



Executive Office of Health and Human Services

State Annual Progress Report on Long-Term Care System Reform and Rebalancing, May 2017

Pursuant to the RIGL § 40-8.9-6, the EOHHS annual report displays the **progress in long-term care system reform and rebalancing** for the following reporting categories:

- **Institutional Care:** Long-term care services delivered in a nursing home or inpatient hospital.
- **Home and Community Based Services (HCBS):** Long-term care services and supports delivered at home or in a community setting (including, among others, assisted living, shared living, and adult day services).

Dates of service: State Fiscal Years 2011 through 2016 (7/1/10-6/30/16), paid through November 2016.

Data provided do not include the following: Services for those who receive only Non-Emergency Medical Transportation (NEMT); services provided by BHDDH, which include most of the services provided to the developmentally disabled; services in State Hospitals.

Background:

In accordance with Governor Gina Raimondo's Reinventing Medicaid initiative, the Reinventing Medicaid final report articulated principles and goals that included the following as context for rebalancing the long-term care system:

- Pay for value, not for volume
- Coordinate physical, behavioral, and long-term health care
- Rebalance the delivery system away from high-cost settings
- Promote efficiency, transparency, and flexibility

EOHHS has implemented Reinventing Medicaid initiatives that focus on investments in long-term care to promote rebalancing in the areas of payment reform, home and community-based service capacity and coordination of care. Further infrastructure and program investments are necessary to provide stability to the existing system and to achieve system-wide reform to meet the targeted goal of spending fifty percent (50%) of Medicaid long-term care dollars on nursing facilities care and fifty percent (50%) on home and community-based services.

The tables, charts, and notes on the following pages present information relevant to the Reinventing Medicaid effort. EOHHS is actively working on proposals for SFY 2018 to promote *healthy aging* for Rhode Island's seniors. This initiative (described below, at the end of this report) builds on the work that started with the Global Waiver Taskforce in 2009 and the Reinventing Medicaid Working Group in 2015, to rebalance Rhode Island's long-term care system and expand access and options for community living for Rhode Island's elders and adults with disabilities.

Table 1: Medicaid Long-Term Care System Spending, by Type and Age Category, SFY11-SFY16

	SFY11	SFY12	SFY13	SFY14	SFY15	SFY16
Total Spending						
Total Ages 21-64	\$63,701,332	\$67,328,481	\$68,773,125	\$72,297,866	\$82,820,205	\$86,826,697
HCBS	\$28,385,541	\$30,497,018	\$31,498,501	\$30,715,337	\$36,389,074	\$38,391,314
Institutional	\$35,315,791	\$36,831,463	\$37,274,624	\$41,582,529	\$46,431,131	\$48,435,383
Total Ages 65+	\$343,951,353	\$359,704,091	\$370,153,159	\$382,129,298	\$379,727,193	\$370,181,388
HCBS	\$42,226,102	\$47,906,765	\$52,067,841	\$53,306,298	\$56,617,751	\$58,800,246
Institutional	\$301,725,251	\$311,797,326	\$318,085,318	\$328,823,000	\$323,109,441	\$311,381,142
Total	\$407,652,685	\$427,032,572	\$438,926,284	\$454,427,164	\$462,547,398	\$457,008,085
Spending, % HCBS*						
Ages 21-64	44.6%	45.3%	45.8%	42.5%	43.9%	44.2%
Ages 65+	12.3%	13.3%	14.1%	13.9%	14.9%	15.9%
Total	17.3%	18.4%	19.0%	18.5%	20.1%	21.3%

* Please note that the spending percentages are within each Age Group and therefore do not sum to 100%.

Chart 1: Out of All Medicaid Long-Term Care System Spending, Percentage of Spending on Home & Community Based Services and Supports, by Age Category, SFY11-SFY16

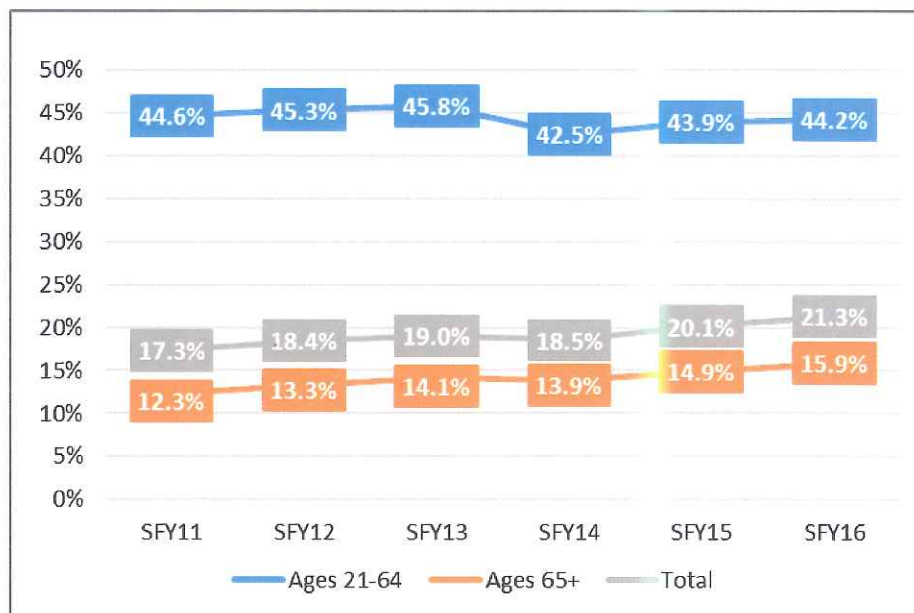


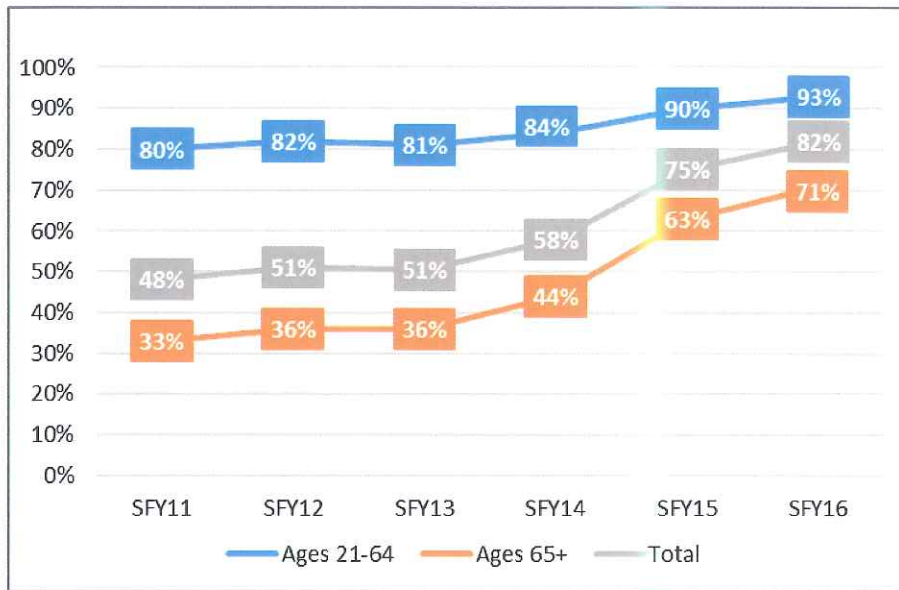
Table 2: Medicaid Long-Term Care System Utilization, by Type and Age Category, SFY11-SFY16

	SFY11	SFY12	SFY13	SFY14	SFY15	SFY16
Total Enrollees*						
Ages 21-64	4,813	5,513	4,985	6,437	9,518	11,727
HCBS	3,842	4,540	4,021	5,409	8,554	10,886
Institutional	1,243	1,312	1,309	1,515	1,777	1,852
Ages 65+	10,768	11,109	11,207	11,495	12,016	11,897
HCBS	3,578	3,992	4,087	5,003	7,581	8,432
Institutional	7,933	7,970	7,962	7,811	7,744	7,131
Total	15,456	16,444	16,038	17,791	21,360	23,387
HCBS	7,349	8,421	7,977	10,309	16,011	19,122
Institutional	9,122	9,215	9,227	9,287	9,466	8,928
Total Enrollees, % HCBS**						
Ages 21-64	80%	82%	81%	84%	90%	93%
Ages 65+	33%	36%	36%	44%	63%	71%
Total	47.5%	51.2%	49.9%	57.9%	75.0%	81.8%

** Please note during the same State Fiscal Year, some individuals will receive both Institutional Care and HCBS; such individuals will be counted in both categories, however the totals by Age Group and for all individuals will count each individual only one time. This explains why, for example, in SFY16, there could be 8,432 individuals Ages 65+ in HCBS and 7,131 individuals Ages 65+ in Institutional Care and yet only 11,897 unique individuals Ages 65+ receiving services in the Long-Term Care System.

** Please note that the spending percentages are within each Age Group and therefore do not sum to 100%.

Chart 2: Out of All Medicaid Long-Term Care System Utilization, Percentage of Individuals Receiving Home & Community Based Services and Supports, by Age Category, SFY11-SFY16



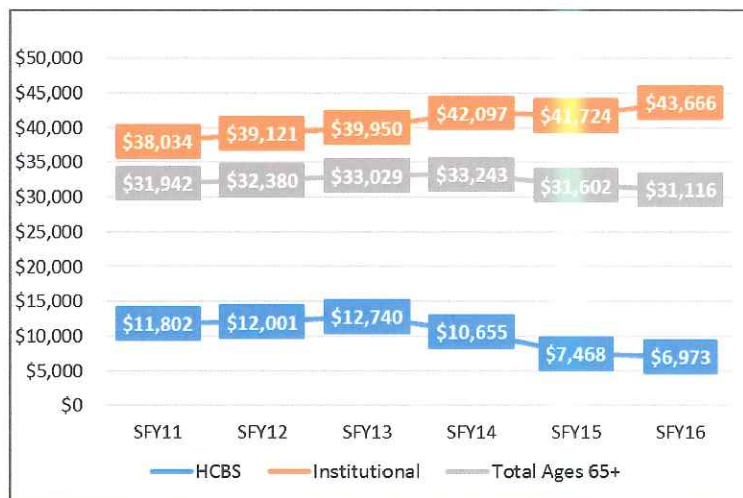
Note that the data on the previous page show a 48% increase in enrollees Ages 65+ from SFY14 to SFY15 and a 23% increase from SFY15 to SFY16. Due to new programs that use high-volume/low-cost care management codes to bill for coordinated services and claims from Logisticare NEMT services, we see a large increase in individuals receiving services, without a corresponding increase in total spending. Furthermore, a portion of claims dollars for some submitters are not yet complete, which further depresses the ratio of total dollars to total users. These two trends combine to explain falling Costs per User (see Table 3). Overall costs, however, have remained stable.

Table 3: Medicaid Average Annual Long-Term Care System Spending, by Type and Age Category, SFY11-SFY16

	SFY11	SFY12	SFY13	SFY14	SFY15	SFY16
Spending Per Enrollee (all services and stays of any length)						
Total Ages 21-64	\$13,235	\$12,213	\$13,796	\$11,232	\$8,701	\$7,404
HCBS	\$7,388	\$6,717	\$7,833	\$5,679	\$4,254	\$3,527
Institutional	\$28,412	\$28,073	\$28,476	\$27,447	\$26,129	\$26,153
Total Ages 65+	\$31,942	\$32,380	\$33,029	\$33,243	\$31,602	\$31,116
HCBS	\$11,802	\$12,001	\$12,740	\$10,655	\$7,468	\$6,973
Institutional	\$38,034	\$39,121	\$39,950	\$42,097	\$41,724	\$43,666
Total	\$26,375	\$25,969	\$27,368	\$25,543	\$21,655	\$19,541

Please note, as well, that the Institutional data above reflect all stays, including short-term and long-term stays. Similarly, HCBS data reflect all spending for all members who received HCBS services, which are not limited to a predetermined length of time. Most importantly, some individuals will receive services or reside in an institution for the entire year, whereas others will do so for only months or even weeks. As such, the numbers above cannot be interpreted as the average *annual* cost of a nursing home or other institutional stay or a year of HCBS, but rather the average cost for all stays or all services.

Chart 3: Medicaid Average Annual Long-Term Care System Spending, by Type for Ages 65+, SFY11-SFY16



The Healthy Aging Initiative

Governor Raimondo has proposed in the SFY 2018 budget repurposing a portion of anticipated savings from redesigning the State's Integrated Care Initiative (ICI) for enhanced services in the community focused on healthy aging and investments in home and community-based care to achieve the goal of rebalancing the long-term care system.

Goals of the Healthy Aging Initiative:

Build age-friendly communities, enhance long-term services and supports (LTSS) programs, strengthen Medicaid interventions, and further promote LTC industry partnerships.

Why Healthy Aging Initiatives are Important:

- **RI fares poorly in national AARP rankings**
The 2014 AARP State Scorecard for long-term care ranks Rhode Island as #38, near the bottom compared to most states. Moreover, RI's rate among those 65 and older in nursing homes is highest in New England and third highest in the nation.
- **Spending heavily weighted toward institutional care**
In RI, 79% of Medicaid long-term care spending pays for institutional care and 21% for home and community based services (HCBS). Ten states (plus DC) spend over 50% of Medicaid long-term care dollars on HCBS.
- **Significant investments to date with limited impact**
Nursing home days per thousand have been declining over the last 5 years, however total nursing home expense continues to grow.
- **A growing aging population brings increasing urgency to this challenge**
The 65+ population in RI is projected to grow 2.5-3.0% per year over the next 10 years. Medicaid enrollment of elders is projected to increase by 14% in 5 years and 32% increase in 10 years.

Healthy Aging Reform Initiatives Under Consideration:

- Improved community-based early identification and support services—for elders at risk of Institutional care—by funding senior-serving community organizations to provide training programs, promoting volunteer programs, providing transportation, and identifying needs of elder communities.
- Robust informational resources for seniors, adults with disabilities and their families.
- Enhanced Assisted Living capacity to promote general behavioral health and dementia care.
- Expanded Adult Day capacity to serve individuals with behavioral health conditions & dementia.
- Respite and caregiver supports for persons with Alzheimer's.
- Enhanced Pre-Medicaid CNOM-DEA Co-Pay Program.