Balancing LTC: Can More Home and Community-Based Support Save Money While Improving Care?

Dual Eligibles in Maryland

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Preview of Presentation

- Overview of Project
- Results
- Selected Policy Implications

Overview of Project

The overall project goals

- Look at cross-payer effects for dual eligibles in Maryland
- One subgroup analysis: Look at the cross-payer effects for dual eligibles who meet nursing facility level of care (NF LOC), both in the community and in institutions
- The major non-Developmental Disabilities HCBS waiver in Maryland is the Older Adults Waiver (OAW)
- The OAW recipients were compared to matched individuals in the community and in LT-NFs

Propensity score matching was done for the comparisons

- The “treatment” was receipt of HCBS waiver services in the OAW. The potential treatment group: 12-month continuously enrolled dual eligibles aged 50+ who were enrolled in the OAW the entire year (2006) (n=1,759)

- Potential controls (community): 12-month continuously enrolled dual eligibles aged 50+ who did not receive Medicaid long-term supports and services in 2006 (n=19,095)

- Potential controls (LT-NF): 12-month continuously enrolled dual eligibles aged 50+ who had ≥ 30 days of Medicaid-paid NF care just prior to January 1, 2006, and had NF care ≥ 10 months of 2006 (n=6,336)

Propensity score matching covariates utilized

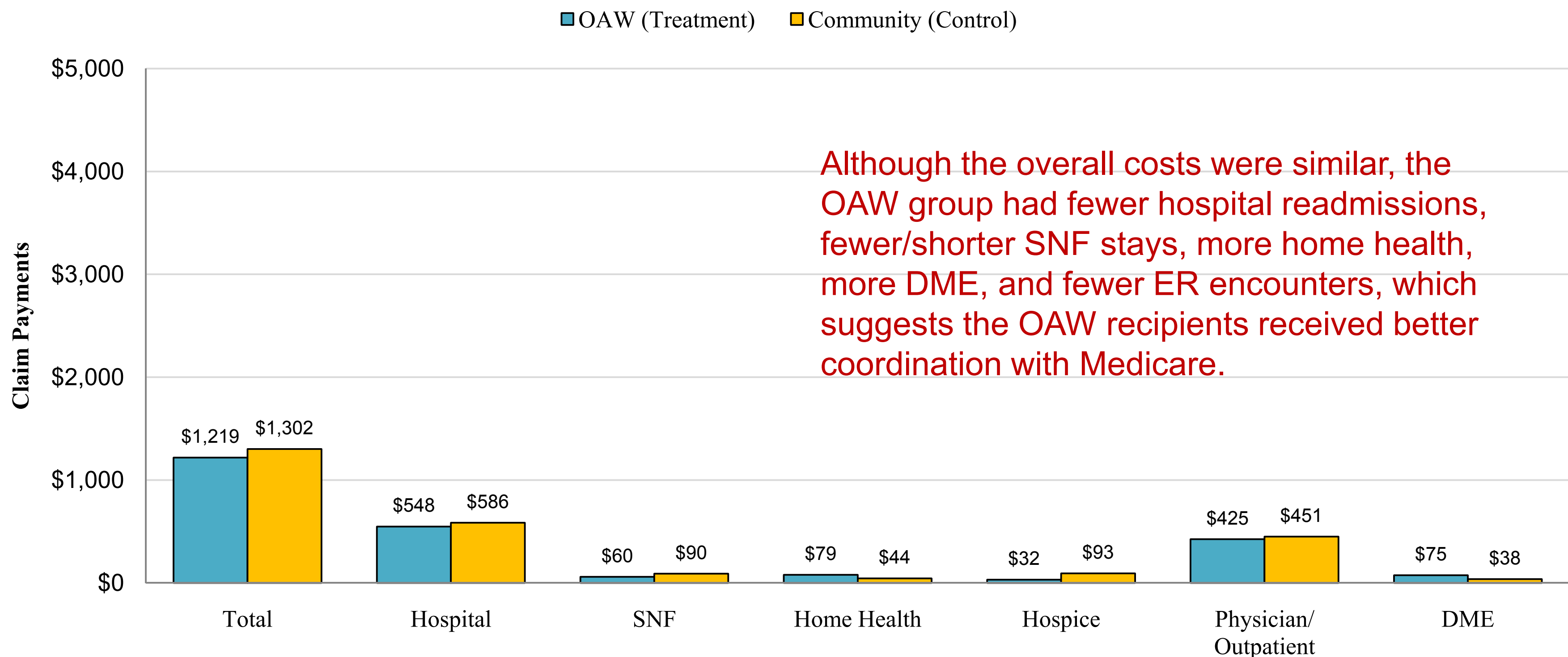
- Covariates included in propensity score estimation
  - Age
  - Gender
  - Race
  - CMS-HCC relative value
  - 20 Chronic Condition Warehouse condition indicators
  - Disability as reason for original Medicare entitlement indicator
  - Frailty indicator (diagnostic-based, Hopkins ACG system)
  - ESRD indicator
  - Months of full Medicaid coverage

Outcome of propensity score matching

- Of the potential treatment group in the OAW (n=1,759):
  - *1,440 matches were found among the potential community control group* population of 19,095, so the sub-group analysis proceeded with the 1,440 OAW recipients and the 1,440 individuals in the community control group with whom they "matched"
  - *1,731 matches were found among the potential LT-NF control group* population of 6,336, so the sub-group analysis proceeded with the 1,731 OAW recipients and the 1,731 in the LT-NF control group with whom they "matched"

Results

Medicare payments were nearly identical for OAW recipients and the community control group . . .



Source: Tucker, A., & Johnson, K. (2010). *Cross-Payer Effects on Medicare Resource Use: Lessons for Medicaid Administrators*. Baltimore, MD: The Hilltop Institute.

Notes: Maryland OAW (treatment) and community (control) samples of 1,440 full-benefit duals aged 50 and older, enrolled for 12 months (with no group health coverage) in 2006.

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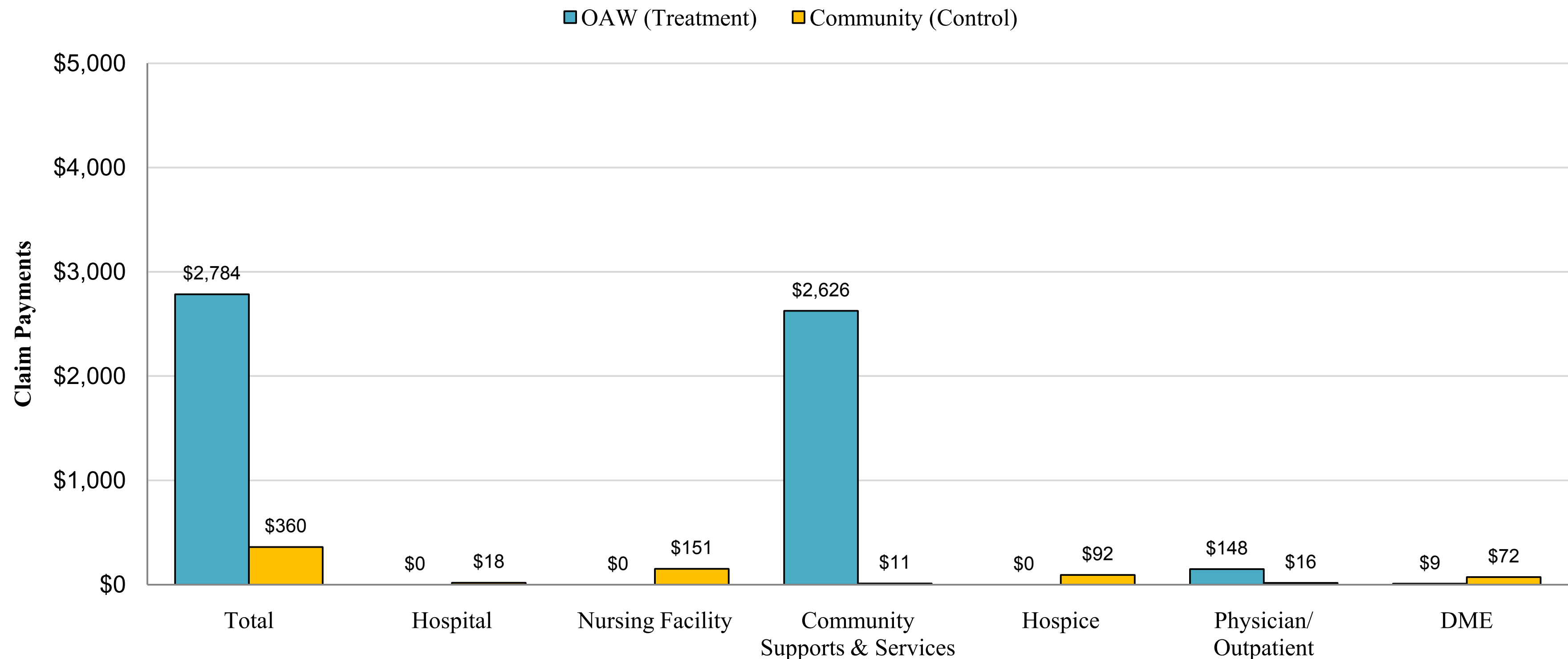
. . . while Medicaid payments were far higher for the OAW recipients than the community control group . . .



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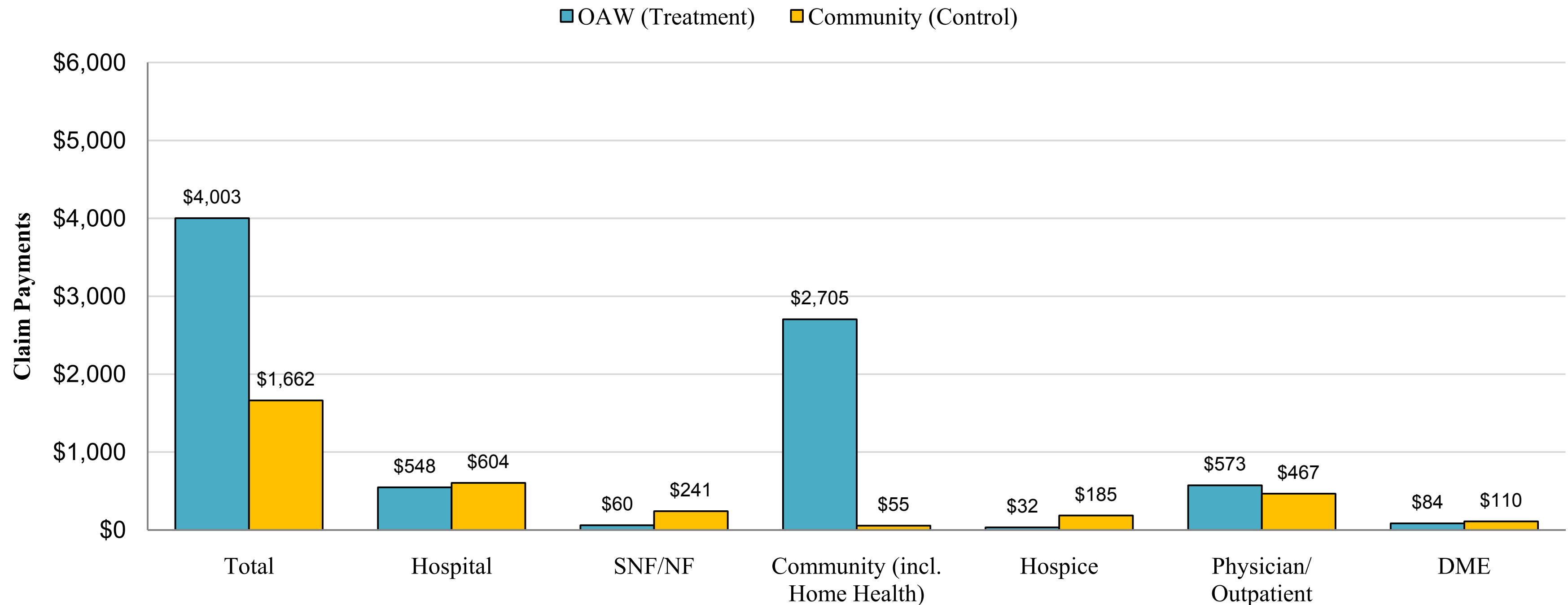
Notes: Maryland OAW (treatment) and community (control) samples of 1,440 full-benefit duals aged 50 and older, enrolled for 12 months (with no group health coverage) in 2006. Medicare crossover payments paid by Medicaid not included.

. . . and as a result, the OAW recipients were far more expensive than the community control group, in total dollars.



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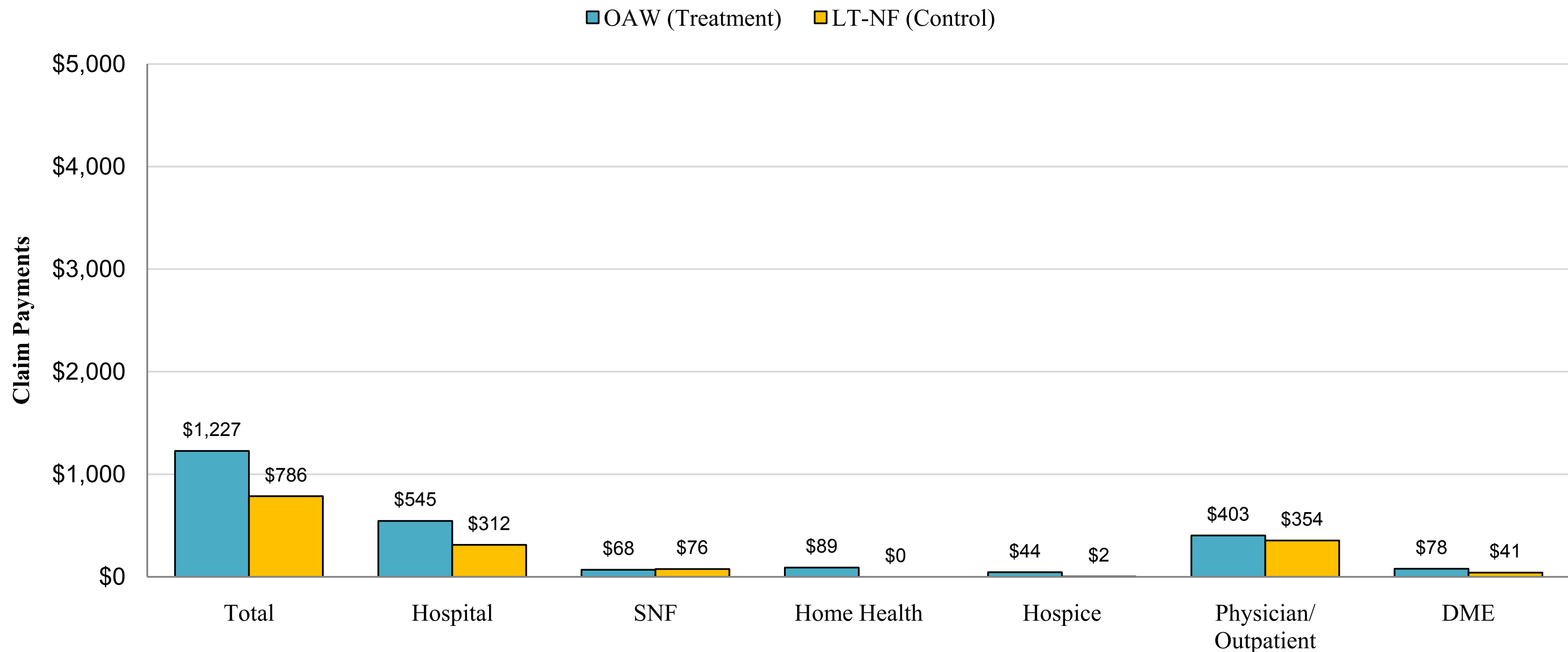
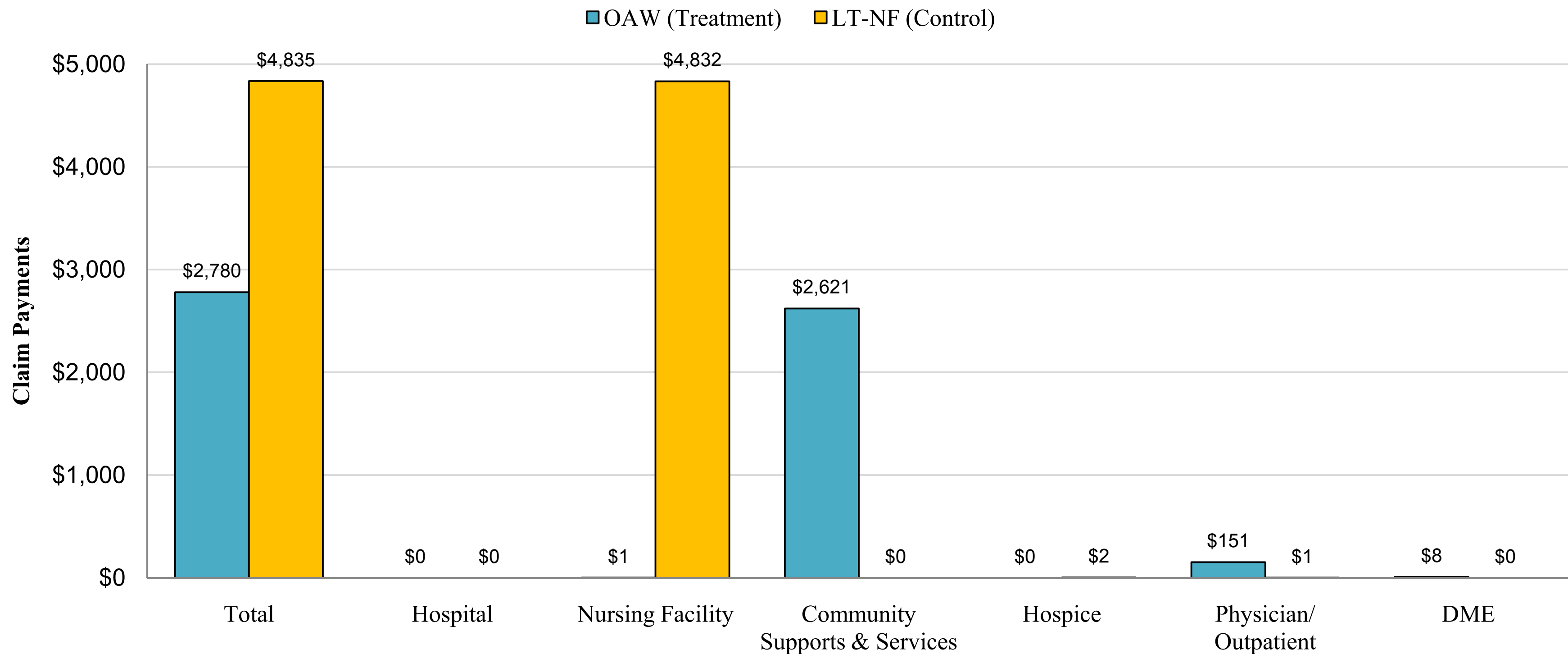
Medicare payments were $441 higher PMPM for the OAW group than the LT-NF control group . . .



Source: Tucker, A., & Johnson, K. (2010). *Cross-Payer Effects on Medicare Resource Use: Lessons for Medicaid Administrators*. Baltimore, MD: The Hilltop Institute.

Notes: Maryland OAW (treatment) and community (control) samples of 1,731 full-benefit duals aged 50 and older, enrolled for 12 months (with no group health coverage) in 2006.

. . . while Medicaid payments were $2,055 PMPM higher for the LT-NF group, compared to the OAW group . . .



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Notes: Maryland OAW (treatment) and community (control) samples of 1,731 full-benefit duals aged 50 and older, enrolled for 12 months (with no group health coverage) in 2006. Medicare crossover payments paid by Medicaid not included.

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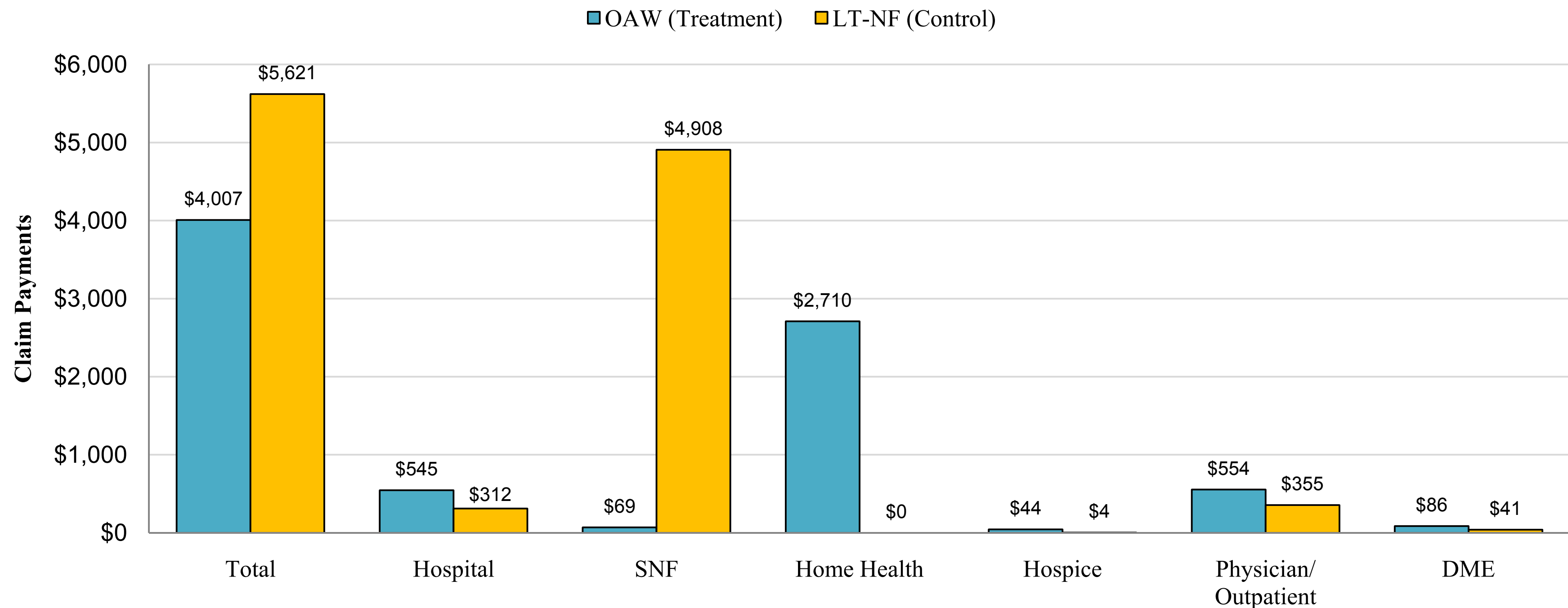
. . . and in total dollars, the OAW was far less expensive than the LT-NF.



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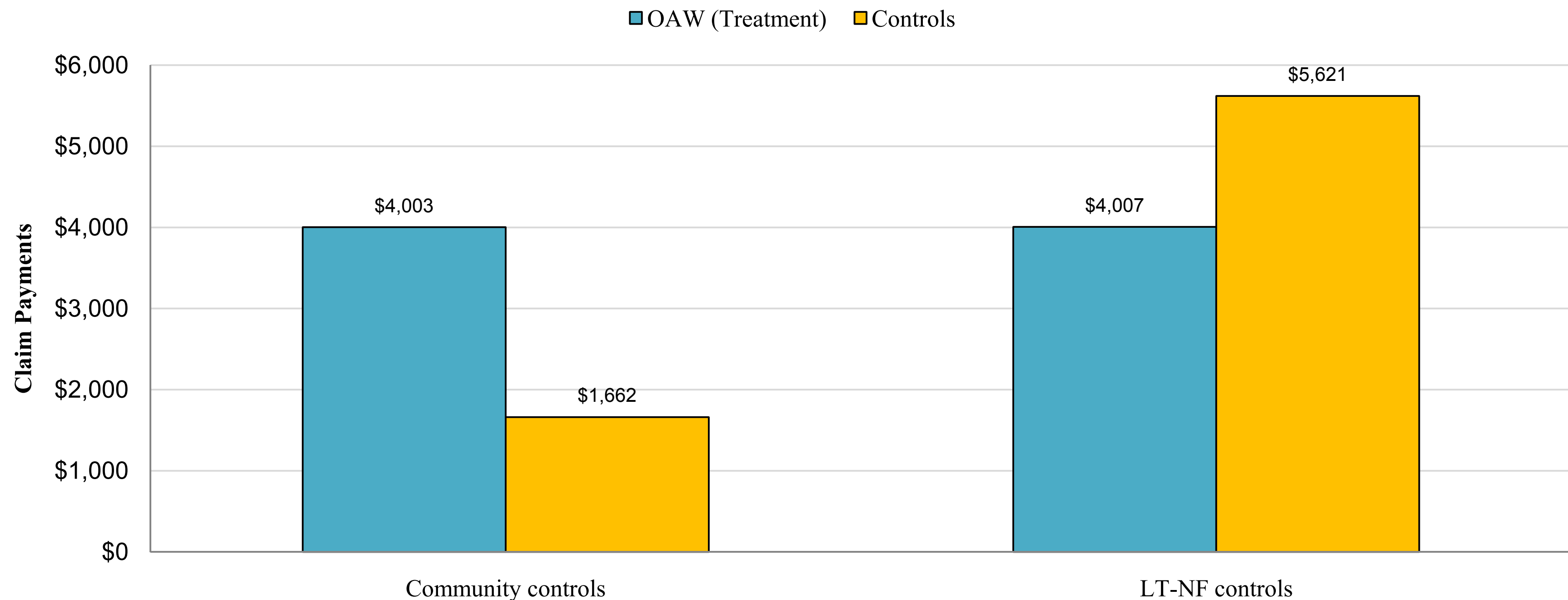
Notes: Maryland OAW (treatment) and community (control) samples of 1,731 full-benefit duals aged 50 and older, enrolled for 12 months (with no group health coverage) in 2006. Medicare crossover payments paid by Medicaid not included..

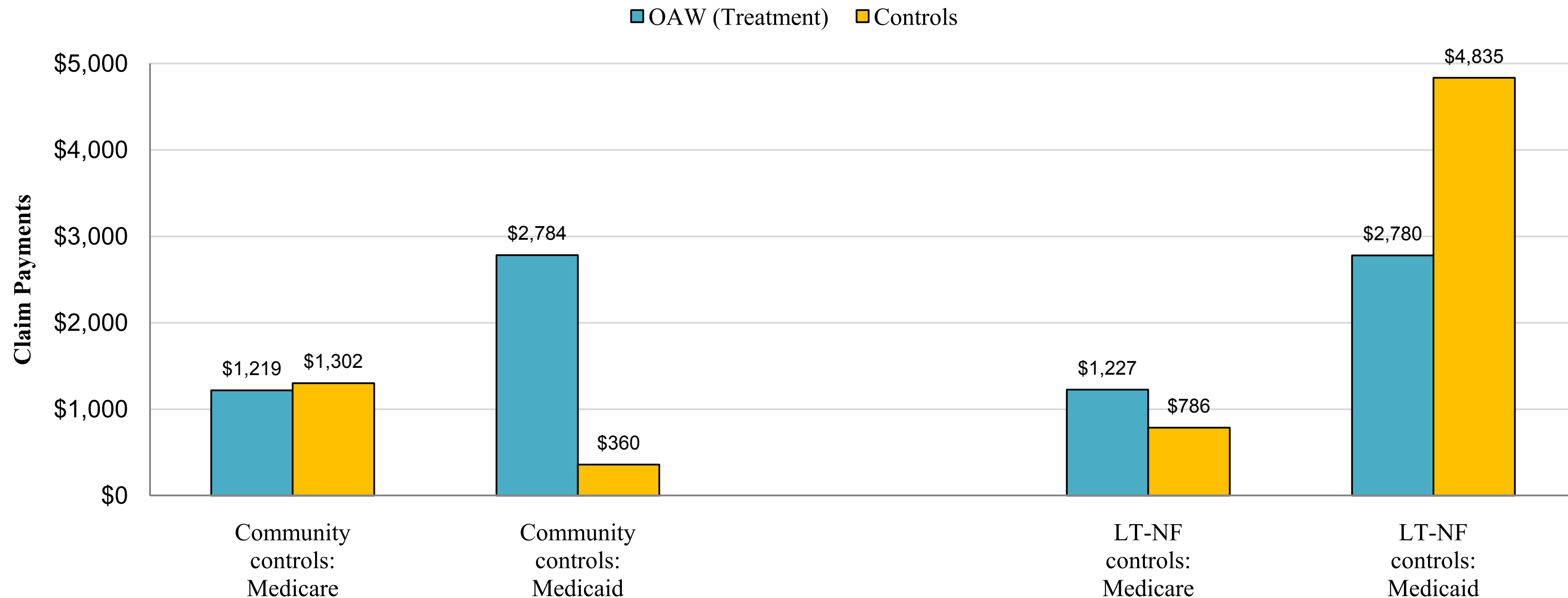
In sum, in total dollars, the OAW group is far more expensive than the community control group and far less expensive than the LT-NF control group.



Source: Tucker, A., & Johnson, K. (2010). *Cross-Payer Effects on Medicare Resource Use: Lessons for Medicaid Administrators*. Baltimore, MD: The Hilltop Institute.

Notes: Maryland OAW (treatment) and community (control) samples of 1,731 full-benefit duals aged 50 and older, enrolled for 12 months (with no group health coverage) in 2006. Medicare crossover payments paid by Medicaid not included.

While the Medicare payment difference is negligible in the community, the Medicare program saved $$ when people were in NFs.



Source: Tucker, A., & Johnson, K. (2010). *Cross-Payer Effects on Medicare Resource Use: Lessons for Medicaid Administrators*. Baltimore, MD: The Hilltop Institute.

Notes: Both sets of samples: full-benefit duals aged 50 and older, enrolled for 12 months (with no group health coverage) in 2006. Maryland OAW and Community samples: n=1,440; Maryland OAW LT-NF samples: 1,731. Medicare crossover payments paid by Medicaid not included.

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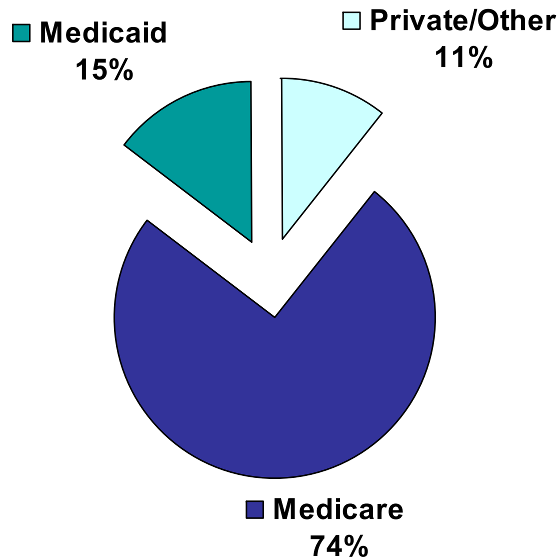
Keep in mind: most discrete SNF/NF stays begin as a post-acute Medicare SNF stay . . .

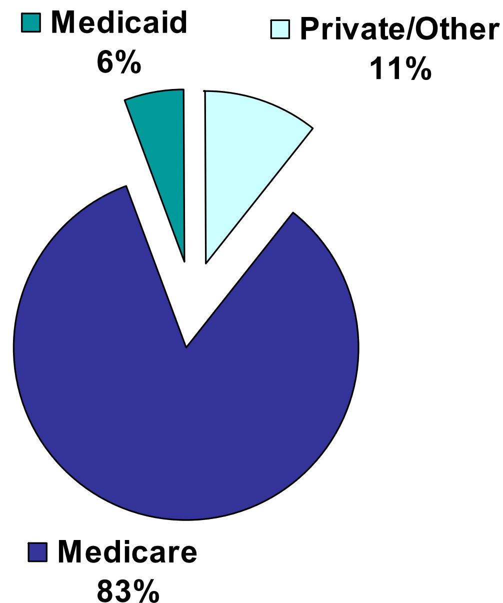
Source of Payment at Initial Admission, Discrete Stays



Hilltop refined MDS data, Discrete Stays in Maryland, 1999-2008

. . . and the vast majority of "extended" SNF/NF stays begin as a post-acute Medicare SNF stay.

Source of Payment at Initial Admission, Extended Stays



Hilltop refined MDS data, Extended Stays in Maryland, 1999-2008

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Selected Policy Implications

No. 1: Medicare and Medicaid financing don't align to promote HCBS

- Medicare spent less when a dual eligible was in an NF ($786 PMPM) than it did when a comparable person was in the OAW in the community ($1,227 PMPM) (and Medicare spent about the same for a comparable person in the community *who was not in the OAW or any waiver*)

- Medicaid spent less when a dual eligible was in the OAW ($2,780 PMPM) than it did when a comparable person was in an NF ($4,835 PMPM)

- Overall, placement in the OAW costs substantially less ($4,007 PMPM) than placement in an LT-NF ($5,621 PMPM)

- To align the financial incentives toward community placement, integrated care for dual eligibles must involve one entity that bears the Medicare and Medicaid risk

No. 2: Because the vast majority of LT-NF admissions begin with a Medicare stay, community integration for dual eligibles must engage Medicare

- From 1999-2008, 74% of all discrete admissions in MD to an SNF/NF began as a Medicare stay, whereas only 15% began as a Medicaid stay (total stays = 648,774)
- Over the same period, 83% of all "extended" stays in MD began as a Medicare stay (total stays = 384,156)
- This emphasizes the need to engage Medicare to promote community-based care of LT-NF admissions for dual eligibles

No. 3: The OAW only is cost-effective for Medicaid when it truly avoids an LT-NF placement

- Offering an OAW slot ($2,780 PMPM) to an individual who is certain to become an LT-NF resident ($4,835 PMPM) is cost-effective for Medicaid
- Offering an HCBS waiver slot to an individual ($2,784 PMPM) who *otherwise would remain in the community anyway* ($360 PMPM) is more expensive to Medicaid
- This emphasizes the need for good assessment processes to award slots to people at risk for LT-NF

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