

# LONG-TERM CARE'S TRANSITION TO MEDI-CAL MANAGED CARE

Paul Garcia & Stephanie Gross | November 15, 2021



Los Angeles | San Francisco | San Diego | Washington D.C. | Boston

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## Background

- Medi-Cal has significantly changed in the last 10-years
  - Optional Expansion
  - New Programs and Initiatives
- Medi-Cal has also become more complicated, e.g., there are multiple delivery systems:
  - Managed care
  - FFS
  - Mental Health
  - SUDS
  - Dental
  - IHSS

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## Background

- Waiver demonstrations and Initiatives:
  - Whole Person Care
  - Health Homes
  - Coordinated Care Initiative
- Multiple Waivers Requiring Renewal
  - Medi-Cal 2020 (Section 1115)
  - Specialty Mental Health Waiver (Section 1915(b))
  - Home and Community Based Services Waiver (Section 1915(c))

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## California Advancing and Innovating Medi-Cal (CalAIM)

- Original release October 2019 w/ January 2021 implementation date
- Delay due to COVID-19
- Revised release January 2021 w/ January 2022 implementation date



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### Cal-AIM Goals:

1. Identify and manage member risk and need through whole person care approaches and addressing social determinants of health;
2. Move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility; and
3. Improve quality outcomes . . . drive delivery system transformation through value-based initiatives, modernization of systems and payment reform.

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## Goal 2: Reducing Complexity

- Standardize the Managed Care Enrollment - all non-duals by January 2022 and duals by January 2023
- Standardize Managed Care Benefits – same benefits package across plans by 2023
- Transition to MLTSS
  - Discontinue Cal MediConnect the end of 2022
  - Integrate Long-Term Care into managed care
  - Transition Cal MediConnect plans to D-SNPs.

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## Goal 2: Reducing Complexity

- Managed Care Timeline:
  - **January 2022:** CCI proceeds as today, except that the Multipurpose Senior Services Programs benefit would be carved out of managed care. DHCS will also implement voluntary in lieu of services at this time.
  - **January 2023:**
    - Full transition to mandatory enrollment of duals into managed care.
    - All dual and non-dual FFS Medi-Cal beneficiaries residing in a LTC facility will be enrolled in a managed care
    - CCI counties will be required to operate Medicare D-SNPs to transition the Cal MediConnect demonstration to a permanent, ongoing federal authority and to coordinate members' Medi-Cal and Medicare benefits.

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## Integrated managed long-term services and supports (MLTSS)

- Goal - Integrated MLSS by 2027 to:
  - Improved Care Integration;
  - Person-Centered Care;
  - Leverage California's Robust Array of Home-and Community-Based Services;
  - Build on Lessons and Success of Cal MediConnect (CMC) and Coordinated Care Initiative (CCI); and
  - Support Governor's Master Plan for Aging

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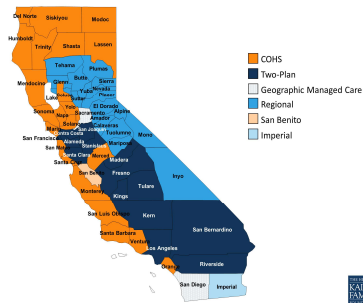
- Current Long Term Care Coverage under Medi-Cal Managed Care:

- Currently full benefit in county operated health systems (COHS) and/or CCI\* counties
- In non-COHS/non-CCI counties Medi-Cal managed care plans are responsible for the month of admission + 1 month

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**Figure 1**

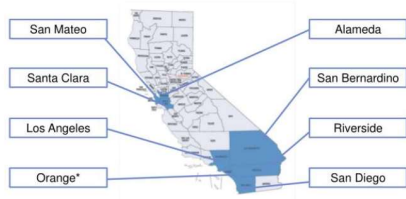
### Medi-Cal Managed Care Models, by County



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## CCI Counties

## The Coordinated Care Initiative: Where



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## Proposed LTC Carve In

- Skilled nursing facilities
- Subacute & Pediatric subacute facilities
- Intermediate care facilities
  - ICF/DD (Developmentally Disabled)
  - ICF/DDH (Habilitative)
  - ICF/DDN (Nursing)
  - Specialized rehabilitative services in skilled nursing facilities and ICFs

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## Proposed LTC Carve In: Timeline

- 1/1/2021:
  - Enrollment - Mandatory Medi-Cal managed care enrollment for non-duals.
- 1/1/2023:
  - Enrollment - Mandatory Medi-Cal managed care enrollment for duals. This includes LTC residents previously in FFS Medi-Cal.
  - LTC Carve-In – long-term care services carved in for MCPs statewide
- 1/1/27: statewide Managed LTSS for all enrollees

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## LTC Carve-in: Timeline

Managed Care Enrollment											
Aid Code Group Coverage											
Aid Code Group	Aid Codes <sup>a</sup>	Non-Dual Dual <sup>b</sup>	Current			2022			2023		
			Mandatory	Voluntary	Excluded from Enrollment	Mandatory	Voluntary	Excluded from Enrollment	Mandatory	Voluntary	Excluded from Enrollment
Long Term Care (includes LTC SOC)	13, 23, 53, 63	Non-Dual	COHS, CCI	N/A	All Other Models	COHS, CCI	N/A	All Other Models	All Models	N/A	N/A
Long Term Care (includes LTC SOC)	13, 23, 53, 63	Dual	COHS, CCI	All Other Models	N/A	COHS, CCI	All Other Models	N/A	All Models	N/A	N/A

Source: On October 29, 2019, DHCS released the detailed Medi-Cal Healthier California for All proposal, p. 169 – 170.

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## Other LTC Proposals

- CMC transition to Aligned Enrollment (D-SNPs and MCPs)
  - Aligned Enrollment: Dual eligible enrolled in “aligned” D-SNP and MCP operated by same organization
  - D-SNPs to enroll new members who are in aligned MCP (only)

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## Other LTC Proposals (cont’d)

- Beneficiaries already in a non-aligned D-SNP when aligned enrollment is effective may stay; no new enrollment into non-aligned D-SNP
- Other Enrollment
  - Voluntary
  - Default
  - Crosswalk

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## Takeaways

- IMPACT
  - MCPs will be subject to access, and other requirements
  - LTCs will need to contract with MCPs
  - MCPs to demonstrate readiness for transition

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## More context for the changes ahead: Other elements of CalAIM

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## Enhanced Care Management under CalAIM

### Populations of Focus (Adult)

Individuals and Families Experiencing Homelessness

Adult High Utilizers

Adult SMI/SUD

Individuals Transitioning from Incarceration

Individuals at Risk for Institutionalization and Eligible for Long-Term Care Services

Nursing Facility Residents Who Want to Transition to the Community

<sup>1</sup> CalAIM proposal: <https://www.dhcs.ca.gov/provgovpart/Documents/CalAIM-Proposal-Updated-1-8-21.pdf>

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## Population Health Management Expectations for MCOs

### 8. Skilled Nursing Facility Coordination

The Medi-Cal managed care plan shall coordinate with hospital or other acute care facility discharge planners and nursing facility case managers or social workers to ensure a smooth transition to or from a skilled nursing facility or nursing facility. The Medi-Cal managed care plan shall coordinate with the facility to provide case management and transitional care services and ensure coverage of all medically necessary services not included in the negotiated daily rate. This includes, but is not limited to, prescription medications, durable medical equipment, intravenous medications, and any other medically necessary service or product.

- If the Medi-Cal managed care plan, in coordination with the nursing facility or skilled nursing facility, anticipates the member will be in the facility after a member no longer meets criteria for medically necessary skilled nursing care or rehabilitative care, the Medi-Cal managed care plan shall assist the member in exploring all available care options. This includes potential discharge to a home or community residential setting, or to remain in the skilled nursing facility for long-term services and supports.

- If the member is discharged to a home or to a community residential setting, the Medi-Cal managed care plan shall coordinate with the facility to ensure the member is in a safe location. The plan shall ensure medically necessary services are available including, but not limited to, home health services, durable medical equipment and supplies, outpatient rehabilitation services, and any other services necessary to facilitate the member's recovery. The Medi-Cal managed care plan shall also ensure follow-up care is provided consistent with the transitional service requirements listed above.

<sup>1</sup> CalAIM proposal: <https://www.dhcs.ca.gov/provgovpart/Documents/CalAIM-Proposal-Updated-1-8-21.pdf>

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## In Lieu of services (ILOS)

- Under 42 CFR 438.3, Medicaid MCOs can offer “in lieu of services or settings” if “the State determines that the alternative service or setting is a medically appropriate and cost effective substitute for the covered service or setting under the State plan.”



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## In Lieu of services (ILOS)

- Medi-Cal managed care plans may offer ILOS to their enrollees:
  - “These services are provided as a substitute to, or to avoid, other covered services, such as a hospital or skilled nursing facility admission or a discharge delay. [ILOS] would be integrated with care management for members at high levels of risk and may fill gaps in state plan benefits to address medical or social determinants of health.”

Starting on January 1, 2022, DHCS will pre-approve the following ILOS:<sup>5</sup>

- Housing Transition Navigation Services
- Housing Deposits
- Housing Tenancy and Sustaining Services
- Short-Term Post-Hospitalization Housing
- Reoperative Care (Medical Respite)
- Respite Services
- Day Habilitation Programs
- Nursing Facility Transition/Diversion to Assisted Living Facilities, such as Residential Care Facilities for the Elderly (RCFE) and Adult Residential Facilities (ARF); Community Transition Services/Nursing Facility Transition to a Home
- Personal Care and Homemaker Services
- Environmental Accessibility Adaptations (Home Modifications)
- Meals/Medically Tailored Meals
- Sobering Centers
- Asthma Remediation

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## MCO contracting, for your first time or hundredth: How will CalAim change things?

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## Contracting Landscape

- Balancing market power with the need for an adequate network
  - Can the plan afford to contract on a take-it-or-leave-it basis?
- Trend towards value-based reimbursement

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## Contracting Basics

- Get all the documents and keep track of amendments
  - Provider manual and fee schedules are often incorporated by reference.
- Defined terms are key.
- Redundancy breeds confusion, and reference to compliance with law will often be enough.

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## Creeping Regulatory Requirements

- Plans may try to give themselves the same rights the government has, such as –
  - Audit rights
  - Imposing penalties
  - Requiring identification of overpayments & recouping them
- These provisions may not be required by law, and plans may use them to double-dip.

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## Compensation & Other Terms

- Compensation
  - If based on Medicare or Medi-Cal rates, use clear references and account for “reductions” imposed by the government payor
- Deadlines to pay & contest claims
- Reps & warranties should be reciprocal
- Dispute resolution

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## QUESTIONS?



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