



The Integrated Care Initiative and 1115 Waiver

Reinventing Medicaid Working Group

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Integrated Care Initiative

- Demonstration program which allows states to combine Medicaid and Medicare funding for Medicare/Medicaid Eligibles (aka Duals) in to a single funding stream
- In RI, has been implemented in Phases:
 - Phase I: November 2013: Medicaid services only moved to NHPRI
 - Phase II: Adds Medicare services. In development, for launch in 2015 with NHPRI



Integrated Care Initiative

- Medicaid Services Include:
 - Home and community based services (home care, adult day)
 - Long term care nursing home services
 - Services overseen by BHDDH (Community Mental Health Centers, substance use residential)
- Medicare Services Include:
 - Acute and Primary Care (Including hospital, professional primary care and specialty, lab, etc.)
 - Pharmacy
 - DME



Integrated Care Initiative

- Goals: Achieve the triple aim for this high need population by:
 - Improve coordination between Medicare-funded and Medicaid-funded services
 - Eliminate misaligned incentives between programs (e.g, between hospital and nursing home care)
 - Enhance State’s capacity to measure and improve quality of care in Long Term Services and Supports



Integrated Care Initiative

- CMS encourages shifting provider payments away from fee-for-service to other forms of reimbursement
- The health plan must provide a full continuum of all Medicaid and Medicare covered services, including LTSS
- SPMI services will be included



Integrated Care Initiative: Financial Arrangement with MCO

- Medicare sets the A, B and D rates
 - Medicare rates are risk adjusted using a methodology currently used by Medicare Advantage – HCC
 - Part D rates risk adjusted using RxHCC
- States set the Medicaid portion of the rates
- Health plans would receive three payments – Medicare A/B, Medicare D and Medicaid
- Risk is shared with CMS, EOHHS and MCO
- Savings percentages will be identified in the MOU

ICI Enrollment Statistics as of April 1, 2015

ICI Enrollment by Program and Setting

Setting	RHO	CCCCP	PACE	Total ICI Enrollment**
Nursing Home > 90 Days	2,903	291	286	3,194
ID/DD	1,630	448		2,078
Comm. With LTSS	1,155	425		1,580
SPMI	1,164	541		1,705
Comm. No LTSS	10,084	1,991		12,075
MA Only*	470	185		1,103
Total	17,406	4,329		286

*Includes DD and SPMI

**Excludes PACE



Integrated Care Initiative: Lessons from First Year of Implementation

- Many LTC providers not familiar with Managed Care
- Duals represent a diverse population with complex medical, behavioral and social needs
- Housing a prominent need
- Achieving Triple Aim will require intensive care coordination and support across the care continuum for these individuals
- Changing Provider Payments, not only MCO payments, will be required



1115 Waiver

- **The RI Section 1115 waiver** constitutes the legal authority and flexibility granted to the State by the Secretary of the U.S. DHHS to waive certain statutory requirements to pursue innovations that further the goals of the Medicaid and CHIP Programs.
- The terms and conditions of the State's Section 1115 waiver establish the scope of the State's flexibility under federal law relative to the Medicaid State Plan.
- Original 1115 waiver granted in 2009. 5 year extension 2014-2018.
- Budget neutrality requires that spending under the waiver not exceed spending which would have taken place without it



1115 Waiver

- **Waiver Goals established in 2009:**
 - **System Rebalancing** – transform the long-term care system to ensure beneficiaries have greater choice of home and community based services;
 - **Enhanced Care Management** -- provide every beneficiary with a medical home to optimize health and wellness and promote personal responsibilities; and
 - **Purchasing** -- ensure that the State obtains the best health outcome for every Medicaid dollar we spend.



1115 Waiver

- RI has employed the tool of the 1115 waiver to establish a number of programs:
 - Nursing Home Transitions
 - ICI
 - Self-directed programs
 - Expanded use of managed care for additional populations
 - Combined multiple waivers prior to 2009 in to single program



1115 Waiver

- Medical Homes for Medicaid members have expanded
- Nursing home bed days/1,000 average eligibles have declined since 2009
- Approximately 1,000 individuals transitioned from nursing home to community
- Utilization of Home and community services have increased



1115 Waiver

- RI retains the ability to amend the waiver to obtain additional authorities in partnership with CMS
- Possibilities Include:
 - Adding additional services to existing programs
 - New Payment methodologies for existing services