The Power and Possibility of PASRR Webinar Series

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*Please note that you **must** attend the entirety (90 minutes) of this webinar if you wish to receive Continuing Education credits.*

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Leveraging Public Financing and Delivery System Changes to Fund Specialized Services

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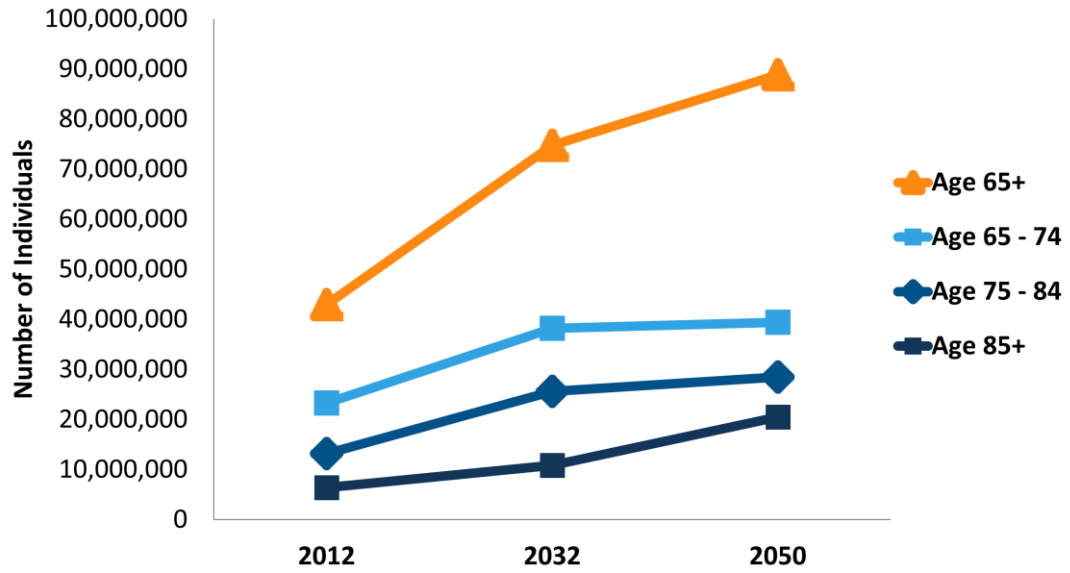
The Fundamental Goals of PASRR

- To assess all individuals who apply for admission to Medicaid-certified NFs for the possibility that they have a serious mental illness (SMI), intellectual disability (ID) or related condition (RC).
- To assess whether individuals with a PASRR disability could be served in the community rather than in a NF.
- To recommend individualized, disability specific services – Specialized Services – wherever individuals are ultimately placed.

The Scope of the Problem
Currently, there are over 1.35 Million NF residents

Figure 1

The 65 and Over Population Will More Than Double and the 85 and Over Population Will More Than Triple by 2050



SOURCE: A. Houser, W. Fox-Grage, and K. Ujvari. *Across the States 2013: Profiles of Long-Term Services and Supports* (Washington, DC: AARP Public Policy Institute, September 2012), http://www.aarp.org/content/dam/aarp/research/public_policy_institute/ltc/2012/across-the-states-2012-full-report-AARP-ppi-ltc.pdf.

THE HENRY J. KAISER FAMILY FOUNDATION

- Currently there are roughly 1.3 million NF residents (REFERENCE)
- The population of individuals who are elderly is projected to grow rapidly over the next few decades.
- While not everyone in a NF is elderly, the size of the NF population could grow dramatically.

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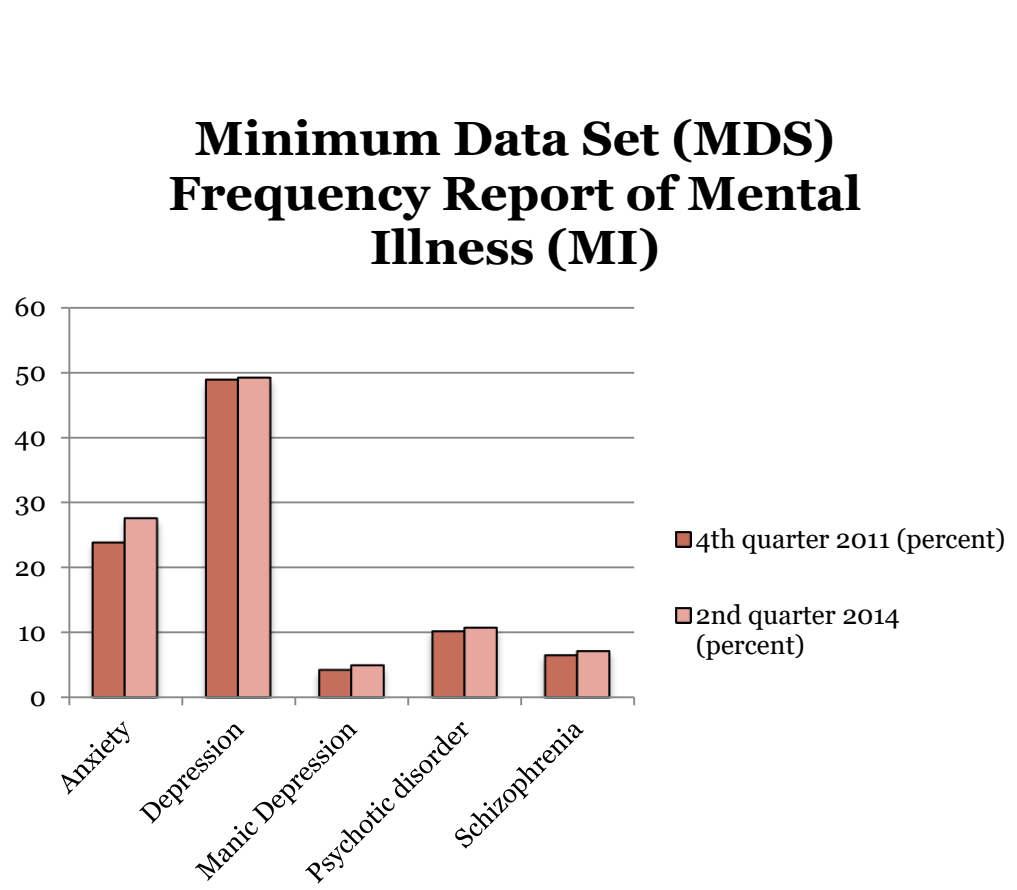
Prevalence of MI Among Older Adults

- One in four older adults experience some mental health issue
- Depression effect about 7M older adults
- Substance use disorder is projected to double over the next few years
- People aged 85+ have the highest suicide rate of any age group



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How Do We Meet This Challenge?

- By improving PASRR programs to better identify individuals who have SMI, ID, or RC.
- By developing an array of services to meet the needs of those individuals, both in the community in the NF setting.
- By identifying ways of *paying* for those services.
  - Without a means to pay for these services, individuals will not get the services they need.
  - Without payment sources, individuals are less likely to maintain and improve their functioning while they are NF residents.
  - Without payment sources, individuals are less likely to become good candidates for transition back into the community.

The Problem of Financing That Needs to be Solved

- Specialized Services cannot be supplied as NF services.
- Put differently: They cannot duplicate NF services or be built into the NFs ordinary daily rate.
- Key piece of CFR:
  - 42 CFR 483.124: "FFP [Federal Financial Participation] is not available for specialized services furnished to NF residents as NF services."
  - Translation:
    - Specialized Services cannot *duplicate* NF services.
    - A different method of financing is required to supply these services so they do not duplicate NF services.

Why Should We Care About Reimbursement?

- Helps to explain how services are paid for, and the options for paying them.
- Many people who administer PASRR programs are not involved in reimbursement issues. Reimbursement issues are often “black box mysteries.”
- Knowing about reimbursement helps program staff work more effectively with their colleagues who do deal with reimbursement.
- Result: More services for individuals who need them, and better outcomes for those individuals.

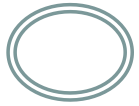
How to Absorb this Presentation

- Some of the information in this presentation may seem “in the weeds.”
- If you’re a program person, it’s essential to understand all of the details.
- But the details will help you to get the bigger picture.
- You can always come back to this presentation (the slide deck or the recording), or submit questions to PTAC.
- So: Focus on understanding the big picture and take in the details as they help you understand that picture.

Structure of the Presentation

1. The Basics of Reimbursement
2. Medicaid
3. Medicare
4. Other Payment Methods

The Basics of Reimbursement



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Payment = Reimbursement

- Medicaid is a partnership between the states and the federal government. States are partially reimbursed for the services they provide.
- Providers are reimbursed by Medicaid, Medicare, and private insurance.

Reimbursement: One of the health care delivery system cornerstones

- Impacts access
- Affects quality
- Drives price
- Motivates program development
- Pushes innovation
- Generates reform

Understanding reimbursement maximizes opportunities to:

- Make informed choice
- Personalize care planning
- Ensure residents receive necessary services & supports

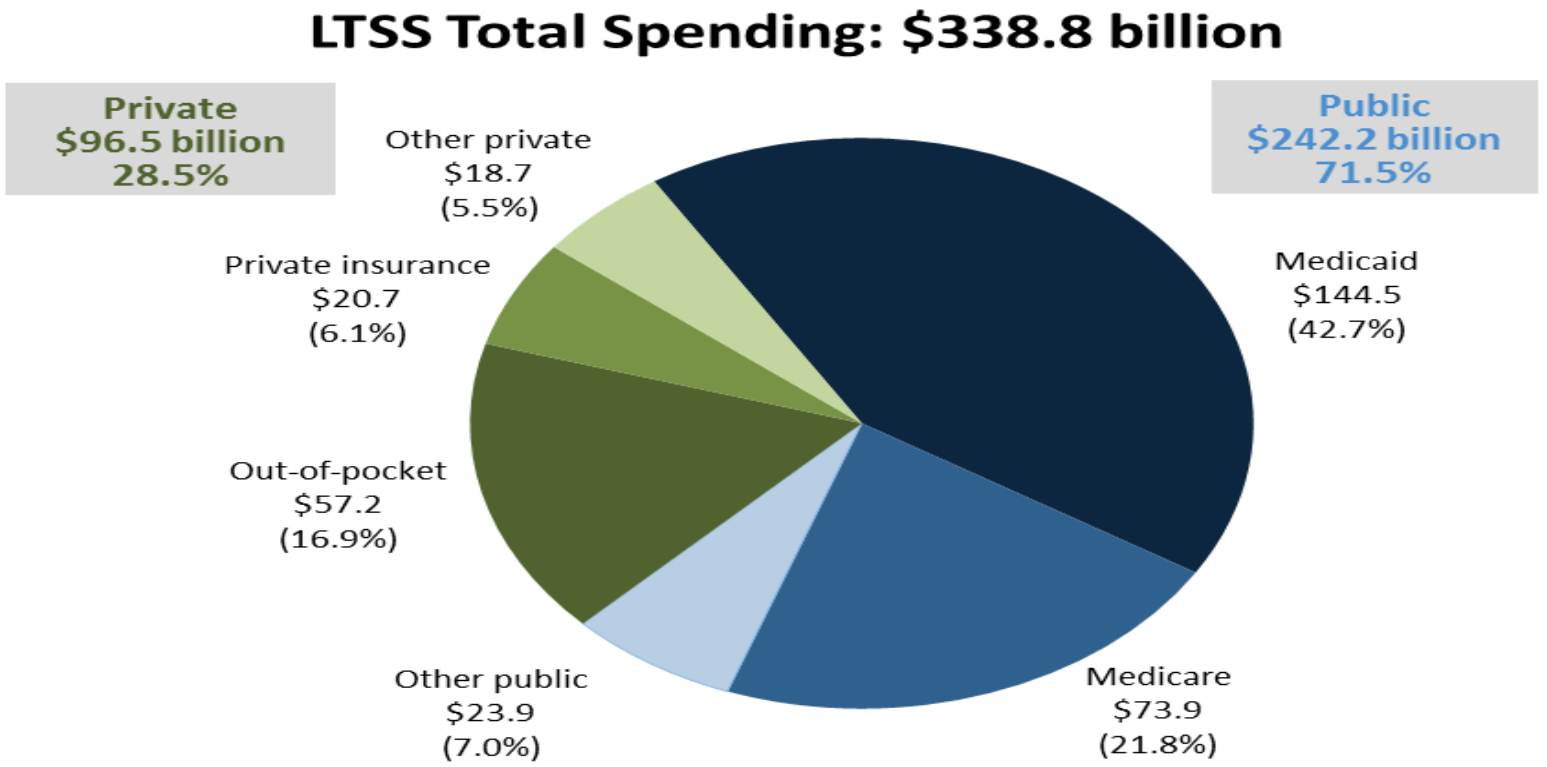
Meeting residents' needs

- An array of services can be provided by the NF as part of its normal day-to-day treatment *plus* Specialized Services, which are not part of the daily course of treatment.
- Some cases may require ancillary and/or specialized services
- Some of the services a resident may need are:
  - Psychiatric Consultation
  - Medication Management
  - Individual or Group Therapy
  - Transition Services
  - Grief Counseling
  - Peer Counseling

Funding Streams for Specialized Services

- Medicaid → *our prime focus in this presentation*
- Medicare Part A (hospital insurance)
- Medicare Part B (outpatient insurance)
- Medicare Part D (prescription insurance)
- Supplemental Insurance (e.g., “Medi-Gap”)
- Medicare Advantage (Medicare managed care)
- Long-term care insurance
- Self-paid

LTSS spending by source of payment



- Source: CRS analysis of National Health Expenditure Account (NHEA) data obtained from the Centers for
- Medicare & Medicaid Services (CMS), Office of the Actuary, prepared December, 2014.

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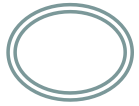
Medicaid



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Medicaid: The State Plan

- The State Plan is a comprehensive statement submitted by the single State agency describing the nature and scope of its Medicaid program and giving assurances that it will be administrated in conformance with the requirements stipulated in the Social Security Act.
- Identifies the groups of individuals to be covered, services to be provided, provider credentials, methodologies for providers to be reimbursed, and the administrative activities that are underway in the state.

Medicaid: State Plan FFS

- States make payments directly to providers utilizing a fee or rate schedule
- Rates may be cost-based or market-based
  - Cost-based reimbursement considers the actual cost of the service
  - Market-based price is based on expectations, demands and current market conditions

Medicaid: State Plan must meet certain requirements

State-wideness	• Services must be available to the entire state and not limited to a specific region or county unless it meets the exceptions identified at 42 CFR 431.50.
Comparability	• Services must be available to all eligible Medicaid individuals who meet the criteria for that particular service. The Medicaid comparability requirements can be found at 42 CFR 431.40 and further defined in the Social Security Act at Section 1902(a)(10)(B)(i)
Every Willing Provider	• A Medicaid-eligible individual must be able to choose from any provider who meets the conditions for enrollment. The Medicaid "free choice of providers" requirements can be found at 42 CFR 431.5

Adding Specialized Services to the State Plan under NF service section

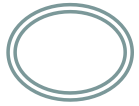
- Rhode Island has covered day programs for ID/DD residents under its State plan.
- Washington received approval to cover an array of ID/DD services within the NF. These services are very similar to those that are offered through the state's HCBS waiver.
  - It should be noted that the State Plan Amendment (SPA) as requested by the Centers for Medicare & Medicaid Services (CMS) does not refer to these services as Specialized Services, but as "Specialized Add-on Services."

- CMS lists SPAs at http://medicaid.gov/state-resource-center/medicaid-state.

Grappling with Comparability

- Specialized Services SPAs cannot be targeted to specific populations
- However:
  - Service definitions can be tailored so the services meet the needs of particular populations especially well.
  - Being identified by PASRR can serve as a type of "prior authorization" for access to Specialized Services.
  - Other individuals can access those services if they meet the needs-based criteria specified in the service definitions.
- WA and TX provide models for how to do this.

Medicare



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Medicare Part A

- Inpatient hospital services up to 90 days per 'benefit period' and allows for 60 'lifetime reserve days.'
- Skilled nursing facility (SNF) services up to 100 days per benefit period. However, the stay must follow at least a three-day hospital stay and be provided in a certified skilled nursing facility.
- Hospice Care
- Home Health Care if the patient requires skilled care and is homebound.
- Inpatient psychiatric hospital care with a lifetime limit of 190 days.

Medicare Part B

- Physician services
- Preventive services
- Durable Medical Equipment
- Outpatient Hospital services
- Outpatient mental health services
- Clinical laboratory services
- Diagnostic testing
- Outpatient physical, occupational, and speech therapy

Medicare Part B

- Home health services not covered by Part A
- Partial hospitalization as long as the services for the skilled nursing facility resident is expected to be provided by the facility's staff
- One depression screening per year if done within a primary care setting
- A one-time "Welcome to Medicare" preventive visit to review risk factors for depression if done within 12 months of enrollment

Medicare Part B MH or ID/DD Benefits

- Individual and group psychotherapy
- Family counseling if the main purpose is to help with the individual's treatment
- Psychiatric evaluation
- Medication management
- Certain prescription drugs that aren't self-administrated (e.g. injections)
- Occupational therapy that is part of patient's treatment
- Individual patient training and education about the patient's condition

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Medicare Part B MH or ID/DD Benefits

- Electroconvulsive therapy (ECT)
- Diagnostic psychological and neuropsychological testing
- Hypnotherapy
- Narcosynthesis
- Biofeedback therapy
- Screening, Brief Intervention and Referral to Treatment (SBIRT) services

Medicare Part B Eligible Licensed Practitioners

- Physicians (MD or DO)
- Clinical Psychologist (CP)
- Clinical Social Worker (CSW)
- Clinical Nurse Specialist (CNS)
- Nurse Practitioners (NP)
- Physician Assistant (PA)
- Certified Nurse Midwives (CNM)
- Licensed Alcohol and Drug Counselors
- Independently Practicing Psychologist (IPP)

Medicare Part C

- Health Maintenance Organizations
- Preferred Provider Organizations
- Private Fee-for-Service Plans
- Special Needs Plans
- Medicare Saving Account Plans

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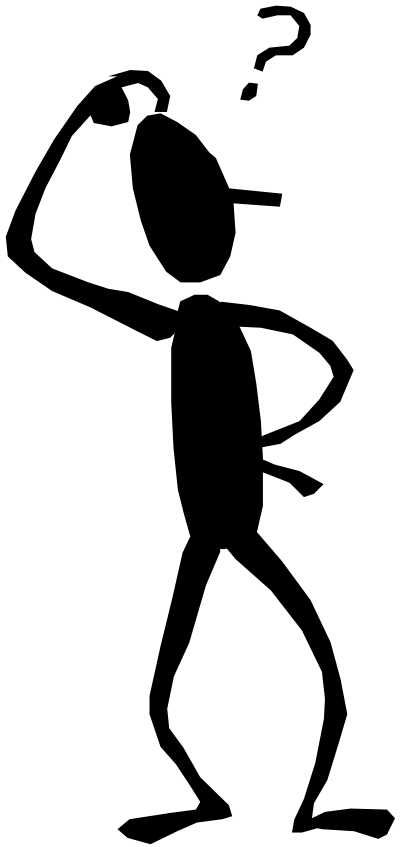
Medicare Part D

- Optional program that provides coverage for prescription drugs through several options offered by private drug plans.
- Monthly Fee
- May be annual deductibles, copayments, or coinsurance, and coverage gaps which is a temporary limit on what will be covered during that period.

QUESTIONS



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