Florida Medicaid
Managed Long-Term Care Program
Care Setting Transition Analysis Summary

Report to the Florida Legislature
November 2018
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Purpose of Report

Per section 409.983(5), Florida Statutes (F.S.), the Agency for Health Care Administration (Agency) shall annually report to the Legislature the actual change in the utilization mix of home and community-based services compared to institutional placements in the Statewide Medicaid Managed Care Long-Term Care program and provide a recommendation for utilization mix requirements for future contracts. This report includes data for the period September 2014 through June 2018.

Background

Statewide Medicaid Managed Care Long-Term Care

The Agency began rolling out the Long-Term Care (LTC) component of the Statewide Medicaid Managed Care program on a regional basis in 2013. Individuals first received services through the new program August 1, 2013, and the last group of individuals began receiving services March 1, 2014. Since 2014, Medicaid LTC enrollees have entered the program at an average of approximately 2,500 per month, and by the end of June 2018, there were more than 101,500 Medicaid enrollees in LTC plans. This represents 23 percent growth from the first year of the program.

The Statewide Medicaid Managed Care Long-term Care program (LTC) provides long-term care services to Medicaid-eligible elders and younger adults with disabilities who meet nursing facility level of care. The majority of enrollees are elders, and the average age of a LTC program enrollee is 77 years of age. Long-Term Care enrollees can receive nursing facility services or home and community-based long-term care services, like home delivered meals and help with eating, bathing, and dressing. All LTC enrollees receive case management and person-centered care planning.

The Long-Term Care program is designed to delay or prevent institutionalization in a nursing facility and allow waiver recipients to maintain stable health while receiving services at home and in the community. Community-based settings include a person's own home, a family member's home, or an adult family care home or assisted living facility. If an individual needs nursing facility care, the program provides it while also ensuring that, if appropriate and desired by the individual, a case manager helps the person to move back to a community setting when he or she is ready.

Individuals are required to be enrolled in the Long-Term Care program if they are:

- 65 years of age or older AND need nursing facility level of care
- 18 years of age or older AND are eligible for Medicaid by reason of disability AND need nursing facility level of care
- In hospice
- In nursing facility care

The minimum covered services in LTC include:

- Adult companion care
- Adult day health care
- Assisted living
- Assistive care services
- Attendant nursing care
- Behavioral management
- Care coordination/Case management
- Caregiver training
- Home accessibility adaptation
- Home-delivered meals
- Homemaker
- Hospice
- Intermittent and skilled nursing
- Medical equipment and supplies
- Medication administration
- Medication management
- Nursing facility
- Nutritional assessment/risk reduction
- Personal care
- Personal emergency response system
Respite care
Therapies: occupational, physical, respiratory and speech
Transportation, Non-emergency

Transitioning to Community-Based Care
When the LTC program first launched, more than half, approximately 56 percent, of all LTC enrollees were living in a skilled nursing facility (SNF) and 44 percent were receiving home and community-based services (HCBS). From the outset, one of the chief goals of the LTC program was to transition LTC enrollees from facility-based care to community-based care. Transitioning individuals from a SNF to a community-based environment results in a higher quality of life for the enrollee. In addition to benefitting the enrollee, transitions from a higher cost SNF environment to a lower cost HCBS environment have resulted in more enrollees receiving LTC services at a lower per-member-per-month cost to Florida Medicaid.

When the Legislature designed the Statewide Medicaid Managed Care program, it included in Florida Statutes an incentive to encourage the transitions from nursing facility to community-based care. The incentive is in the form of a mandatory adjustment to the monthly, all-inclusive capitation rates that the Agency pays the LTC plans for each LTC enrollee. These rate adjustments target a rate of transition from nursing facility to community of two to three percent per year. The statute requires this rate incentive to continue until no more than 35 percent of a plan’s enrollees are residing in nursing facilities. As the following data and analyses show, this incentive has led to a significant, positive shift in the proportion of individuals receiving nursing facility versus home and community-based services. The analyses in the next section cover the period September 2014 to June 2018. September 2014 marks the end of the first rate year of the program.
Incentives Drive Significant Shift Towards Community-Based Care

In total, the LTC program has been growing, with membership up 23% since September 2014. From September of 2014 through June 2018, new enrollees have entered the LTC program at an average rate of 2,500 per month. Of these individuals, about 45% are living in HCBS settings when they enter the program and the other 55% began their enrollment residing in a skilled nursing facility (SNF).

At the end of the first LTC program rate year, in September 2014, the percentage of Medicaid enrollees receiving services in the SNF and HCBS settings was 56%/44% respectively. Since this time, significant strides have been made to rebalance this proportion toward the HCBS setting. As of June 2018, the percentages of enrollees in each care setting have shifted to 43% in SNF and 57% in HCBS settings.

Florida Medicaid - LTC Program Enrollment Percentage by Location
Skilled Nursing Facility (SNF) / Home and Community Based Services (HCBS)
Transitions to HCBS Lower Costs

Transition Incentives Encourage Plans to Choose Cost-Effective Care Settings

Transitioning from a SNF to a HCBS setting results in a higher quality of life for the enrollee at a lower per-member cost to health care providers. In addition to benefitting the enrollee, transitions from a higher cost SNF environment to a lower cost HCBS environment have resulted in more enrollees receiving LTC services at a lower per-member-per-month cost to Florida Medicaid.

In order to produce a comparable per-member monthly cost for each year, fee-for-service costs for services rendered in the period prior to the LTC program (July 2010 through July 2013) were selected to mirror the capitated services provided by the LTC program. The chart shows that as home and community-based services become a more common alternative to nursing facility care, the average per month cost of caring for a person in LTC decreases.
Transitions in Location are Common

Transition Incentives Encourage Plans to Seek the Best Location for Enrollees

Since the beginning of the LTC program, 139,994 enrollees have received skilled nursing facility services through the LTC program. Of these 139,994 enrollees, 32,215 have at some point transitioned to a HCBS environment after being in a SNF, which means 23% of all nursing facility enrollees have made a transition to HCBS at some point during their LTC program enrollment.

LTC plans are financially incentivized to transition a percentage of their enrollees to a HCBS environment over the course of each rate year. To measure the effect of this incentive, a census of enrollee location is performed yearly and compared with the previous year. As the chart below describes, the year-to-year rate of transition from SNF to HCBS has generally increased since the program rollout year:
Enrollees Can Transition to HCBS after Months in a SNF

In Addition to Being Frequent, Transitions Can Occur after Lengthy SNF Stays

There have been 18,829 (out of 32,215 total) transitions from SNF to HCBS where the enrollee continued in HCBS throughout the remainder of their enrollment in the LTC program. This means that 18,829 of 32,215, or 58% of all HCBS transitions resulted in the enrollee staying in an HCBS environment. As the table and chart below describe, 82% of these successful transitions to HCBS occurred after the enrollee had been in the program for longer than 2 months.
Transitions to HCBS that occurred after a LTC enrollee had been in the program for more than 60 days. Sum of Cumulative Percent for each SNF >> HCBS Transition. X Axis is Time in Months. The marks are labeled by sum of Transition Count.

Conclusions

- Statewide Medicaid Managed Care Long-Term Care plans are moving enrollees to lower cost, home and community-based settings as a result of the LTC program design, monitoring of quality/performance measures, and financially based transition incentives.
- Enrollees in the LTC program change care environments fairly often. Transitions to HCBS were observed to continue well beyond the first 60 days of a person’s stay in a skilled nursing facility.