New Community Opportunities Center Presents…

Medicaid 101

January 30, 2013

3:00P.M. – 4:30P.M. EST

Presenter:

Suzanne Crisp

Today's Discussion

- The basic structure of Medicaid
- Medicaid eligibility requirement & services
- Initiatives promoting consumer/self-direction
- Successful appeal structures

In The Beginning

- The Great Society (1965)—created Medicare, Medicaid, and Social Security
- Medicaid the early years—elders, dependent children & persons with disabilities with no insurance; welfare state funded
- Jointly administered by the state and CMS
- Medicare is social insurance for everyone who pays in during working years
- Medicaid is for individuals with low income and limited resources

This Might be Challenging

- Medicaid and Medicare are complex
- Complexities offer opportunities to increase home and community services
- Changes to Medicaid require Congressional action
- Unique to each state
- State legislatures decide how much the state will spend & set income and resource guidelines
- States decide how much to pay providers
- Those with knowledge are typically not change agents

Medicare

- Health insurance program for all who pay in
- Covers 44 million (37 elders/7 adults with disabilities)
- Comprises 13% of Federal budget
- Medicare funds acute care
  - Part A—Hospital, nursing facilities, home health & hospice
  - Part B—Doctor's visits, outpatient care & prevention services
  - Part C—Medicare Advantage
  - Part D—Prescription drug coverage
- Limits long-term services and supports
- Entitlement—If you are eligible you get what you need

Medicare Eligibility

- Become 65 & payroll tax contributions for 10 years
- Individuals with disabilities must meet specific disability listing
- Must be eligible for Social Security payments two years before coverage
- Covers basic health services (hospital stays, physician visits & prescription drugs)
- Cost sharing—payment of premiums & co-payments

Medicare Does NOT Cover

- Long-term service and supports (except post-hospitalization rehab services)
- Vision
- Dental
- Hearing aids

A National Overview of Medicaid

- Largest public health insurance program in the US
- Covers 60 million low income (1 in 5 Americans)
- Largest payer of long-term services & supports & nursing home and community-based services
- Medicaid finances 17% of all personal care funding
- The Affordable Care Act (ACA):
  - From 2014 to 2016 the Federal government will finance 100% of the costs for individuals newly eligible for Medicaid due to the expansion

Medicaid Providing Individuals with Long-Term Services and Supports

- Initially, Medicaid supplied LTSS only in institutions
- In 1970 Home Health was added
- In 1981, the Social Security Act was amended to allow services that offered individuals a choice between institutionalization and home & community based services—Waivers
- Until 1988, 90% of all Medicaid $ were dedicated to Nursing Facilities or Institutional Care Facilities for Mentally Retarded

More on Medicaid

- Each state develops and operates a State Plan outlining the nature and scope of services; the State Plan and changes must be approved by CMS
- Medicaid mandates some services, States elect optional coverage
- States choose eligibility groups, services, payments and provider qualifications
- In 2009:
  - 31 million children
  - 6 million elders
  - 9.5 million persons with disabilities

Expenditure Overview

- 15% of individuals with disabilities expend 43% of funds
- 10% of elders expend 23% of funds
- 26% of adults expend 14% of funds
- 49% children expend 21% of funds
- Long term care vs. acute care:
  - 2/3 Acute Care
  - 1/3 Long term services and supports

Role of the State Medicaid Agency

- Responsible for the state's Medicaid program
- Assures accountability between the state and Federal government
- May not delegate certain functions to another state agency, e.g., policy making or standard setting
- Determines their own unique programs
- Develops a State plan outlining the nature and scope of services
- States choose eligibility groups, services, payment levels and provider qualifications

Questions??

- Use the chat window on your screen to type in your questions.
- Or press the number 7 on your telephone keypad to signal the operator.

Medicaid Requirements

- Must follow rules in the Social Security Act, the Code of Federal Regulations (generally 42 CFR), State Medicaid Manual and policies issued by CMS
- States must specify services to be covered and the amount, duration and scope of each
- States may not place limits on services or deny/reduce coverage due to a particular illness or condition

More Medicaid Requirements

- Services must be medically necessary
- Third party liability rules require Medicaid to be the "payer of last resort"
- Generally, services must be statewide
- Individuals have the freedom of choice of providers
- State reimbursement methodologies must include methods to assure provider payments are consistent with economy, efficiency, and quality of care principles

Categorical Eligibility

- Considered a means-tested entitlement program
- 65 or older
- Visually impaired
- Under 65 with a disability—state determines
- In 33 states—SSI automatic eligibility; 11 states—separate enrollment, or 209(b)

Financial Eligibility

- Income eligibility is set by the state
- States have the option of raising to 100% of the Federal poverty level ($10,830 for one person)
- Allows employment options
- Medically needy category:
  - Allows temporary eligibility for those who qualify except for income
  - Must “spend-down” their income to Medicaid levels

Mandatory Services—States Must Cover

- Physical Services
- Inpatient Hospital
- Nursing Homes
- Family Planning
- Lab & X-Ray
- EPSDT
- Rural Health Clinics
- Home Health (added in 1970)

Optional Service

- Personal care (added in 1980)
- Optometrist services and eyeglasses
- Prescribed drugs
- Dental services
- Case management
- Mental health services
- Outpatient Rehab
- School-based
- Assistive technology
- Home medical equipment and DME
- New State Plan authorities:
  - 1915(i), (j), & (k)
- Waiver programs

Questions??

- Use the chat window on your screen to type in your questions.
- Or press the number 7 on your telephone keypad to signal the operator.

Home and Community Based Services

- Prior to 1981—only Medicaid program to provide services in the home was Home Health
- In 1981—Katie Beckett and family took on Medicaid program
- Social Security Act was amended to include:
  - Section 1915(a)—Voluntary managed care
  - Section 1915(b)—Mandatory and voluntary managed care
  - Section 1915(c)—Allowed those qualified for institutional care to receive services at home

Federal Authorities

- Medicaid State Plan Services
- Medicaid Home & Community Based Services (Waivers) 1915(c)
- Medicaid HCBS 1915(i)
- Medicaid HCBS (Self-Directed Option)1915(j)
- Community First Option 1915(k)
- Medicaid Managed Care Authorities
  - Section 1915(a)
  - Section 1915(b)
  - Section 1115

State Plan Services

- Some HCBS services are available in the regular State plan:
  - Personal Care
  - Home Health (nursing, medical supplies, appliances, home health aide, etc.)
  - Rehabilitative Services
  - Targeted Case Management
  - Self-Directed Personal Care

To Receive State Plan Services

- Must be eligible for medical assistance under the State Plan
- States must provide needs-based criteria to establish who can receive the benefit
- Must reside in the community
- Must have income that does not exceed 150% of the Federal Poverty Level
- Affordable Care Act—states have the option to include individuals with incomes up to 300% of SSI and eligible for a waiver

Section 1915(c) Waivers

- Allows:
  - Coverage of individuals in a home or home-like setting
  - States may set geographical locations
  - Offer different services to particular groups (comparability)
  - Income—uses the higher income ceiling (300% of SSI) and spousal impoverishment rules

Section 1915(c) Waivers, cont'd.

- Intended to meet the rising demand for long-term services and supports in the community
- Serves diverse target groups
- Allows for consumer-directed options
- More than 313 waivers
- Serves 1 million at a cost of $28 billion
- Primary vehicle to offer non-institutional services to individuals with significant disabilities

Section 1915(i) State Plan HCBS

- Established in 2007
- Allows states to offer HCBS as a state plan benefit
- Breaks the “eligibility link” between HCBS and institutional care
- Most states use this option to cover behavioral health services
- Consumer/self-direction may be an option

Section 1915(j)

- Effective 2007
- Allows states the option to provide consumer/self-directed personal assistance services (PAS) in the Medicaid State plan
- May include permissible purchases
- Participants set their own provider qualifications and train their providers of PAS
- Must provide employer and budget authority
- States may target and limit

Section 1915(k) Community First Choice Option

- Affordable Care Act added new option in 2010
- Allows states to provide a “person-centered” home and community-based attendant services and supports
- States will receive 6% in federal financial participation
- Individuals must meet level of care

More on Community First Choice

- Attendant services—assistance with accomplishing activities of daily living (hands-on, supervision and cueing)
- All services & supports must be consumer-controlled
  - Agency—provider model
  - Self-directed
  - Other
- Requires the establishment of a Development and Implementation Council that includes a majority of members with disability, elderly and representatives

Fee for Service vs. Managed Care

- HCBS provided under the (c), (i), and (k) are typically fee-for-service—service is delivered, a claim is filed, and payment made
- HCBS can also be provided as part of managed care which generally offers a capitated payment arrangement, using:
  - Section 1915(a)—contracting option (voluntary)
  - Section 1915(b)—waiver
  - Section 1115—demonstration

Section 1115 Demonstration Projects

- Used when states seek to demonstrate whether a new service or intervention would lead to a change in Medicaid policy
- The Secretary may waive compliance with any requirement under 1902 of the Social Security Act
- Many states are using this authority to manage their entire Medicaid program

Appeal Rights—Dispute Resolution

- States may offer grievance or complaint opportunities
- States are required to provide individuals an opportunity for fair hearing if:
  - They are not given the choice of HCBS
  - They are denied services of their choice
  - They are denied free choice of providers
  - If services are denied, suspended, reduced or terminated

Questions??

- Use the chat window on your screen to type in your questions.
- Or press the number 7 on your telephone keypad to signal the operator.

Wrap Up and Evaluation Survey

Your opinion counts! Click the link below to provide your evaluation of today's webinar:

https://vovici.com/wsb.dll/s/12291g52334

For more information

Suzanne Crisp, Director of Program Design and Implementation for the National Resource Center for Participant-Directed Services at Boston College

suzanne.crisp@bc.edu

New Community Opportunities Center at ILRU

This program is part of a series of trainings and other activities provided to the IL field by the New Community Opportunities Center at ILRU. The project's purpose is to assist CILs in developing self-sustaining programs that support community alternatives to institutionalization for individuals of any age, and youth transition from school to post-secondary education, employment, and community living. ILRU's partners and collaborators in the project include:

- Utah State University, Center for Persons with Disabilities
- National Council on Independent Living
- Suzanne Crisp, national community alternatives expert
- Association of Programs for Rural Independent Living
- Michele Martin, Social Media Consultant

New Community Opportunities Center Attribution

This training is presented by the New Community Opportunities Center, a national training and technical assistance project of ILRU, Independent Living Research Utilization. Support for development of this presentation was provided by the U.S. Department of Education, Rehabilitation Services Administration under grant number H400B100003. No official endorsement of the Department of Education should be inferred.