

The Risks and Rewards of Medicaid Managed Care for Individuals with Intellectual/ Developmental Disabilities

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Agenda

- 1 Introductions
- 2 Market drivers
- 3 Managed care for individuals with intellectual and developmental disabilities
- 4 The coming managed care challenges
- 5 The Optum solution
- 6 Discussion/Q&A

Market drivers



Current national landscape

- More than 5 million people live with an intellectual or developmental disability (I/DD) in the U.S.; **total public spend exceed \$65.2B***
- Represents a **diverse community** of individuals with different talents and abilities across all cultural, economic, racial and ethnic backgrounds
- State I/DD programs are serving 680,000+ individuals in out-of-home settings: intermediate care facilities (ICF), group homes, skilled nursing facilities (SNF) and supported living (SL) settings
- New York state leads the nation in public spend at more than **\$10.2B* annually**; Pennsylvania's total spend: **~\$3.3B**

*Source: *State of the States in I/DD*, 11th Edition, 2017



A look at the health care system



More than 133 million Americans live with a chronic condition¹

- Conditions include asthma, diabetes, heart disease, obesity, et. al.
- Number expected to increase to 171 million by 2030²



In 2017, national health care spending was expected to reach **\$3.5 trillion**³

- Represents 18% of the national economy⁴
- Will swell to \$5.6 trillion by 2025, or 20% of the national economy⁵
- Health care costs are rising faster than household income



Employer Sponsored Insurance (ESI) is the **largest source of health care** in the nation: 178 million lives⁶

- Medicaid: just under 100 million lives⁷
- Medicare: approximately 60 million lives⁸

Sources: 1., 2. Open Minds, 2017; 3., 4., 5. Cuckler GA, Sisko AM, Poisal JA, Keehan SP, Smith SD, Madison AJ, et al. National health expenditure projections, 2017–26: despite uncertainty, fundamentals primarily drive spending growth. Health Aff (Millwood). 2018;37(3):482–92; 6., 7., 8. U.S. Census Bureau, Current Population Survey, 2014 to 2017 Annual Social and Economic Supplements.

Key system driver: Social determinants of health

5

social
determinants

impact **40%** of health outcomes*



Economic stability



Education



Health and health care



Neighborhood and built environment



Social and community aspect

Factors that influence health:

- Access to care
- Community safety
- Air and water quality
- Education
- Employment
- Income
- Family and social support
- Housing and transit

*Source: County of Los Angeles Dept. of Public Health, January 2013, "How Social and Economic Factors Effect Public Health"

Health issues



3x the physical health issues of the general population¹



2x the anxiety and mood disorders of the general population³



Women with I/DD **5x** more likely to suffer sexual abuse⁵



4x as many prescriptions written as for the general population²



Children with I/DD **3–6x** more likely to suffer abuse⁴



Of adults with I/DD surveyed, **>90%** had associated medical conditions⁶

Sources: 1., 2. Thomas Cheetham, MD, FAAIDD (2015); 3., 4. American Psychiatric Association (2000); 5., 6. American Journal of Mental Retardation (1995)

Health care utilization

More than 5 million people with I/DD in the United States:



- **More than 60%** rely on Medicaid for their health care coverage
- Approximately **350,000** receiving health care services via managed care
- An estimated **80%** are Medicaid eligible
- Nearly **75%** live with family members

Sources: Thomas Cheetham, MD; David Braddock, PhD; Open Minds.



High level for people with I/DD

Co-occurring mental illness	35%
Including SUD(SA)	50%+
Cardiovascular disease	38%
Central nervous system diseases	28%
Three or more chronic conditions	45%

Demographic “time bombs”

Longer duration of services

Life expectancies for individuals with I/DD are approaching those of the non-disabled, which means longer duration of services.

1M will need new service and support structure

Many I/DD individuals have caregivers over the age of 60. This means that there are close to 1M additional individuals who will soon need a new service and support structure.



New stakeholder expectations



Emphasis on improving individual lives

- New opportunities to participate in the greater community
- Choice of housing and leisure activities; more meaningful jobs
- Aligns physical, behavioral and HCBS services to ensure health and quality of life



Person-centered planning

- Enables people to control their own services and shape their own lives
- Supports focus on the individual's goals
- Individuals in control; families and friends an integral part of the planning process



More predictable costs for states

- Measurable goals to comply with CMS
- Managed care to modulate the upward trajectory of FFS
- Eliminating the duplication and/or overlap of services

Managed care for individuals with I/DD



Why the move to managed care?



Individuals with I/DD have been among the last population groups to transition to managed care settings due to the complexity of their conditions



Expenditures have increased at a compound annual growth rate of 5% for the last decade ... that is not sustainable for state budgets long-term*



Approximately half of I/DD individuals (~350K) are enrolled in acute managed care; however, only around 100K individuals have their HCBS services under any type of “managed care”*



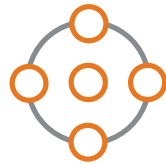
The I/DD service system has been plagued with unsustainable costs, inefficiencies and inconsistencies

*Source: American Association on Intellectual and Developmental Disabilities, “State of the States in Intellectual & Developmental Disabilities, 11th Edition, 2017.

Why states are thinking about managed care



Disability services
are challenging
and costly



Multiple service
delivery systems



Severe budget
constraints



Regulation
hurdles

Managed care is not new for individuals with I/DD

More than 50% obtain acute coverage through an MCO

What is changing under managed care?

- Managing HCBS, which represent 85% of an I/DD individual's total Medicaid spend
- Service plan creation and coordination between MCOs and providers
- Integration of overall health care and services/supports



Integrated solutions

Person-centered approach:

Self-determination

Built around innovative support model



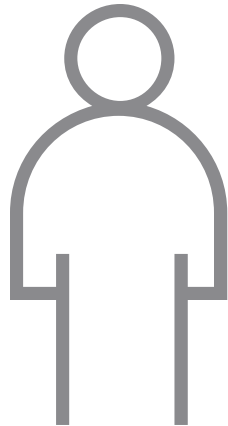
Self-advocacy

Same choices, opportunities and responsibility as others



Individualized plan

Services are driven by eligibility and individual needs



Carefully planned to:

Address

Fragmented delivery system



Strengthen

Person-centered planning



Improve

Quality of life and satisfaction



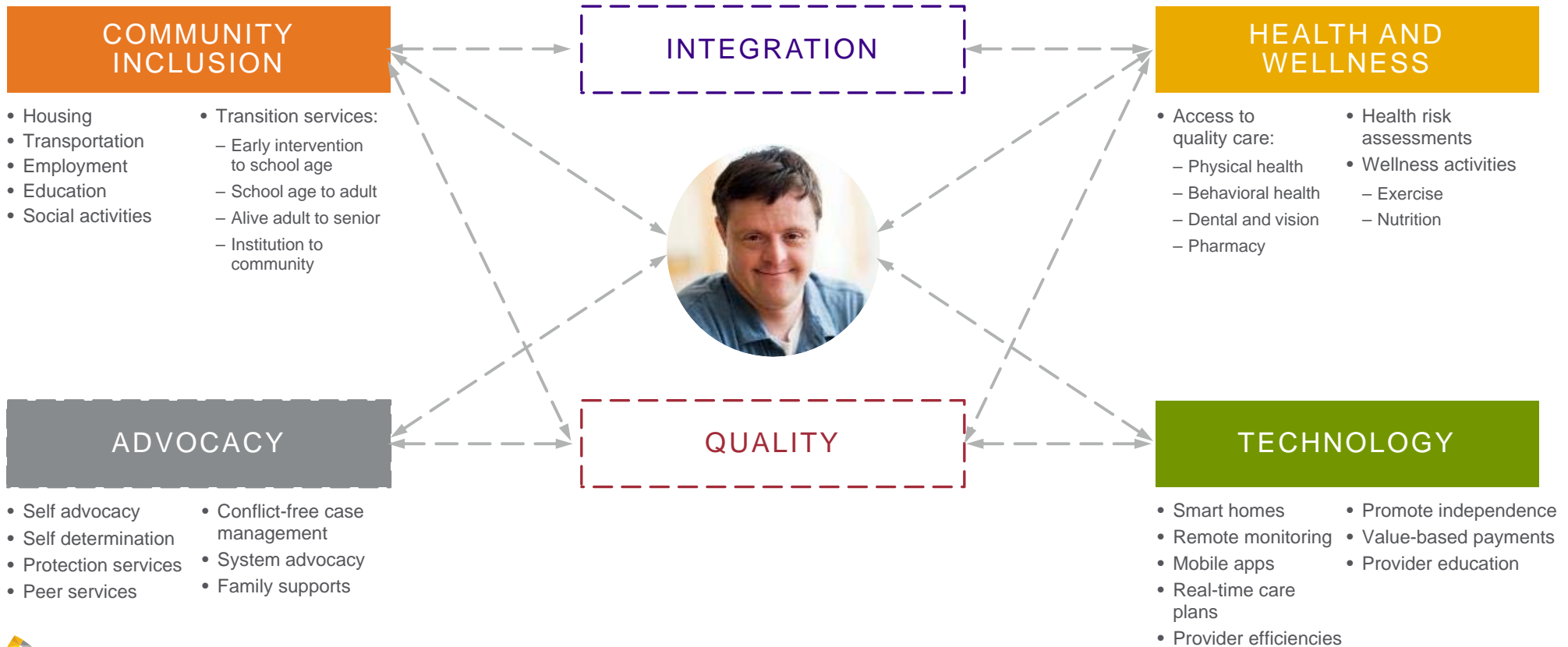
1.2M Live with adults over age 60 ¹	1.4M Served by state I/DD agencies ²	75% Live in community or with families ³	1.2M Adults with I/DD aged 60+ by 2030 ⁴	1M Soon to become Medicaid eligible ⁵
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Sources:

- 1,2. American Association on Intellectual and Developmental Disabilities, "Aging and People with IDD," December 2015. Accessed January 2017 p9.
3. *Still in the Shadows with Their Future Uncertain*, The Arc, <http://www.thearc.org/document.doc?id=3672>. (UHC).
4. American Association on Intellectual and Developmental Disabilities, "Aging and People with IDD," December 2015. Accessed January 2017.
5. Kaiser Commission on Medicaid and the Uninsured. "People with Disabilities and Medicaid Managed Care: Key Issues to Consider." February 2012 <https://kaiserfamilyfoundation.files.wordpress.com/2013/01/8278.pdf>. Accessed January 2017.



An effective system starts with the individual



The coming managed care challenges



Concerns about managed care and I/DD



- Would reduce costs by cutting services
- I/DD population would get “lost”
- Would ignore existing best practices
- Insufficient claims payment and administrative support for HCBS providers
- Would use “medical model,” which doesn’t acknowledge the importance of HCBS
- Emphasis on telephonic-based system versus face-to-face resources
- Increased administrative burdens

Medicaid managed care for individuals with disabilities



How to best coordinate HCBS and Medical?

- Whole-person perspective
- Support navigator
- Data essential for critical insights
- Centered around the individual

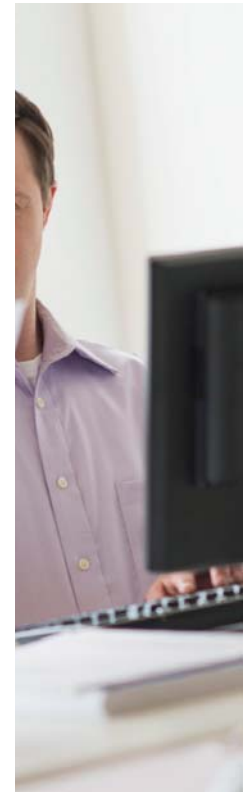


How does service delivery change under managed care?

- Comprehensive service integration
- Sharing data and information
- Coordination with medical plans
- New expectations of providers

Managed care approach for I/DD

Support state administration and oversight	Involve individuals, advocates and other stakeholders	Utilize existing I/DD infrastructure
Match individual with appropriate services and resources	Improve care planning (ISP) to incorporate goals and aspirations	Help individuals on HCBS waiting lists access other programs and resources
Health homes	Support independent lifestyle with self-directed services	Maximize employment opportunities and housing options



Utilizing an informed approach in the managed care industry

- Engage the I/DD provider community, in person, as early as possible
- Hire staff with local experience
- Provide in-person provider training
- Establish provider “helpdesk”
- Build comprehensive provider portal
- Pay claims on a timely basis
- Build provider partnerships
- Build relationships with individuals, families and advocates



Advantages of a managed care approach

Full integration and oversight of an individual's care and supports

- Medical
- Behavioral health
- Pharmacy
- HCBS
- Any other non-waiver and natural supports

Centralized support coordination and navigation

- Focus incentives on individual life goals and desired outcomes
- “Panoramic view” of an individual
- Consistent, conflict-free support planning
- Connect to resources outside of traditional provider networks
- Offer value-added services (transportation, technology assistance, housing, etc.)

Recognizing I/DD providers are *not* the same as other Medicaid-funded providers

Often small, with limited working capital reserves

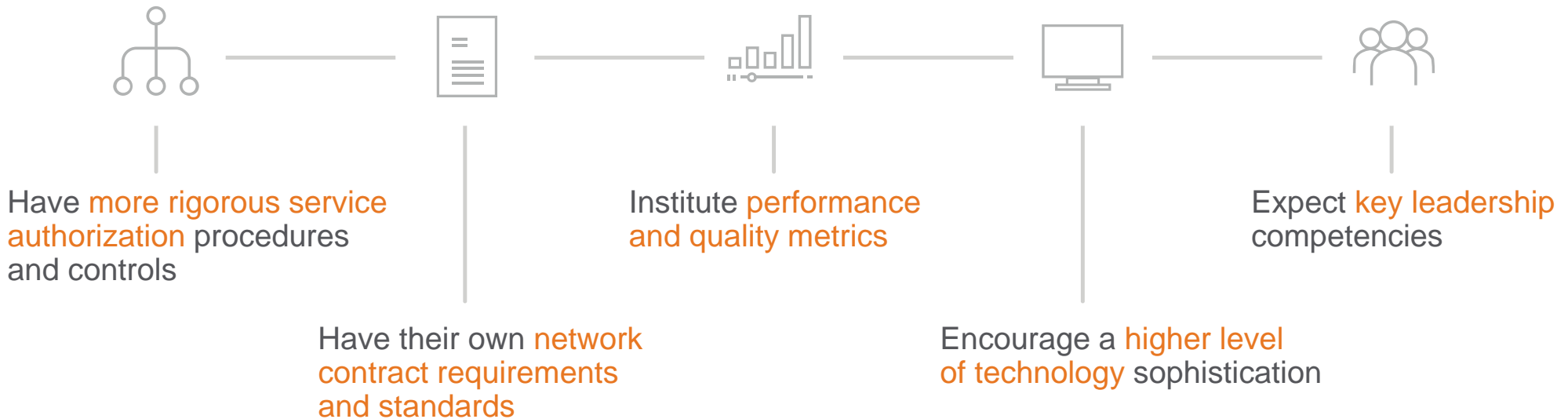
Have contact with the individuals they serve on a daily basis

Face challenges attracting and retaining qualified Direct Support Professionals (DSPs)

Are not familiar with working with MCOs

What to expect when doing business with MCOs

MCOs will ...



Integrated solutions for I/DD



Medicaid managed care for individuals with I/DD



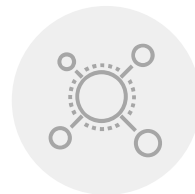
Optum is developing an integrated I/DD program with a supporting technology platform



Understanding individual and family experience



Interaction with system stakeholders



Spark Initiative



Rolling out late 2018

KJM5

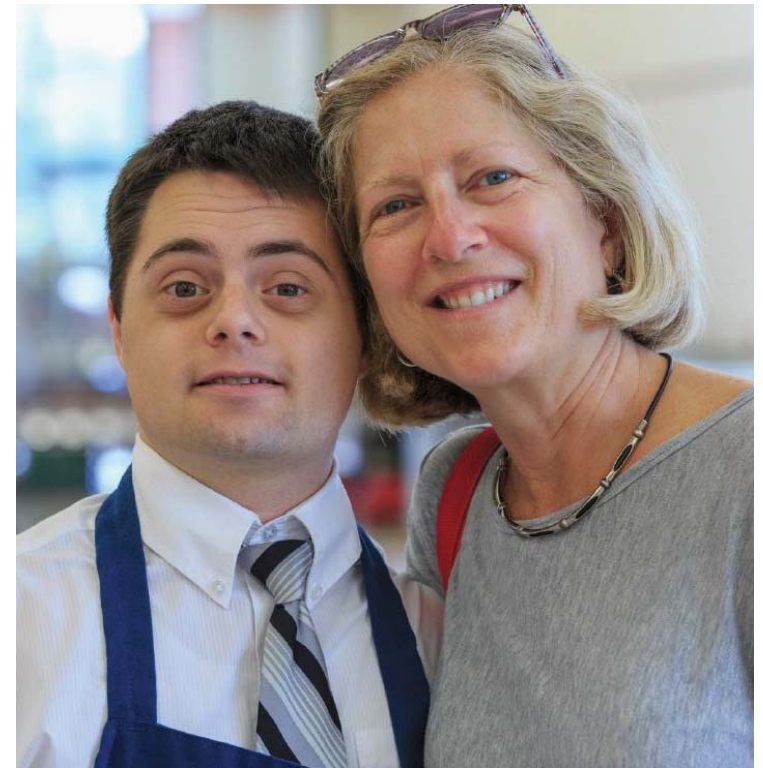
Slide 26

KJM5 Should this be changed to early 2019??
McCord, Kelvin J, 8/9/2018

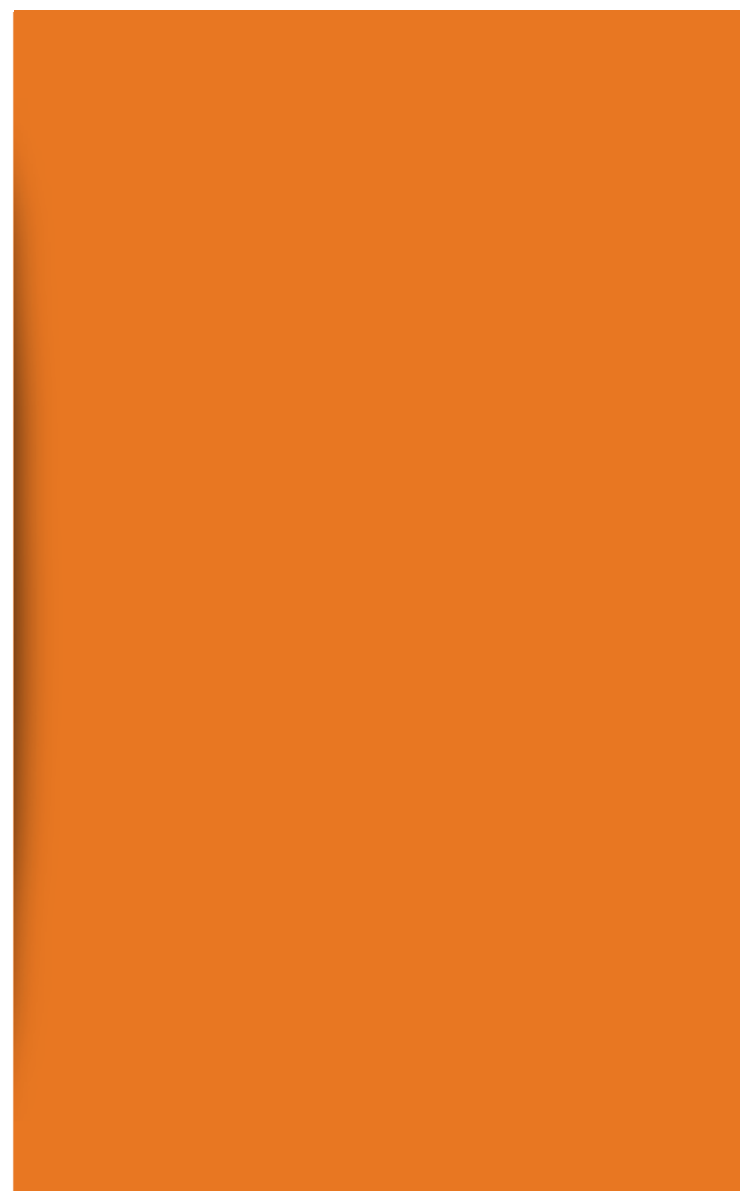
I/DD solution development guided by national leaders

Developed relationships with leading advocacy groups and national associations well in advance of the program development

Their experience and guidance were instrumental in shaping the Optum I/DD program



THE
spark
INITIATIVE
*a creative catalyst
for change*



The Spark Initiative: a creative catalyst for change



Consortium

- Developed, underwritten and hosted by Optum
- Brings together leaders in government, nonprofit and private sectors to “spark” new thinking on major national issues confronting state Medicaid and human services agencies
- In addition to Optum, the Spark team is represented by 25 organizations to collectively develop a variety of resources for the public

Focus

- Launched in 2016 with a focus on the justice-involved population
- In 2017, the initiative focused on the I/DD population with a goal to define and drive a unified national effort to better serve people with disabilities primarily through changes in the service delivery system

Benefits

- *To state and public constituents, including specific populations:* a supportive coalition providing resources and innovation for productive change
- *To Optum:* understand voice of the customer, influence product innovation and market advancement
- *For everyone:* making the health system work better for everyone



PN1

2017 Spark Initiative Members

 <p>Administration for Community Living</p>	 <p><i>For people with intellectual and developmental disabilities</i></p>	 <p>National Association of Councils on Developmental Disabilities</p>	 <p>for Individuals with Disabilities</p>	The Arc: Arizona Community Resource Associates
 <p>BEHAVIORAL HEALTHCARE</p>	 <p>CQL The Council on Quality and Leadership</p>	 <p>Community Services Group</p>	 <p>REHABILITATION & COMMUNITY PROVIDERS ASSOCIATION</p>	University of Mass. Boston, Institute for Community Inclusion Michigan Department of Health and Human Services, The Behavioral Health and Developmental Disabilities Administration (BHDDA)
 <p>American Association on Intellectual and Developmental Disabilities</p>	 <p>HOPE HOUSE FOUNDATION</p>	 <p>University of Delaware</p>	 <p>UNIVERSITY OF MINNESOTA rtc on community living</p>	National Association of County Behavioral Health and Developmental Disability Directors (NACBHDD)
 <p>American Network of Community Options and Resources</p>	 <p>Human Services Research Institute</p>	 <p>OPEN MINDS</p>	 <p>VAYAHEALTH</p>	National Association for Rural Mental Health (NARMH) People First of Nevada



PN1 update to 2018?
Patty Nieman, 9/5/2018

SPARK! I/DD work groups

	1 Shared framework Foundation for work of groups 2, 3 and 4	2 Provider barriers	3 Outcomes and performance	4 Education
Audience	I/DD community	I/DD providers and I/DD system	Policy makers, legislators, state authorities	General public
Deliverable	White paper exploring what self-determination should look like for the disabled	Summary report from a nationwide provider survey to understand how individualized support is delivered today and what barriers exist for improvement	<ul style="list-style-type: none"> • Online self-assessment tool for local/state I/DD authorities to guide them to self-directed resources and best practices • White paper recommending ways programs can change to better support individuals with disabilities to lead a self-determined life 	National campaign toolbox to help break down barriers and educate the public on how to best interact with people with disabilities in ways that enable them greater self-determination and independence
Status	Developing outline; authored by representatives of Human Research Services Institute	National quantitative online survey in market April 21 through May 25, 2018	<ul style="list-style-type: none"> • Collecting models for analysis • Target completion: Q3 2018 	Direction for creative and campaign strategy finalized April 2018 Target completion: Q4 2018 (toolbox, promotional plan with industry partners)
Engagement	White paper distribution via Spark organizations, industry conferences and national campaign toolbox	Report dissemination via Spark organizations, industry conferences, and national campaign toolbox	Promotion of deliverables via Spark organizations and industry speaker circuit; POV on needed policy changes	National <i>Presume Competence</i> awareness campaign

What can we do together?



Develop ideas

to improve general service delivery for I/DD individuals



Co-design incentive-driven programs

to help individuals reach their goals (from a “paid services” model toward an “outcomes” model)



Increase the dialogue

between MCOs and providers to maintain alignment on program goals

I/DD team experience and background at Optum



Family members with I/DD

Leadership of state I/DD agencies

Policy advisors to state executives

Provider trade association executives

IT entrepreneurs focused on HHS and disabilities

Medicaid program design for disability populations

Population health and public sector product development

Marketing consultants

Advocacy and public policy

Public sector finance, reporting and analytics

Guidance for I/DD providers in preparing to work in a managed care environment



Update technology capabilities to better integrate with MCO systems and share information



Consider alliances and partnerships with other providers to share investment costs



Conduct managed care “readiness assessment”



Affiliate with a larger entity who can perform managed care functions on your behalf



Develop business cases on the value of your services



Build competencies



Forge partnerships with MCOs

Challenges ahead

1. Enhance the wages and benefits of direct support staff in community service programs to improve the quality of services they provide and minimize staff turnover.
2. Develop additional Medicaid-funded, person-centered community residential services, and supported living and family support programs to reduce waiting lists in states.
3. Create and implement more health promotion and disease prevention programs in residential a community services settings nationwide.
4. Increase the rate of community employment for persons with intellectual and/or other developmental disabilities and dramatically expand supported employment programs.
5. Accelerate the development and utilization of assistive and cognitive technologies for individuals with I/DD.

*Source: *State of the States in I/DD*, 11th Edition, 2017

Slide 35

KJM1 Slide (from NACDD deck) is a bit out of place, but added it to the Challenges section.
McCord, Kelvin J, 8/8/2018

IN CLOSING

There are challenges but also opportunities:

- ▶ To **make a positive impact** on overall care and supports
- ▶ To **defragment and integrate** formerly siloed delivery systems
- ▶ To **enhance the individual experience**



Final thoughts

The organization and management of service systems should be rethought

Adapting, not replicating

*Full, inclusive, quality life
in the community*

Realizing potential

Discussion



Thank you.

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