**The New York State Coalition of Managed Long Term Care and PACE Plans**
**Testimony to the Joint Legislative Budget Committee**

**January 30, 2013**

Members of the Joint Legislative Budget Committee: thank you very much for the opportunity to testify on behalf of the New York State Coalition of Managed Long Term Care and PACE Plans, which I represent. The Coalition was formed in 2006 to provide a single voice for not-for-profit, provider-sponsored Managed Long Term Care and PACE plans. The Coalition now represents 18 plans that provide coverage for 91% of the nearly 72,000 elderly and disabled individuals enrolled in MLTC or PACE.

Since 2004, the number of New Yorkers enrolled in MLTC or PACE has increased by more than seven fold, from approximately 10,000 to nearly 72,000—and, since just 2009, the number of New Yorkers enrolled in MLTC or PACE has increased by 184%. While the plans are justifiably proud of the growth of the program, they are even more gratified that the program continues to receive very high marks for quality—not only from the Department of Health but, more importantly, from the thousands of frail, and elderly New Yorkers that they serve.

Just last week, the Department issued its latest report on Managed Long Term Care, which concluded that the plans were "providing high-quality services to consumers and helping them maintain or improve critical abilities associated with daily living." The report, some of whose findings are noted below, can be found at:
http://www.health.ny.gov/health_care/managed_care/mltc.

***MLTC/PACE Background:*** Managed Long Term Care (MLTC) and the Program of All-Inclusive Care for the Elderly (PACE) are health care options for elderly or disabled Medicaid beneficiaries who require sustained community-based long term care services. These plans have proven track records of providing access to an appropriate level of long term care, with extraordinarily high rates of patient and family satisfaction, and at a cost that is a fraction of what would be spent on institutional care. Sponsored by Senator Hannon and Assemblyman Gottfried, the Long-term Care Integration and Finance Act was enacted in 1997 (Chapter 659 of the Laws of 1997), which consolidated under one legislative authority the managed long term care program. The legislation was intended to create the necessary building blocks for integration of long-term care and other health care services for aged and disabled populations by authorizing and continuing two basic models of managed long-term care in New York State; Programs of All-Inclusive Care for the Elderly (PACE) and partially-capitated managed long-term care plans.

MLTC plans coordinate an array of medical and social services providers to ensure that every client is receiving the full range of care that they need in order to stay in their homes as long as possible. The intensive patient-focused care coordination provided by MLTC/PACE plans allows institutionalized patients to come home, nursing-home-eligible patients to stay home, and all of their members to remain comfortable and safe in their homes. Furthermore, MLTC/PACE plans create these positive outcomes at a far lower cost than nursing homes or fee-for-service long term care.

Managed long term care is a proven success both in terms of consumer satisfaction and in controlling costs. The recently issued MLTC Report showed that 90 percent of enrollees' overall functional ability (which includes activities of daily living like bathing, dressing, ambulatory ability) had either stabilized or was improved after enrollment in the MLTC plan. In addition, the report found:

- 87 percent of enrollees were stable or showed improvement in the ability to manage their own oral medication;
- Only two percent were admitted to a nursing home (and two-thirds of those enrollees were discharged after that stay) and only eight percent to hospitals;
- 72 percent had received their flu vaccine in the past year;
- 85 percent rated their plan as good or excellent;
- 91 percent would recommend t heir MLTC plan to others.

The report concluded that "overall survey findings were very favorable," highlighting that MLTC and PACE plans were rated highly on quality and timeliness of services. And, as the Department of Health's own analysis for the Medicaid Redesign Team documented, MLTC is the only long term care program in New York State that actually reduced per recipient expenditures over the last six years.

It should be noted that MLTC plans provide the full array of long term care services—from personal care to nursing home care—but are not responsible for physician, hospital or other services, which patients typically access through their Medicare coverage. PACE enrollees, on the other hand, receive comprehensive health care services through their plan, including physician and hospital services.

***Moving Forward:*** With a proven track record of improving outcomes and lower costs, the State embraced managed long term care and PACE as a solution to the growing costs among those receiving long term care in the 2011/12 budget. Over the last several months, on a gradual and phased-in basis, Medicaid and Medicare eligible individuals have been enrolled in MLTC, PACE or similar care coordination models to obtain Medicaid-funded long term care services. The increased recognition of the role played by MLTC and PACE plans by the Medicaid Redesign Team, the Cuomo Administration and the Legislature is heartening, but also brings with it a solemn and challenging responsibility.

For the past year, the MLTC and PACE plans have devoted themselves to preparing for and implementing this transition, from hiring new care managers and nurses to enhancing care management systems. The plans are working to ensure that the integration of increasing numbers of New Yorkers into care coordination programs will be undertaken successfully, safely and with as little disruption as possible in the lives of the newly enrolled members. MLTC and PACE plans are committed to partnering with the state and health care stakeholders to continue implementing mandatory enrollment in a manner that promotes the best interests of Medicaid consumers—both current enrollees and those who are now required to join a plan.

We recognize that patients, family members, and current caregivers have been concerned about how this transition might be implemented. The Coalition's provider-sponsored, not-for-profit plans take their responsibilities to the patients they serve seriously and have done and will do all that they can to make sure that the goal of ensuring high quality, coordinated care to thousands of elderly and disabled New Yorkers is realized.

We believe, thus far, the implementation of mandatory enrollment in these plans has been remarkably successful. While the volume of new enrollments has been very substantial, the plans were prepared for the challenge. As might have been anticipated, occasionally contact information relating to new enrollees was inaccurate and, also understandably, some prospective enrollees and their families may not have been fully understood the process. The arrival of Hurricane Sandy in the midst of this process didn't help. We have participated in regular communications with the Department staff and the other stakeholders—including advocacy organizations, provider groups, the enrollment broker and HRA officials—and have tried to be as responsive as possible to any concerns that have arisen. All things considered, and thanks to the diligent work of the Department and these stakeholders, we believe the transition has proceeded well.

As the transition continues, we believe attending to the following issues, including certain provisions before you in the Executive Budget, will ensure that the implementation of these policies will achieve their objectives:

- <u>Plan premiums must be adequate and timely.</u> The population coming into managed long term care and PACE consume more services than the members currently enrolled in the plans and, therefore, the state must appropriately adjust plan rates to account for these differences. We led the effort that ultimately resulted in risk-adjusted premiums that reflect the level of care required by the plan's enrollees and we would urge the Department of Health to continue to refine the premium-setting process—and to commit to promulgating adequate rates on a timely basis: we are still awaiting final rates for the current fiscal year. We would also ask the State to revisit the level of administrative reimbursement to plans, which has been capped, having experienced significant increases in administrative burdens as the plans enroll such a large volume of new patients.

  The Department has proposed creating a ***quality incentive*** program in managed long term care. A similar program in the mainstream Medicaid managed care program has significantly moved the dial in quality, with New York exceeding national benchmarks on most measures and closing the gap with commercial plans. It is essential, however, that any quality incentive be clearly an incentive to enhance quality, and not a zero sum mechanism that comes at the expense of administrative or care coordination expense, and that the metrics for calculating any quality incentive be developed carefully and with stakeholder input from plans, providers, and consumers to ensure that it has a real ability to improve outcomes among New York's most frail. We are also concerned that the effort to develop a sound quality incentive program not interfere with the necessity for the Department to establish the underlying premiums for the program without delay.

- Allow MLTC and PACE plans to successfully coordinate their enrollees' care. Over the long run, it will be important that plans be allowed to undertake the care coordination responsibilities that are at the core of managed long term care in order to achieve the quality improvements and costs savings contemplated by the Medicaid Redesign Team. The plans have accepted and embraced the requirements to ensure continuity of care during this transition and will do what they can to make this transition as seamless as possible for enrollees. As care plans are developed for these new enrollees, it will be important that the prerogatives of the plans to coordinate the patient's care are respected, while, at the same time, protecting the consumer's federally mandated fair hearing and appeal rights. To ensure continuity of care, we have also supported ensuring that hospice services are fully integrated within MLTC: persons who may require hospice care should not be required to disenroll from their MLTC plan.

  MLTC and PACE plans are supportive of alternative ways to resolve enrollment and clinical issues that may relate to the duration and amount of care that an enrollee might require. The Executive Budget's ***Ombudsman*** program is one such way that will help consumers navigate their way through a sometimes complex public health insurance world. Without knowing many details, the MLTC/PACE Coalition would encourage the Department to work with plans, providers and consumers to develop an approach that best serves the needs of the beneficiaries without undermining the success of the current managed long term care program. It will be critical to make sure that the new initiative will not be inconsistent with or otherwise impede the other existing avenues for consumer and family interaction, including plan-administered grievance and appeals, external appeals and fair hearings.

- Establish the Fully Integrated Duals Advantage program. The Executive Budget contains authority for the Health Department to establish a Medicaid-Medicare duals program, commonly referred to as FIDA. Using federal demonstration authority, the state intends to launch this integrated product to coordinate and provide care for 130,000 duals with long term care needs. The health plans in the MLTC/PACE Coalition are excited to play a critical role in the development of this new initiative. We would encourage the legislature to adopt the Governor's proposal and also partner with us in developing this new program with the Department. It is important that the Department and the Legislature seek input from key stakeholders, including plans already serving duals, providers, and consumers, to ensure that the FIDA program will be a success in delivering the cost savings while improving access and outcomes for the beneficiaries.

  We have also urged the Department to make sure that PACE plans and their enrollees can seamlessly transition to FIDA plans. We have recommended, among other steps, that the PACE plans be allowed to enroll individuals under the age of 55, that the PACE benefit package be reconciled with FIDA's and that

PACE members be permitted to see providers not associated with the PACE center.

- The future of the managed long term care program. The Executive Budget proposes to lift the 75 plan cap on the number of MLTC and PACE plans. Given the overall size of the population that is eligible for MLTC enrollment, which has been estimated to be less than 200,000 New Yorkers, we do not believe all that many plans will be required to meet that need. It remains more important, in our view, to ensure that sufficient numbers of high quality, patient-centered, provider-sponsored, not-for-profit plans remain available to meet the needs of this population, regardless of the overall number of plans. Moreover, given the importance of MLTC to the State's long-term care policy, we would strongly support making the overall program permanent, even in advance of its scheduled December 31, 2015 expiration.

***Conclusion:*** MLTC and PACE plans have enhanced the quality and the coordination of care for New Yorkers who require long term care services, allowing people to remain in their homes by providing high quality and coordinated care increases their quality of life, while decreasing the state's costs. We welcome your interest in this important program and we appreciate the opportunity to present our testimony.

## Appendix

| Coalition Plans | Type of Plan | Enrollment |
|---|---|---|
| ArchCare | MLTC/PACE | 327 |
| Catholic Health – LIFE | PACE | 115 |
| CenterLight Healthcare | MLTC/PACE/MAP* | 9,569 |
| Eddy Senior Care | PACE | 127 |
| Elant Choice | MLTC | 260 |
| Elderplan | MLTC/MAP | 7,486 |
| ElderServe | MLTC | 6,909 |
| Fidelis Care at Home | MLTC/MAP | 1,956 |
| GuildNet | MLTC/MAP | 10,195 |
| HHH Choices Health Plan | MLTC | 1,686 |
| Independence Care System | MLTC | 3,560 |
| Independent Living for Seniors | PACE | 379 |
| PACE CNY | PACE | 429 |
| Senior Health Partners | MLTC | 6,719 |
| Senior Network Health, LLC | MLTC | 386 |
| Total Aging in Place Program | MLTC | 128 |
| VillageCareMAX | MLTC | 928 |
| VNS Choice | MLTC/MAP | 16,439 |
| **Total Coalition Members** | - | **67,598** |
| **Total MLTC/PACE/MAP Members Statewide** | - | **74,696** |

*Pending Applications

**Long Term Care Per Recipient Spending Trends by Service**

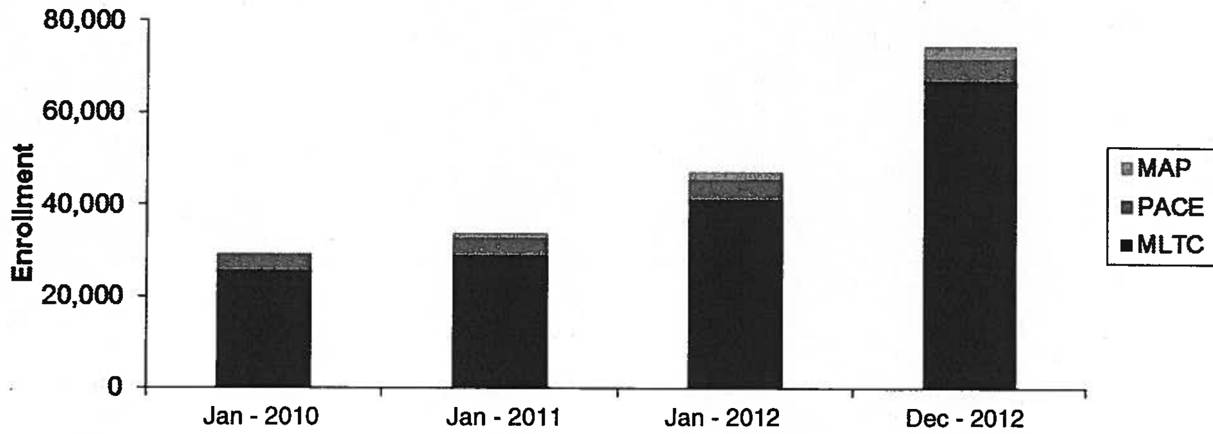
Presentation to the Medicaid Redesign Team, NYS Department of Health, January 13, 2011.
Accessed at: http://www.health.ny.gov/health_care/medicaid/redesign/

| LTC Per Recipient Spending Trends by Service ($ 000) | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2003 | | | 2009 | | | % Change in Per Recipient Spending |
| | # of Recipients | Total ($) | $ Per Recipient | # of Recipients | Total ($) | $ Per Recipient | |
| Nursing Homes | 139,080 | 5,946,989 | 42,759 | 128,377 | 6,345,047 | 49,425 | 15.6% |
| ADHC | 16,365 | 266,248 | 16,269 | 22,954 | 461,442 | 20,103 | 23.6% |
| LTHHCP | 26,804 | 510,250 | 19,036 | 26,572 | 695,666 | 26,180 | 37.5% |
| Personal Care | 84,823 | 1,824,729 | 21,512 | 75,023 | 2,232,735 | 29,761 | 38.3% |
| **MLTC** | **12,293** | **444,341** | **36,146** | **33,826** | **1,219,055** | **36,039** | **-0.3%** |
| ALP | 3,538 | 50,488 | 14,270 | 4,720 | 86,028 | 18,226 | 27.7% |
| Home Care/CHHA | 92,553 | 760,347 | 8,215 | 86,641 | 1,349,000 | 15,570 | 89.5% |
| **Total** | **318,617** | **9,803,392** | **30,769** | **318,984** | **12,388,973** | **38,839** | **26.2%** |

**Department of Health MLTC 2011 Member Satisfaction Survey Report**

| MLTC and PACE Plan Evaluation, 2011 | | |
|---|---|---|
| Survey Item | MLTC | PACE |
| Plan rated as good or excellent | 84% | 90% |
| Would recommend the plan | 89% | 95% |
| Plan has helped manage illness | 81% | 91% |
| Rating of Regular Doctor as Good/Excellent | 89% | 89% |
| Rating of Visiting Nurse as Good/Excellent | 84% | 91% |
| Rating Access to Care for a Routine Appointment within 30 day for Regular Doctor | 54% | 75% |
| Rating of Timeliness of Visiting Nurse | 71% | 77% |

**MLTC/PACE/MAP Enrollment Statewide**

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