MANAGED CARE AND PEOPLE WITH DISABILITIES

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Presentation to
Appointees with Disabilities
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What is Managed Care?

- **Integrating the financing and/or delivery of health care services.**
- **Some form of capitation.**
- **Emphasis on primary and preventive care services.**
- **Disincentives for unnecessary hospitalization and institutionalization.**

Types of Managed Care

- **Primary care case management.**

- **Risk-based models.**

  - **Primary and acute care only (e.g., Medicare HMOs, Medicare Select, Evercare, Community Medical Alliance).**

  - **Long-term care only (CNO).**

  - **Integration of primary, acute and long-term care (PACE, SHMO II, ALTCS "for MR/DD").**

Managed Care's Great Promise for People with Disabilities

- **Expanded services.**
- **Protection from high copayments and deductibles.**
- **Increased coordination and case management.**
- **Continuity of care.**
- **Less restrictive forms of care.**
- **More prevention and primary care.**
- **Reduced incentives for institutional care.**

Potential Disadvantages for Older Persons and Persons with Disabilities

- **Risk selection.**

- **Inadequate access to specialty care.**
  - **Gate keepers**
  - **Defined provider networks**

- **Decreased access to core services.**
  - **Home health care**
  - **Rehabilitation**

Potential Disadvantages (Continued)

- Disruption of important care relationships.
- "Medicalization" of long-term care.
- Greater use of nursing homes.

Barriers to Development of Managed Care for Elderly and Disabled

- Fragmentation of funding source.
- Risk issues.
- Lack of comprehensive service coverage.
- Fragmented service delivery system.
- Lack of education and training.

Key Design Issues

- **Target population.**
  - **Generic versus specialty plans.**
  - **Which disabilities to include?**
- **Degree of financial integration.**
- **Service coverage.**
  - **Primary, acute, post acute, long-term care.**
  - **Integration versus coordination.**
  - **Case management.**

Key Design Issues (continued)

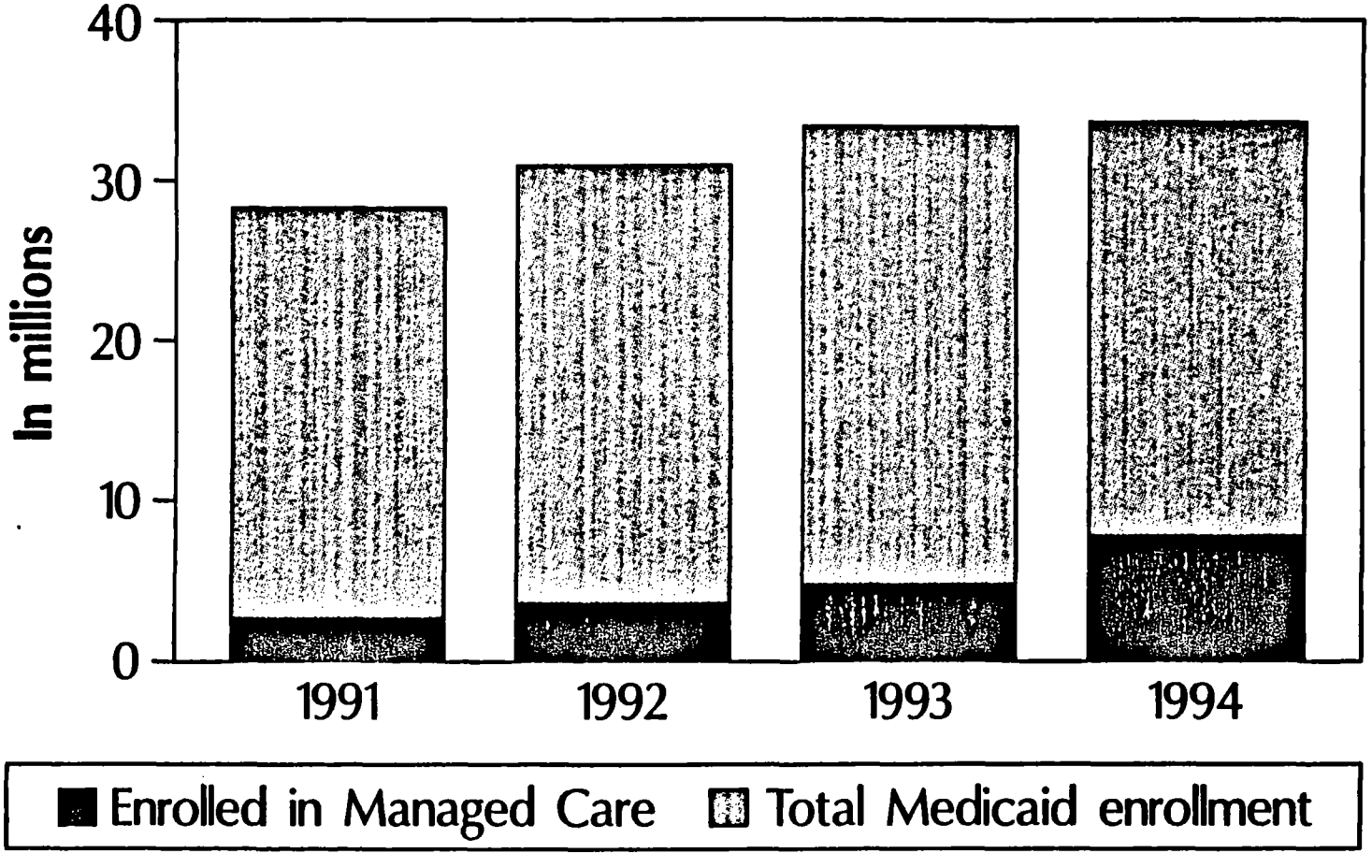
- **System organization (horizontal versus vertical).**

- **Degree of consumer choice.**
  - Voluntary versus mandatory.
  - Choice among plans.
  - Choice of practitioners/ services.
  - Consumer role in decision making.

- **Information systems development.**

- **Quality assurance.**

Medicaid Beneficiaries Enrolled in Managed Care



SOURCE: HCFA, Office of the Actuary

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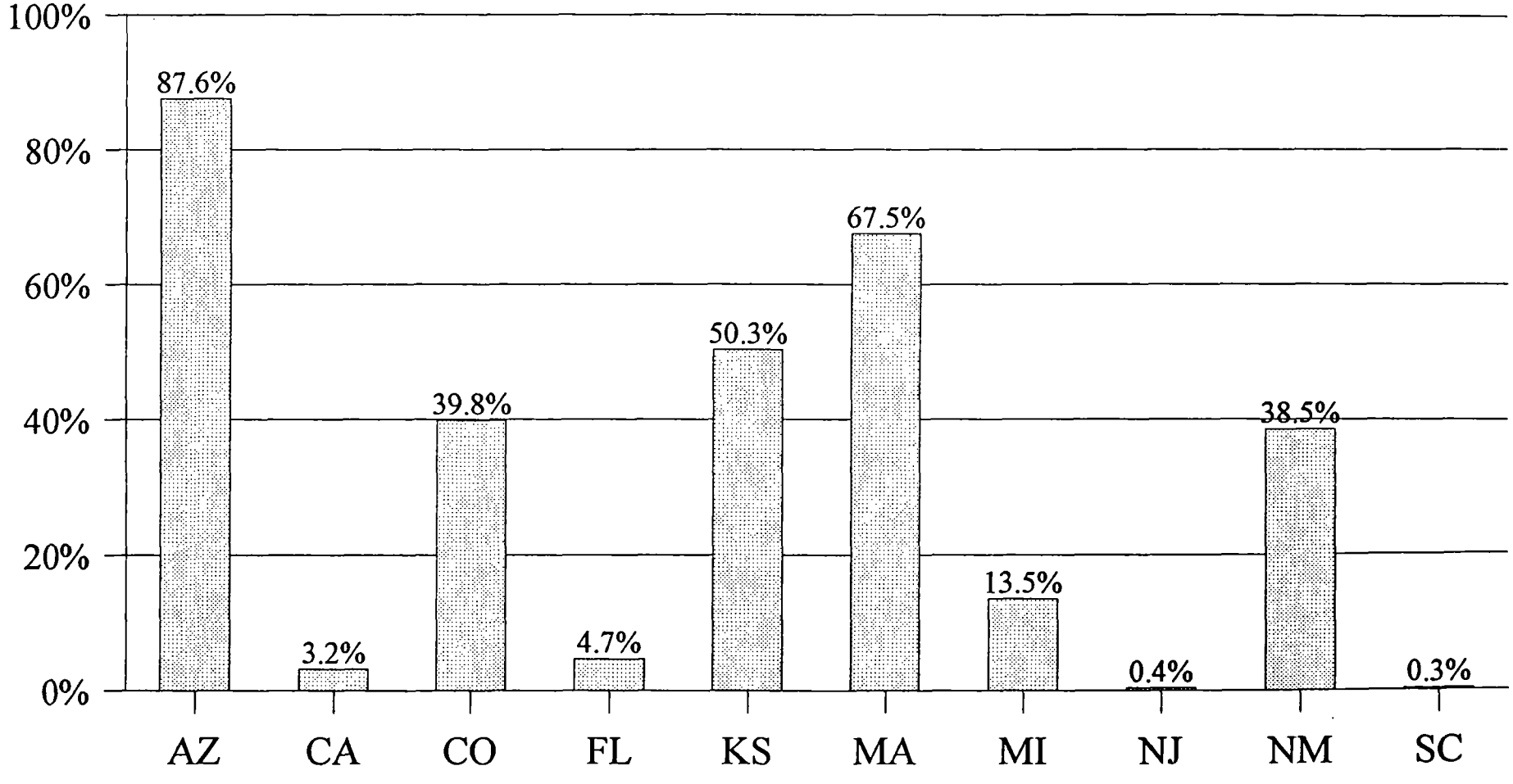
Percent of SSI Disabled Enrolled in Managed Care



SOURCE: Institute for Health Policy, Brandeis University, August 1994.

Managed Care and People with Disabilities

Joint Research Agenda

Planned	Ongoing
Managed Care for Disabled Elderly	Models of Managed Care for Children with Disabilities
Study of Dually Eligible	Health and Expenditure Patterns of Children with Disabilities
DC Waiver Evaluation	Innovative Practices and Plans Project
Disability Survey Analysis	Disability Supplement
	Interdisciplinary Training Project
	Statewide Evaluations (HCFA & ASPE)
	Employer-Based Study
	Managed Care Grant
	National Conference (HCFA & ASPE)
	Synthesis of HHS Related Managed Care Research

1994/1995 Disability Survey

- ***Phase I*: Collect disability information on 250,000 persons nationally; data available June 1996.**

- ***Phase II*: Collect detailed medical and nonmedical information on service use, housing, transportation, employment, etc. for 40,000 persons with disabilities.**

***Results*: Detailed information on cost, coverage, satisfaction, functioning, health care access.**

***Analyses*: Over a dozen papers planned; session scheduled at APHA.**

Project on Health and Expenditure Patterns for Children with Disabilities

- Measuring disabilities by diagnosis as well as disabling condition under SSI.
- Analyzing utilization and expenditure patterns under Medicaid.
- Comparing analyses with private employer data bases.

Project on Model Managed Care Systems for Children with Disabilities

- Examine innovative models serving children with disabilities.
- Identify and explore financing arrangements, quality assurance activities, organizational models, benefits and coverage.
- Data/information collected and summarized from four States.
- Final report due by May.

Project on Innovative Practices and Plans Serving Disabled Populations

Areas of interest include:

- Risk management strategies.
- Provider training models.
- Quality assurance activities.
- Enrollment and marketing practices.
- Consumer participation.
- Provider recruitment and retention.

Interdisciplinary Education and Team Training Task

- Case studies to identify and describe interdisciplinary training programs.
- Review and synthesize literature on interprofessional and team training.

Medicaid 1115 Waiver Evaluation Supplements

- Oregon and Tennessee.
- Pre/post comparisons (access, quality, cost, outcomes).
- Linking Medicaid claims data with Social Security files and State functional data when available.
- Descriptive case studies (infrastructure, delivery systems, provider training...)
- Baseline and follow-up satisfaction survey of consumers and providers.

Employer-Based Study

- Identify employers/payers interested in sharing data on disabled.
- Develop methodology to identify people with disabilities using MCOs in large private payers.
- Supplement existing employer data base(s), and data collection instruments.
- Track enrollment, utilization and cost data on people with disabilities in managed care.
- Analyze data from employers.

National Conference on Research on Managed Care and People with Disabilities

- **Scheduled for November 1996.**

  Interdepartmental planning group.

  To synthesize and share research results on the impact of managed care on people with disabilities.

  To disseminate information on successful practices of managed care plans and providers serving the disabled.

  To stimulate debates on the implications of research and practice for policy development around managed care and disability.

Managed Care Research Grants

- Comparative study of FFS and HMO use by nonelderly Medicare disabled (Fallon Health Care and Kaiser in Portland, Oregon)

- Managed care models for children with special needs in Florida.

- Risk adjustment for people with disabilities in managed care (with NIDRR).

Projects Planned for 1996-1997

- **Medicare managed care for people with disabilities.**

- **Delivery of Medicare and Medicaid services to the dually eligible.**

- **Early implementation evaluation of the DC 1115 waiver.**
  - **Providing acute and long-term care to children with disabilities.**

- **Ongoing analyses of the Disability Survey.**

HCFA Initiatives Related to Managed Care and Persons with Disabilities

Demonstration Projects

- **Program of All-Inclusive Care for the Elderly (PACE)**
  The Program of All-inclusive Care for the Elderly (PACE) demonstration is a fully integrated model that incorporates all acute and long term care services available through Medicare and Medicaid under full provider financial risk. Enrollment is limited to the frail elderly who are either dually entitled or who have the financial resources to pay a premium equal to the Medicaid capitation rate. Nine sites are currently operational, and additional sites are under development. Reflective of an interest in identifying broad, common solutions to service delivery across the disability spectrum, several PACE sites are currently receiving funds from the Robert Wood Johnson Foundation (RWJF) to determine whether a PACE-like model can be tailored to meet the service and financing needs of various non-elderly disabled groups. Efforts are focused toward persons with AIDS (East Boston, Massachusetts), children with severe disabilities (Columbia, South Carolina), and the non-elderly, primarily physically disabled (Bronx, New York and Madison, Wisconsin) [HCFA Lead Contact: Steve Miller, ORD, (410) 786-6656]

- **Social Health Maintenance Organization (Social HMO)**
  The Social Health Maintenance Organization (Social HMO) demonstration supplements the existing Medicare benefit package available through TEFRA-risk HMOs with expanded benefits such as prescription drugs and long term care benefits such as homemaker, transportation, and home health services. Financing is accomplished through prepaid capitation, pooling funds from Medicare, member premiums, and Medicaid (for the limited number of Medicaid eligible enrollees). Three sites are currently operational. HCFA recently selected six organizations to participate in the second generation Social HMO. **Social HMO II** will focus on refining the targeting and financing methodologies and benefit design of a Social HMO, with an emphasis on geriatric care and the expansion of the model to special populations, including the non-elderly disabled, beneficiaries living in rural settings, and those who are dually entitled to Medicare and Medicaid. Approximately 85,000 individuals are expected to enroll in Social HMO II. [HCFA Lead Contact: Melissa McNiff Hulbert, ORD, (410) 786-8494 and Dennis Nugent, ORD, (410) 786-6663]

- **End Stage Renal Disease Managed Care Demonstration**
  The Deficit Reduction Act of 1984 authorized Social HMO demonstrations and the Omnibus Budget Reconciliation Act of 1990 authorized additional sites, including a

project to provide integrated acute and chronic care management of ESRD beneficiaries. Prior work included a Rand study to design an ESRD capitation rate-setting method, based on whether the patient receives maintenance dialysis, has transplant surgery, or remains Medicare-eligible with a functioning graft. For the current project, Brandeis University's Institute for Health Policy is assisting HCFA with the further development of concepts for an ESRD Managed Care Demonstration solicitation [Lead Contact: Paul Eggers, ORD, (410) 786-6691]

- **MAINE-NET**

  The State of Maine was recently awarded a grant to develop a Medicare and Medicaid managed care program for the elderly and physically disabled. Entitled **MAINE-NET**, the project is designed to demonstrate integrated models for the financing and delivery of managed health care and social services for Medicare and Medicaid elderly and physically disabled. The project seeks to promote the development of regional service delivery networks or health plans, particularly in rural areas of the State, that would be responsible for the management, coordination and integration of services including multi-disciplinary approaches to care planning and service delivery. The demonstration will provide a comprehensive package of primary, acute and long term care (institutional and noninstitutional) services as part of a prepaid capitated health plan for the target populations. The State expects to implement MAINE-NET in January 1997, following a 2-year development period. [HCFA Lead Contact: Kay Lewandowski, ORD, (410) 786-6657]

- **Minnesota Long-Term Options Project**

  The State of Minnesota has received approval for a waiver proposal entitled the Long-Term Care Options Project (LTCOP). The LTCOP is a 5-year demonstration designed to test delivery systems which integrate long-term care and acute care services for elderly dual eligibles. All services provided under Medicare Parts A and B, Minnesota's current Medicaid program, and the State's current Elderly Waiver (1915c waiver) will be provided under LTCOP. The integrated service delivery system is expected to facilitate more efficient and economical clinical approaches for services to the elderly which will result in the same or lower costs than the current system. The LTCOP demonstration will begin on January, 1996 and continue through December, 2000. [HCFA Lead Contact: Melissa McNiff Hulbert, ORD, (410) 786-8494]

- **Rhode Island CHOICES**

  The State of Rhode Island was recently awarded a grant to develop an 1115 waiver project to serve adults with developmental disabilities using a managed care network. Under the Rhode Island CHOICES waiver program, the State intends to consolidate all current State and Federal funding streams for approximately 4,000 adults with developmental disabilities under one managed care Title XIX waiver program. Each eligible person will be enrolled in a private health maintenance organization or approved health plan for acute health care and a clinical management system will also assist

individuals in obtaining long-term supports. For long-term care services, the State will assess each eligible person's needs and past service use and ascribe a dollar amount for the procurement of long-term care services. Each eligible person will then, with technical assistance from a broker or other source, choose to manage the long-term care cap amount directly themselves via a voucher or choose an agency that can support a person's needs within the identified resources available. Rhode Island believes this approach represents an opportunity to transform the current provider driven system to a consumer driven model. [HCFA Lead Contact: Thomas Theis, ORD, (410) 786-6654]

- **Health Services for Children with Special Needs, Inc. (HSCSN)**
HCFA approved a waiver to the District of Columbia to enroll in a managed care program Medicaid-eligible children who are disabled and youth with special needs. The District will sponsor the demonstration through Health Services for Children with Special Needs, Inc. (HSCSN), a non-profit managed care corporation established for the purpose of coordinating care for children who are disabled and youth with special needs who are eligible for Medicaid. HSCSN will contract with physicians as primary care case managers to coordinate care. Other case managers employed by HSCSN will develop expertise in managing care for specific sub-populations, such as children with spina bifida or those who are dependent upon technology. The District hopes to use the program to eliminate both barriers to access and other health care delivery problems that children who are disabled and their families encounter in the current Medicaid fee-for-service system. Approximately 3,600 children are targeted for enrollment, with implementation planned for 1995. [HCFA Lead Contact: Phyllis Nagy, ORD, (410) 786-6646]

- **Wisconsin Special Care Initiative**.
HCFA is supporting, with the Pew Charitable Trusts, RWJ Foundation, and the Medicaid Working Group, a demonstration initiative to develop integrated care models primarily for non-elderly persons with disabilities, all of whom are eligible for Medicaid, and about 40% of whom are dually entitled. Initiatives are in various phases in the States of Wisconsin, Missouri, New York and Ohio. The most fully developed of these initiatives is the Wisconsin Special Care Initiative.

Focusing on the SSI population, this demonstration is designed to provide Medicaid-covered medical services and additional social services such as respite, family training, long-term planning, referral and medication services to up to 3,000 Medicaid eligible SSI recipients in Milwaukee County. About 75 percent of projected enrollees are between 21 and 64 years of age, most have never been employed, and many receive some form of day programming either through the Milwaukee Public schools (if school-aged) or through a community-based organization. Capitation payments are being made to an HMO-like provider for these services. Central to the model is a physician panel of experienced providers, case management services through a multi-disciplinary team, and specialized clinics. Enrollment in the 3-year demonstration began in July 1994, and in January, enrollment was approximately 1,500 individuals. [HCFA Lead Contact: Sam Brown,

ORD, (410) 786-6667]

- **Evaluation of the Community Supported Living Arrangements (CSLA) Program**
  The CSLA program is designed to test the effectiveness of developing a continuum of care concept as an alternative to the Medicaid-funded residential services provided to individuals with mental retardation and related conditions as an optional State Plan service. CSLA was implemented in 8 States. The evaluation of the CSLA program will assist HCFA and the Congress in considering the policy options regarding the continuation and expansion of the Medicaid State Plan optional service. [HCFA Lead Contact: Sam Brown, ORD, (410) 786-6667]

- **Arizona Long Term Care System**
  Arizona has implemented an innovative program to provide Medicaid long term care services in a managed care environment. The project, called the Arizona Long Term Care System (ALTCS), is the long term care component of the Arizona Health Care Cost Containment System (AHCCCS), the State's Medicaid demonstration implemented in 1982. AHCCCS began phasing in long term care services for persons with mental retardation and developmental disabilities (MR/DD) in December, 1988, and for the elderly and physically disabled (EPD) in January, 1989. The Arizona Department of Economic Security provides services to the MR/DD population, and Program Contractors provide services to the EPD population. All long term care, acute care, and behavioral health services are included as part of a single capitation rate. Approximately 60 percent of the EPD population are institutionalized; 40 percent receive home and community-based services (HCBS). The MR/DD clients are almost completely de-institutionalized--over 95 percent receive HCBS. The ALTCS program has produced substantial cost savings compared to the estimated cost of a traditional Medicaid program in Arizona.

- **Oregon Health Plan**
  The Oregon Health Plan, which has been operational since February, 1994, enrolls Medicaid-eligible individuals and persons living below the poverty level into managed care programs and offers benefits according to a prioritized list of services. In January, 1995 the State began Phase II of the program, integrating the aged, disabled, foster children into the demonstration. The aged, disabled, and foster children will receive the same benefit package that was offered in Phase I, plus enhanced services as appropriate. These additional services include long-term care and home and community-based waiver services; institutional care in State facilities; community mental health program care; personal care in residential settings; and case management services. Phase II population members can enroll in a State-approved managed care plan or with a primary care case manager. Additional safeguards have also been implemented for this populations, such as medical case management services, ombudsman services, and exceptional needs case management.

RESEARCH PROJECTS

- **Medicaid-Capitated Managed Care Program for the Supplemental Security Income Disabled.**
  This project is a case study of eight States that provide Medicaid managed care programs to working age persons eligible for SSI, and a survey of health plan administrators who manage capitated plans in the States where they are offered. The draft final report has been submitted to HCFA and reports on such issues as: implications for collaborations among existing community-based service systems and mainstream managed care programs; effects of gate-keeping approaches on access and health/social outcomes; and rate structure and payment mechanisms that will provide incentives to serve special populations. [HCFA Lead Contact: Rose Hatten, ORD, (410) 786-6630]

- **Working-Age Persons With Disabilities**
  The proposed study will use the Medicare Current Beneficiary Survey (MCBS) to examine various target populations of working-age persons with disabilities. The goals of this study are to (1) describe the health care utilization experience of the working-age population; (2) to evaluate the working-age disabled population's access to health care services; (3) to evaluate the extent and adequacy of health insurance coverage for working-age disabled persons from both public and private sector sources; and (4) to consider the implications of this research for the future of health services policy. [HCFA Lead Contact: Sam Brown, ORD, (410) 786-6667]

- **Access in Managed Care**
  ORD will be conducting a study to address the issues relevant to measuring access in managed care. The principal goal of this project is to develop and test a framework for monitoring access in the managed care sector. These access measures will incorporate aspects of quality and outcomes of care. Ultimately, this framework could be used to measure whether vulnerable segments of the Medicare population, such as the disabled enrolled in managed care plans, experience access problems. [HCFA Lead Contact: Renee Mentnech (410) 786-6692]

WORKGROUPS AND COMMISSIONS

- **National Steering Committee on Managed Care for Older Persons and Persons with Disabilities**
  Kathy Buto and Sally Richardson represent HCFA on this Committee convened by the National Academy for State Health Policy. Many states are turning their attention to expanding managed care for Medicaid beneficiaries who are elderly or have disabilities, now that they have some experience with AFDC beneficiaries in managed care. The group was convened to assess and advance the state-of-the-art regarding managed care for persons who need primary, acute, and long-term health services. The Committee is

focusing some of its efforts on examining the barriers to managed care for dually-eligible beneficiaries. [HCFA Contacts: Kathy Buto, AAP, (202) 690-7063; and Sally Richardson, MB, (410) 786-3230]

- **Dual Eligibles**
  The Office of Managed Care has formed a workgroup to develop policy on managed care for dual-eligibles. The purpose is to create a managed care environment in which dual-eligibles will be identified, access to care enhanced, and the efficient and appropriate use of Federal funds ensured. The workgroup is comprised of representatives from four OMC Teams (Beneficiary Access and Education, Data Development and Support, Medicaid Managed Care, and Program Policy and Improvement), ORD, and Regions I, III, and X). The dually-eligible beneficiaries are entitled to Medicare and Medicaid and typically include the elderly and disadvantaged, or disabled and low-income beneficiaries. However, the workgroup is focusing specifically on the Qualified Medicare Beneficiaries (QMB) who are in managed care programs because the States want to impose cost-sharing incentives on the QMBs under managed care waiver programs (using Section 1915(b) and 1115 waiver authority). [HCFA Lead Contact: Melodie Janes, OMC (410) 786-7614]

OUTREACH ACTIVITIES

- **ADAPT Initiative**
  This initiative is a joint effort between HCFA Central offices and the Regional offices. This initiative began last May, when both the Secretary and the Administrator met with representatives of the advocacy group ADAPT. The Administrator agreed to a number of action steps to improve relations with ADAPT. These activities include:
  - Holding quarterly meetings with ADAPT (the last meeting was held on November 8, 1995).
  - Every HCFA regional office has identified staff to serve as coordinators for the ADAPT initiative, as well as to work on outreach to other disabled populations. All the regions have held meetings with local ADAPT chapters in order to identify issues of concern to their constituency. A summary of all the meetings was compiled into a national report. The chart outlines each issue, indicates the states where the issue was raised, and states what action was taken, either by HCFA regional offices or HCFA central headquarters, or other entities. The chart is used to track progress on issues critical to ADAPT.
  - Provide ADAPT with copies of HCFA issuances which have an impact on the disabled.
  - Provide opportunities for ADAPT to comment or participate in discussion on policy development in areas related to the disabled community.

  [HCFA Lead Contacts: Dave Selleck, Denver Regional Office (303) 844-2121 X375,

Paul Mendelsohn, OBS, (410) 786-3213, and Tom Hoyer, BPD, (410) 786-5661]

- **Beneficiary Outreach Focus Groups**
  HCFA's Office of the Associate Administrator for Policy has been coordinating a series of focus-group style meetings with beneficiary advocacy groups, with each meeting centered on specific policy topics. The first meeting, held in September 1995, was coordinated with HCFA Region VIII in Denver, Colorado and HCFA's Office of Beneficiary Services, and was with local disability advocacy groups and beneficiaries with disabilities. The topics addressed at the meeting were mangaged care for people with disabilities and assistive technology coverage issues. One of the goals of the meeting was to learn about the experiences of disabled populations and their advocates in dealing with managed care plans and the types of suggestions they may have to improve the responsiveness of managed care programs for disabled beneficiaries. [AAP Contact: Margie Davis, (202) 690-7864]

- **HCFA customer disability awareness, sensitivity, and outreach issues.**
  The Office of the Associate Administrator for External Affairs is charged with the coordination of HCFA customer disability awareness, sensitivity, and outreach issues. As part of this activity, AAEA assures that all publications are available in formats which can be used by the visually impaired and the deaf-blind. This includes the production of materials in large print, WordPerfect diskette, audiocassette, and braille. All new HCFA publications are being designed to be sensitive to color blindness. All videocassettes produced by HCFA are captioned. In addition, most materials will be available in Spanish, and special requests for other foreign languages can be met.

  AAEA has a direct TDD access number -- 410-966-7581 -- which is answered by Paul Mendelsohn, of the Office of Beneficiary Services, and has a voice message capability. [AAEA Contact: Paul Mendelsohn, (410) 786-3213.]

- **HCFA Hotline**
  HCFA has established a new 800 Medicare hotline number, 1-800-820-1202, for use by persons with hearing and/or speech impairment. The voice hotline number has been sensitized to better serve persons with disabilities, particularly those with visual impairments. HCFA is required by law [Section 1882 (42 U.S.C. 1395)] to operate this toll-free telephone hotline for receiving beneficiary complaints of Medigap sales practices. Also, the Omnibus Budget Reconciliation Act of 1990 requires HCFA to provide information to beneficiaries to assist in selecting Medigap policies. The Office of the Inspector General (OIG) takes complaints of suspected Medicare fraud, abuse and waste, but has requested that HCFA first screen the calls and eliminate those that can be handled by Medicare carriers and intermediaries before referring the calls to the OIG. Calls to the agency regarding second opinions for surgery had been taken on a HCFA contractor-operated hotline for the past 11 years. Although these are now being referred to Medicare carriers, many public information materials still carry the old hotline number, and the

agency still receives many of these calls.

For individuals who are hearing impaired, deaf and speech impaired, the contractor must provide access for computer and TDD (Telephone Device for the Deaf) phone calls. This may require a separate telephone number and specialized computer hardware and software. This system must provide services similar to the general system.

For those who are visually impaired or blind, copies of material in large print and audiocassette (provided to Contractor by Project Officer) shall be offered and mailed out on request by the contractor.

- **Information, Counseling, and Assistance Grants Program**
  The Office of the Associate Administrator for External Affairs administers the ICA Grants program which has a specific charge to focus on special needs populations. HCFA is authorized to make grants to States for health insurance advisory services programs for Medicare beneficiaries. The grants are available to support information, counseling, and assistance activities relating to Medicare and Medicaid as well as Medicare supplemental policies, long-term care insurance and other health insurance benefit information.

  The purpose of the ICA Grants Program is to strengthen the capability of States to provide Medicare beneficiaries with information, counseling, and assistance on adequate and appropriate health insurance coverage. Some areas of special focus are Medicare physician payment reform, Medicare Secondary Payer, Qualified Medicare Beneficiaries, information, counseling, and assistance in rural areas, and coordinated care options for Medicare beneficiaries. ICA Grant funds are intended to help States plan, develop, and implement programs designed to provide those services. While the programs strive to serve the various minority and hard to reach populations through outreach activities, there is no measure of the proportion of individuals with disabilities served. [AAEA Contact: Paul Mendelsohn, (410) 786-3213.]