.gov/>

Centers for Health Care Strategies

<http://www.chcs.org>

Centers for Medicare/Medicaid Innovations

<http://www.innovations.cms.gov/>

Washington State Health Care Authority

<http://hrsa.dshs.wa.gov/healthyoptions/index.html>

Washington State Aging and Disability Services Administration

<http://www.adsa.dshs.wa.gov/>

THANK YOU!!!

(FOR STAYING AWAKE)



Jesse Eller

Director

**Aging and Disability Services Division/Seattle-King County Area Agency on Aging
City of Seattle Human Services Department**

Jesse.eller@seattle.gov

206-684-0104

<http://www.agingkingcounty.org/>

