

Status Report on Managed Care For Long Term Care

(FY2009 Appropriation Bill - Public Act 246 of 2008)

June 1, 2009

Sec. 1775. (1) The department shall study the feasibility of using managed care to deliver Medicaid long-term care services. The study shall focus upon the following:

(a) If there is a sufficient number of organizations interested in providing these services.

(b) The extent of services provided through Medicaid managed long-term care.

(c) Estimated changes in Medicaid long-term care expenditures associated with implementing managed care for these services.

(2) The department shall report the results of this study to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies by June 1 of the current fiscal year.

(3) The department shall also provide a progress report on ongoing efforts to implement long-term managed care pilot programs to the senate and house appropriations."

*Michigan Department
of Community Health*



Jennifer M. Granholm, Governor
Janet Olszewski, Director

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The department has made progress in its study of the feasibility of using managed care to deliver long term care services. An analysis of Medicaid utilization data was initiated for the Detroit-Wayne County area in anticipation of a pilot project for managed long term care, but preliminary results suggested that implementing a non-mandatory pilot limited to long term care services would not provide the efficiencies necessary to successfully operate such a project. At the same time, the department believed that the best opportunities for providing access to all long term care services and optimal care management would be through an integrated plan in which the acute care services covered by Medicare and long term care services covered by Medicaid are provided through a single managed care entity.

To that end, the department applied for and was recently awarded a technical assistance grant from the Center for Health Care Strategies to develop an integrated care plan for dual eligible (Medicaid/Medicare) eligibles meeting nursing facility level of care. This grant provides opportunity to learn from other states' experiences, as well as investigate what has been promoted to be new flexibility by the Centers for Medicare and Medicaid Services (CMS) in combining funding streams for integrated care. The department believes that this care model could achieve efficiencies sought by the state and reduce system fragmentation for consumers while increasing quality and access to home and community based services.