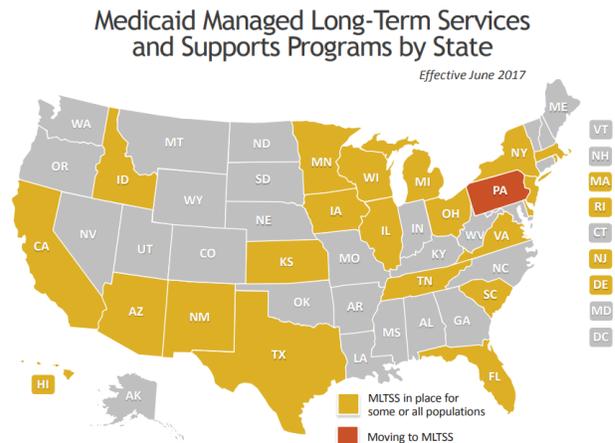


Managed Long-Term Services and Supports: Overview & Implications for Michigan

Medicaid is the primary payer of long-term services and supports (LTSS) in the US, accounting for over half of total LTSS expenditures in 2013.¹ In recent years, many states have experimented with changes to their Medicaid LTSS systems to help improve outcomes for families. These changes include greater provision of home and community based services, greater use of comprehensive programs like the Program of All-Inclusive Care for the Elderly (PACE), and the consideration of different kinds of payment structures, such as Managed LTSS (MLTSS). Many states are implementing MLTSS in response to increased demand for LTSS and to address consumers’ desires for greater community-based care options.

How have other states approached MLTSS?

The use of MLTSS to implement changes in care delivery has grown substantially in recent years. In states with MLTSS, Medicaid managed care organizations (MCOs) receive fixed per-person payments from the state to provide long-term services and supports to consumers. As of June 2017, 22 states operated some form of MLTSS, with significant variations in implementation.² Most states limit MLTSS to certain consumers: in 2014, 19 states included older adults (generally age 65 and older), individuals with physical disabilities, and individuals who are dually eligible for Medicare and Medicaid. In 2014, only five states used MLTSS to provide services to individuals with intellectual or developmental disabilities.³



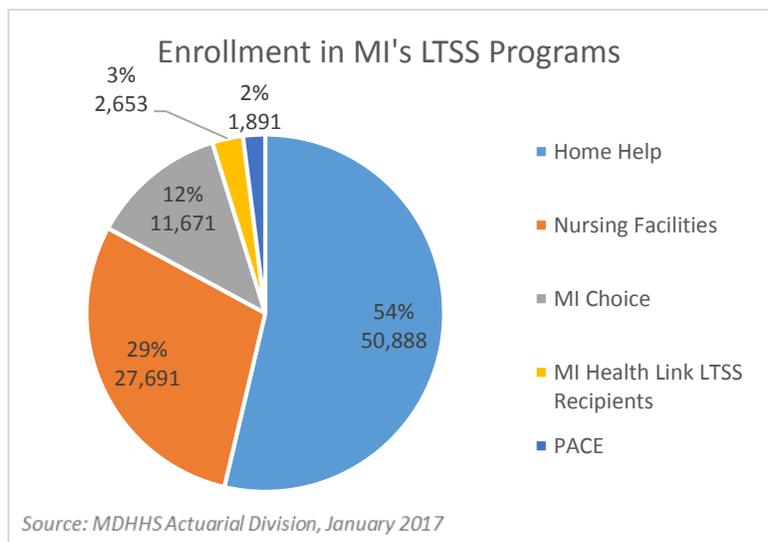
Source: Center for Health Care Strategies, June 2017

Many states with MLTSS choose to integrate long-term services and supports with a comprehensive set of behavioral health and acute care benefits, which is seen as crucial for LTSS recipients given their overall needs and the importance of person-centered service delivery. Fully-integrated models can improve person-centered care coordination with the potential to positively impact health outcomes. One particular program that offers the ability to improve integration is for dually eligible individuals.

How do Michigan residents currently receive Medicaid long-term services and supports?

Michigan residents receive long-term services and supports through five major Medicaid programs.

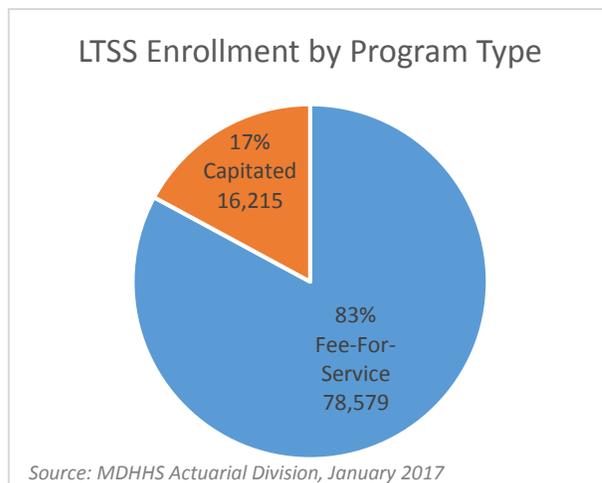
Home Help, the largest of these programs, is the personal care state plan benefit. **MI Health Link** is available to individuals with both Medicare and Medicaid coverage age 21 and older in certain areas of the state. Many consumers receive services in **nursing facilities**, while **MI Choice** provides home and community-based services to individuals who require a nursing facility level of care. **PACE** serves individuals with both Medicare and Medicaid coverage and individuals with Medicaid coverage only, age 55 and older, who qualify for a nursing facility level of care.



Source: MDHHS Actuarial Division, January 2017

The majority of individuals who require a nursing facility level of care receive LTSS in an institutional setting, while approximately one-third receive LTSS in a community setting.

Michigan administers these five programs through a mix of managed care and fee-for-service (FFS) arrangements. The majority of consumers receive services through the FFS system, such as Home Help and through nursing facilities. At the same time, several LTSS programs in Michigan are currently funded through managed care arrangements, including MI Health Link, MI Choice, and PACE. Michigan also has a long history with the use of managed care for physical health benefits. However, the mix of FFS and managed care programs within long-term services and supports contributes to a system that can be fragmented and difficult to navigate. If best practices are followed, increasing the use of MLTSS can promote informed consumer choice, improve person-centeredness, and improve quality.



Why is Michigan studying MLTSS?

Sec. 1857 of the FY2018 State Budget states: “By July 1 of the current fiscal year, the department shall explore the implementation of a managed care long-term support service.” This directed the Michigan Department of Health and Human Services (MDHHS) to begin exploring the use of MLTSS to improve quality and access to care. MDHHS is committed to promoting person-centeredness, self-determination, and informed consumer choice, and is evaluating MLTSS’ potential to help achieve these goals.

What specific steps is Michigan taking to explore MLTSS?

MDHHS has analyzed national trends in MLTSS and is reviewing best practices from other states to develop a roadmap to identify a potential approach to improve the delivery of LTSS for consumers in Michigan. The Department is also gathering initial input from key stakeholders regarding opportunities to improve the delivery of long-term services and supports in Michigan, which could include increased use of MLTSS.

How does MDHHS intend to engage stakeholders?

MDHHS is seeking feedback through consumer focus groups and organizations that represent those who receive long-term services and supports regarding how to improve quality, access, and service delivery. This input will guide the development of the Department’s vision and goals to assess the potential to further develop MLTSS options in Michigan. As the Department begins to consider how an MLTSS program would be designed, MDHHS will engage stakeholders in a more detailed input process, which could include opportunities for written comment.

What is the timeline?

MDHHS is approaching any potential changes through an incremental process that focuses on maintaining core values and improving the way consumers receive services. MDHHS will continue to evaluate programmatic options through mid-2018. As part of this process, the department will also evaluate how MLTSS may impact existing programs and develop standards to ensure quality of MLTSS. While the department studies ways to improve the delivery of long-term services and supports, consumers will continue to receive their current services unless their eligibility changes.

¹ E. Reaves and M. Musumeci, *Medicaid and Long-Term Services and Supports: A Primer* (Kaiser Family Foundation, Dec. 2015): <http://www.kff.org/report-section/medicaid-and-long-term-services-and-supports-a-primer-report-dec-2015/>.

² *Medicaid Managed Long-Term Services and Supports Programs: State Update* (Center for Health Care Strategies, June 2017): http://www.chcs.org/media/MLTSS_FactSheet-06-26-17.pdf.

³ M. Musumeci, *Key Themes in Capitated Medicaid Managed Long-Term Services and Supports Waivers* (Kaiser Family Foundation, Nov. 2014): <http://www.kff.org/medicaid/issue-brief/key-themes-in-capitated-medicare-managed-long-term-services-and-supports-waivers/>.

⁴ MI Health Link enrollment figure for January 2017 does not include MI Health Link enrollees who do not receive LTSS. MI Choice enrollment figure for January 2017 does not include approximately 3,000 individuals on a waitlist for services.