Alabama Medicaid Agency

Medicaid

ALABAMA'S INTEGRATED CARE NETWORK (ICN) PROGRAM

CONCEPT PAPER **MARCH 2018**

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SECTION I EXECUTIVE SUMMARY

Over the last few years, the Alabama Medicaid Agency has been working closely with the Centers for Medicare and Medicaid Services (CMS) to develop a long-term care program that is sustainable under the state budget and that allows the State to strengthen its current programs, offering more community options. Following conversations with CMS, the Agency identified the Primary Care Case Management (PCCM) Entity approach as a feasible strategy to pursue the goals of the program.[1]

If this approach is approved by CMS, the Agency will contract with an Integrated Care Network (ICN) to support the PCCM Entity model. The ICN will complement and enhance the current long-term services and supports (LTSS) system by introducing tools to better manage the medical and LTSS needs of beneficiaries, educating beneficiaries and other stakeholders about the full array of LTSS options, and working with participants to promote LTSS use in the least restrictive setting. With the ICN program, the State will implement a system with managed care components, including a strong emphasis on case management, outreach, and adjusting the LTSS balance of institutional versus home and community based services (HCBS) utilization.

The ICN will receive a per member, per month payment that will cover the enhanced case management, education, and outreach activities that are not delivered currently. The per member, per month payment will also cover HCBS case management activities. The ICN will be required to contract with local Area Agencies on Aging (AAAs) to deliver HCBS case management services for the first two years of the program, and the ICN must reimburse the AAAs for HCBS case management services at a minimum rate equal to the prevailing Medicaid fee-for-service payment schedule, unless otherwise jointly agreed to by a AAA and the ICN. The ICN will be held accountable for increasing the percentage of members living in HCBS settings compared to a baseline.

The ICN program will serve individuals who reside in a nursing facility long-term and individuals who receive HCBS waiver services through the Elderly and Disabled and Alabama Community Transition (ACT) waivers; however, the following populations will not be enrolled into the ICN program:

- State of Alabama Independent Living (SAIL) waiver participants
- Technology Assisted (TA) waiver participants
- Participants in either of the two waivers serving individuals with intellectual and developmental disabilities (I/DD)
- Individuals in Alabama's Program for All Inclusive Care for the Elderly (PACE)

[1] PCCM entities, defined in *42 CFR 438.2*, are organizations that provide primary case management services – which include the location, coordination, and monitoring of primary health services – as well as additional functions, such as provision of telephonic or face-to-face case management and development of enrollee care plans.

- Individuals living in an intermediate care facility
- Individuals receiving Medicaid funded hospice room and board in a nursing facility, or Medicaid funded hospice in the community

The Agency will conduct a competitive procurement process with the intention of selecting a single ICN. The ICN must demonstrate it can meet all Federal and State ICN requirements via a readiness review that will be conducted prior to the program implementation date. The ICN program is planned to begin on October 1, 2018.

The purpose of this concept paper is to inform the public about the design and implementation of the ICN program. It incorporates themes and input from public comments received to date as well as background on LTSS in Alabama. It also introduces proposed ICN program design and implementation concepts. Specifically, this concept paper addresses the following:

- ICN program goals
- Proposed ICN structure
- ICN program eligibility
- Education and outreach services
- Case management services
- Services retained by the Medicaid Agency
- Payment approach
- Quality measurement

SECTION II BACKGROUND

Current LTSS System

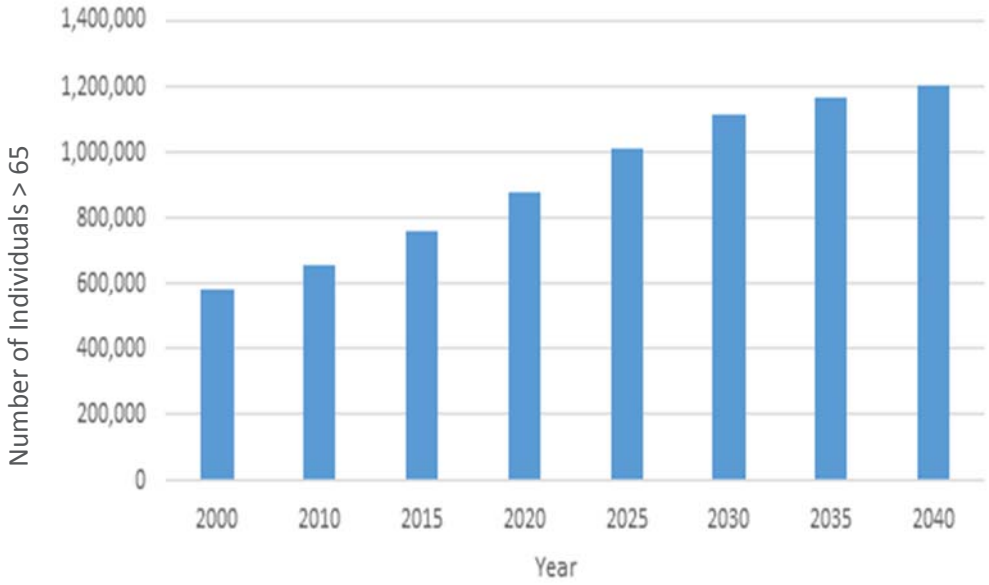
The Alabama LTSS system provides institutional care and HCBS to more than 23,000 elderly and disabled adults who meet the Medicaid financial eligibility requirements for long-term care and demonstrate need qualifying the individual for nursing facility level of care, as defined by the Agency.[2] More than 200 nursing facilities provide nursing facility care to more than 23,000 Medicaid beneficiaries each year. There is an average of 16,000 individuals in a nursing facility on any given day across the State. HCBS are available statewide through HCBS waivers. As of 2016, there were 10,030 waiver slots across the two waiver programs intended for inclusion in the ICN program.

[2] Alabama Medicaid Administrative Code Rule 560-X-10-.10.

Beneficiaries covered by waivers for persons with I/DD and the SAIL or TA waiver programs will not be included in the ICN program; those waivers will continue to be administered on a fee-for-service basis by the State.

The Agency is also considering ways to strengthen the LTSS system in advance of the anticipated influx of aging Alabamians. As illustrated in Figure 1 below, trends suggest that the aging adult population in Alabama will double between the years 2000 and 2040. Although not all aging adults qualify for Medicaid or require Medicaid-funded LTSS, there is anticipated growth in need for these services, as adults live longer and as the family caregiving structure changes over time.

Figure 1. Growth of the Aging Population in Alabama

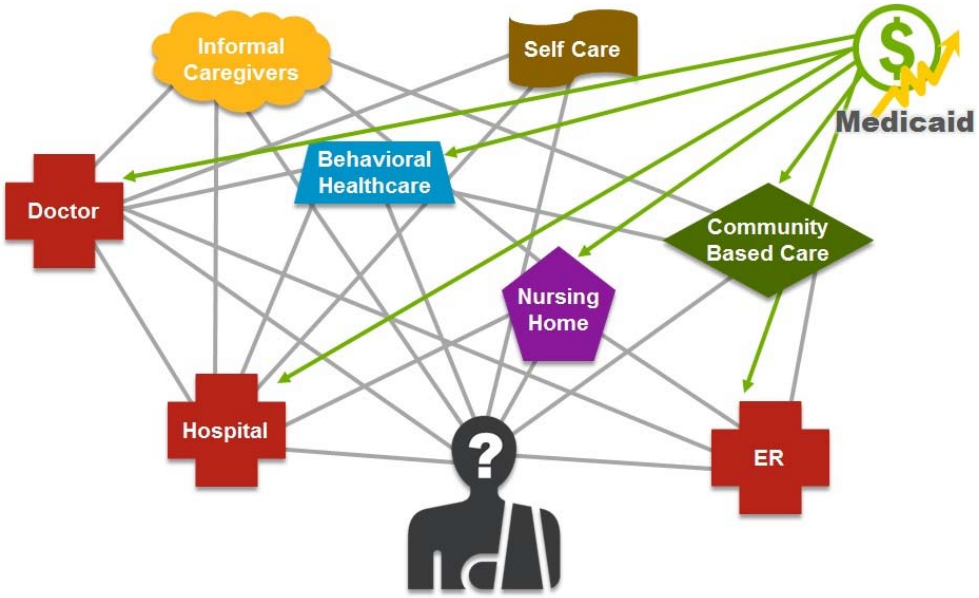


Note: Analysis of population calculated using the following source: U.S. Census Bureau and Center for Business and Economic Research, The University of Alabama, March 2015

There is opportunity for the State to reposition its LTSS delivery system to serve more individuals who are aged and physically disabled within HCBS settings. This shift poses several benefits, such as meeting the demand of adults who prefer to receive care in a community-based setting, preventing avoidable institutional LTSS delivery, and achieving cost savings associated with increased HCBS.

Like many states, Alabama's current LTSS service delivery system is fragmented. As illustrated in Figure 2 below, beneficiaries and their families are often left to navigate the complex web of healthcare services and providers by themselves. Stakeholders across the State have expressed a need for increased coordination across the care continuum.

Figure 2. Fragmentation in the LTSS Delivery System



Stakeholders have also expressed a lack of knowledge about HCBS options and often are not aware of LTSS services until they have an immediate need; frequently, this need is related to acute care. Individuals who inquire with their physicians about LTSS have reported that their primary care doctor typically deferred to nursing facility care and did not provide information on community-based alternatives. Many beneficiaries currently receiving Medicaid LTSS use acute care and emergency rooms to obtain urgent care or medical attention needed outside of standard business hours, including for chronic disease management, and have struggled with self-management of medications. Furthermore, stakeholders report that accessing mental health services is a challenge for many in the LTSS population, particularly for those who are homebound. The ICN will be tasked with identifying opportunities to improve LTSS education, awareness of HCBS services, and improved linkage to healthcare services throughout the State.

SECTION III PROGRAM DESIGN

A. ICN PROGRAM GOALS

With the implementation of the ICN program, the Agency intends to create a more sustainable infrastructure for the delivery of Medicaid-funded LTSS in Alabama. The Agency seeks to promote a person-centered approach to care delivery that includes better management of the medical and LTSS needs of beneficiaries, allowing them to receive LTSS in the least restrictive setting of their choice. The ICN will implement innovative approaches to:

- Improve education and outreach about LTSS options
- Provide more comprehensive and integrative case management that drives person-centered planning, enhances quality of life, and improves health outcomes
- Help drive a shift in the percentage of the LTSS population residing in the HCBS setting

B. PROPOSED ICN STRUCTURE

The ICN must have a governing board of directors. A portion of the governing board members must be risk-bearing participants in the ICN, a subset of which must be long-term health care providers or representatives of long-term health care providers. The ICN may be a for-profit or non-profit entity and will be required to operate statewide. The ICN must demonstrate it can meet all Federal and State requirements by completing a readiness assessment to the satisfaction of the Agency.

The ICN will be required to contract with the statewide network of AAAs for HCBS waiver case management services. The ICN will also be required to have coordinating agreements with nursing facilities to share information and recommend medical interventions for ICN enrollees residing in nursing facilities, supplementing the responsibilities of nursing facility case management staff.

C. BENEFICIARY ELIGIBILITY FOR THE ICN PROGRAM

Individuals must be Medicaid eligible and must meet the nursing facility level of care to enroll in the ICN program. The nursing facility level of care is defined by Alabama Medicaid Administrative Code Rule 560-X-10-.10 and includes a number of skilled nursing care services required by beneficiaries, in addition to any functional impairment of Activities of Daily Living (ADLs) such as transfer, mobility, eating, and toileting, or intermediate Activities of Daily Living (IADLs) such as medication administration.

Individuals who meet the Agency's financial eligibility criteria and who are determined by a physician to meet the defined level of care to qualify for a nursing facility will be eligible to participate in the ICN program if they also fall into one of the following groups:

- **Medicaid beneficiaries receiving care within a nursing facility**. Medicaid beneficiaries who currently receive custodial, long-term care within a nursing facility will be included in the ICN program.[3]

- **Medicaid beneficiaries receiving care through select HCBS waiver programs.** The Agency plans to include Medicaid beneficiaries currently enrolled in the following HCBS waiver programs in the ICN program (See Appendix A for additional waiver program information):

    - *Elderly and Disabled Waiver* – targeting individuals who are frail or physically disabled.
    - *Alabama Community Transition (ACT) Waiver* – targeting individuals currently residing in institutional long-term care who seek to transition to an HCBS setting.

Individuals who are dually eligible for Medicaid and Medicare will be included in the ICN program if they live in a nursing facility or are enrolled in one of the two HCBS waivers mentioned above. Dual eligibles will comprise a large portion of ICN enrollment—currently, more than 85 percent of Medicaid beneficiaries receiving LTSS are dually eligible for Medicare. The ICN will be expected to coordinate with Medicare, including Medicare Advantage and Medicare Special Needs Plans, and other health plans as necessary to drive coordinated and effective patient care.

It is important to note that dually eligible individuals will retain choice for their Medicare coverage. The ICN program will not impact Medicare enrollment, and ICN members will continue to follow Medicare eligibility timeframes and procedures for selecting or switching their Medicare plan.

The following individuals who meet the nursing facility level of care will ***not be eligible for*** the ICN program:

- Individuals enrolled in the SAIL waiver
- Individuals enrolled in the TA waiver
- Individuals enrolled in the Intellectual Disabilities waiver
- Individuals enrolled in the Living at Home Waiver

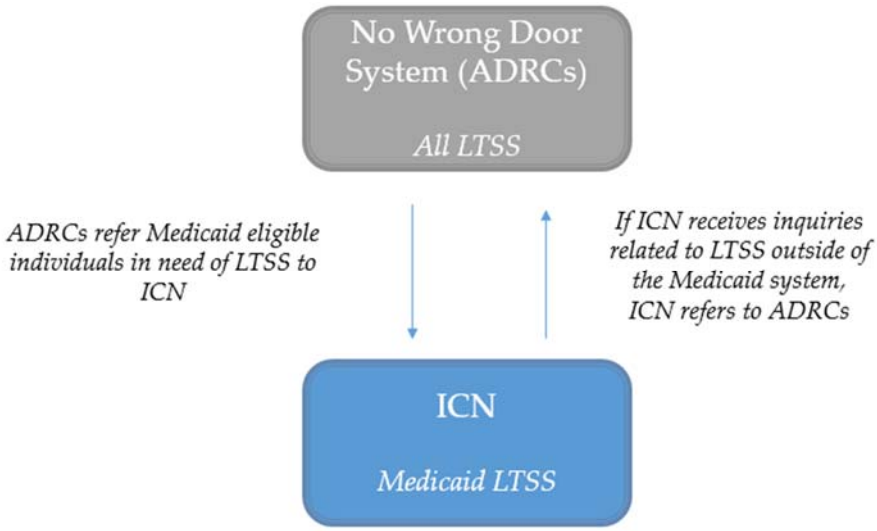
[3] Custodial care is nonmedical assistance with the activities of daily living (such as bathing, eating, dressing, or toileting) provided at home, in a nursing facility, or an assisted-living facility for someone who is unable to fully perform those activities without help.

- Individuals receiving Medicaid funded hospice room and board in a nursing facility, or Medicaid funded hospice in the community
- Individuals living in an intermediate care facility for individuals with intellectual disabilities
- Individuals enrolled in the PACE program[4]

D. EDUCATION AND OUTREACH SERVICES

The ICN will serve as the primary source of contact for Medicaid LTSS and will be responsible for providing education and outreach about LTSS options to Medicaid eligible beneficiaries. While Aging and Disability Resource Centers (ADRCs) will continue to serve as the LTSS entry point for all individuals seeking information and assistance with the LTSS system, the ADRCs will refer Medicaid eligible individuals in need of LTSS to the ICN for further education about LTSS settings and available options.

Figure 3. ICN as the Primary Source of Contact for Medicaid LTSS



The ICN will educate Medicaid eligibles about nursing facility and HCBS waiver options and help direct them to the most appropriate placement of their choice. By working with these individuals as they enter the LTSS system, the goal is to impact the percentage of LTSS individuals receiving community-based services.

Similarly, the ICN will coordinate with and provide hospitals with educational resources on community options. For example, the ICN will educate hospital discharge planners regarding placement options for Medicaid eligibles who are expected to need a nursing facility level of care

[4] PACE is currently only available through Medicaid in Mobile and Baldwin counties.

long-term. In 2009, 27.2 percent of the elderly population (65 and older) that were hospitalized from communities were discharged to a nursing facility.[5] Because a sizable percentage of older adults go to nursing facilities after an acute hospital stay, it is important to include hospitals in discussions about HCBS placements. The ICN will also develop relationships with other community organizations that interact with the LTSS system to promote awareness of the ICN's services.

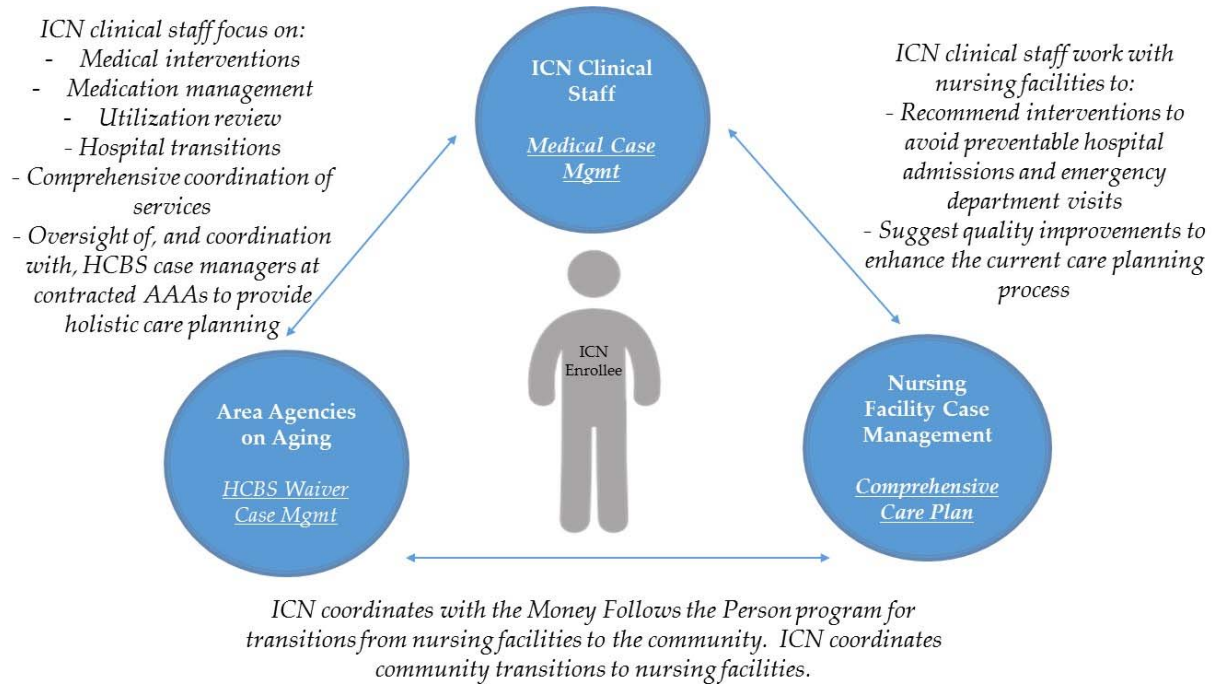
E. CASE MANAGEMENT SERVICES

Today, case management services for Medicaid beneficiaries needing LTSS are limited to case management provided to HCBS waiver participants, which primarily coordinates waiver services and other community benefits, but offers little integration with clinical and other Medicaid-funded services. Waiver case management is currently provided through AAAs operating through regional commissions, county-based agencies, or local non-profits.

Under the ICN program, ICN clinical staff will coordinate all services for members to support their overall health and well-being – not just their long-term care needs. The ICN will contract with the AAAs for HCBS case management activities for at least the first two years of the ICN program. The ICN must also develop the resources to deliver medical case management and linkages to healthcare services, including transitions to and from the hospital, nursing facilities, other care settings and the community; medication management; and utilization review. The ICN clinical staff will also oversee and coordinate with the HCBS case managers at contracted AAAs to provide holistic care planning. Together with the AAAs, a blend of nursing and social work professionals will provide medical and HCBS case management.

[5] Agency for Healthcare Research and Quality, "Transitions between Nursing Homes and Hospitals in the Elderly Population, 2009. September, 2012. Available Online: https://www.hcup-us.ahrq.gov /reports/ statbriefs/sb141.pdf

Figure 4. ICN Oversees and Coordinates Case Management Services with AAAs and Nursing Facilities



The ICN clinical staff will also work with nursing facilities to recommend interventions to avoid preventable hospital admissions and emergency department visits and suggest quality improvements to enhance the current care planning process. The Agency will routinely review and approve the ICN's strategy and staffing plan for offering this level of support and will work with the ICN to continuously improve this process.

F. SERVICES RETAINED BY THE ALABAMA MEDICAID AGENCY

Although the ICN will be responsible for education, outreach, and case management services as described above, a number of services will be retained by the Agency. The Agency will continue to process claims and pay for all Medicaid-covered services on a fee-for-service basis, with the exception of HCBS case management services for the Elderly and Disabled and ACT waivers; however, the ICN will have an option to enter into an agreement with the Agency's Fiscal Agent to process HCBS case management claims on the ICN's behalf. There will not be any disruption in the delivery of Medicaid services to ICN enrollees. The Agency will also maintain responsibility for prior authorization of services.

The Agency will continue to be responsible for the Medicaid provider network, and ICN enrollees will continue to have their choice of any Medicaid fee-for-service provider. The ICN will be expected to coordinate with providers to support case management activities, but will not be charged with network development functions at this time. However, the ICN will be encouraged to alert the Agency to gaps in the HCBS service delivery network in an effort to promote HCBS availability across the State.

The Agency will also collect and process grievances regarding the ICN and the ICN program and will work collaboratively with the ICN to address and identify solutions to the grievances.

G. PAYMENT APPROACH

If approved by CMS, the ICN will receive a per member, per month payment that will cover the enhanced case management services and education and outreach activities not currently delivered today. The per member, per month payment will also cover HCBS case management activities. The ICN will be required to contract with local AAAs to deliver HCBS case management services for the first two years of the program, and the ICN must reimburse the AAAs for HCBS case management services at a minimum rate equal to the prevailing Medicaid fee-for-service payment schedule, unless otherwise jointly agreed to by a AAA and the ICN.

The ICN will be held accountable for increasing the percentage of members living in HCBS settings, compared to a baseline. The Agency will establish a target mix of nursing facility and HCBS enrollees annually. This target mix is assumed to have a lower percentage of nursing facility residents compared to the current mix of nursing facility residents, with a larger portion of the population in HCBS setting. The Agency will withhold a portion of the ICN's per member, per month payment, contingent on the ICN achieving this target mix. If the ICN increases the proportion of HCBS enrollment beyond the target mix, the ICN would be eligible for an incentive payment in addition to the withheld funds.

H. QUALITY MEASUREMENT

The Agency will continue to leverage the work of the ICN Quality Assurance Committee (QAC). The ICN QAC is responsible for identifying quality measures to monitor the quality and overall success of the ICN program. The ICN QAC consists of more than 20 members, representing diverse provider associations, advocacy groups, and state agencies.

On January 24, 2017, the ICN QAC selected quality measures that will be used to evaluate ICN performance. These measures will also complement the monitoring tasks that the Agency will conduct related to its waiver assurances and ICN contract requirements. Anticipated quality measures span eight different quality domains:

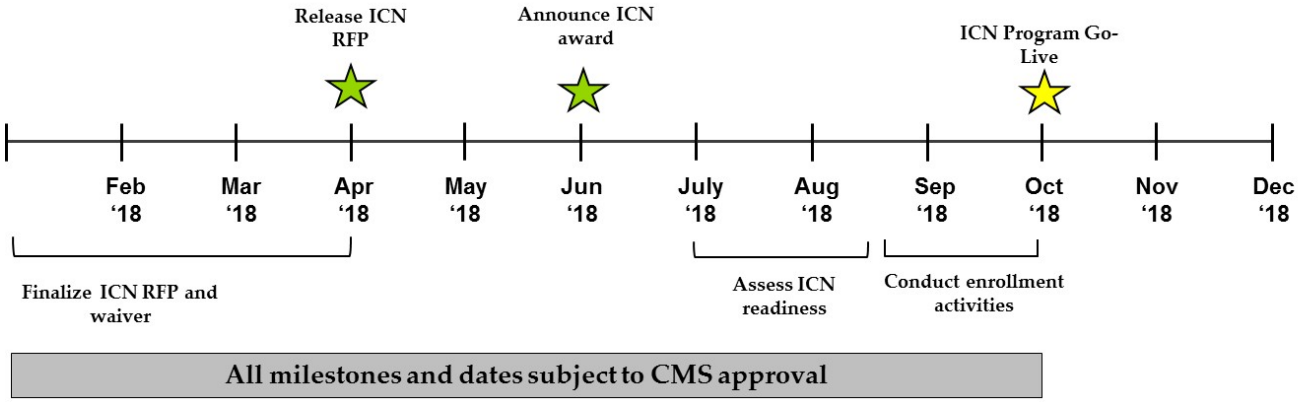
1) Clinical
2) Long-Term Care
3) Service Delivery and Effectiveness
4) Person-Centered Planning and Coordination
5) Choice and Control
6) Community Inclusion
7) Holistic Health and Functioning
8) System Performance and Accountability

The Agency will support the ICN in its quality management activities by providing quality measure reports to the ICN that the ICN will then use to inform quality improvement activities. As the ICN program develops, the ICN QAC will monitor the quality measures and make adjustments based on performance and program changes as necessary.

SECTION IV IMPLEMENTATION TIMELINE

The ICN program is planned to begin on October 1, 2018. The implementation timeline illustrated in Figure 5 will hinge on CMS's approval of both the 1915(b) and (c) waiver applications and amendments, and the Agency's readiness review determination.

Figure 5. ICN Implementation Timeline



The Agency plans to issue a Request for Proposals (RFP) for entities interested in serving as an ICN in early Spring 2018. The Agency will also submit a 1915(b) waiver application and 1915(c) waiver amendments to CMS in mid-2018 to receive approval to implement the ICN program.[6]

The Agency plans to conduct readiness reviews in mid-2018, during which the Agency will review the selected ICN to ensure that it has the necessary processes and resources in place to begin providing services by October 1, 2018. Readiness reviews will entail desk reviews of documents submitted by the ICN to the State and onsite reviews of ICN offices. Finally, enrollment activities will begin in August 2018, including member outreach, enrollment support, and transition assistance.

[6] As mentioned in Section III.C., the Agency plans to include two 1915(c) waivers in the ICN program: the Elderly and Disabled Waiver and the ACT, along with their designated waiver slots and associated funding.

SECTION V CONCLUSION

The ICN program will improve the way Alabama delivers Medicaid-funded LTSS by introducing more managed care elements, as the ICN will take on some financial risk and accountability for improving the HCBS mix. The ICN will receive a monthly payment to deliver case management, education, and outreach to eligible Medicaid beneficiaries. The overarching goal of the ICN program is to create a more sustainable infrastructure for the delivery of LTSS—one that better integrates the medical and long-term care needs of Alabama's most vulnerable Medicaid beneficiaries and one that gradually shifts LTSS service delivery and expenditures from nursing home care to HCBS.

APPENDIX A: CURRENT WAIVER PROGRAMS COVERED UNDER THE ICN PROGRAM

The figure below provides a brief description of the two Medicaid HCBS waivers that the Agency plans to include in the ICN program.

Figure 6. Waiver Program Descriptions

	Elderly and Disabled Waiver	Alabama Community Transition Waiver
Target Population	Individuals meeting the nursing facility level of care	Individuals with disabilities or long term illnesses currently residing in a nursing facility
Services Provided	• Case Management • Homemaker Services • Personal Care • Adult Day Health • Respite Care (Skilled and Unskilled) • Companion Services • Home Delivered Meals	• Case Management • Transitional Assistance • Personal Care • Homemaker Services • Adult Day Health • Home Delivered Meals • Respite Care (Skilled and Unskilled) • Skilled Nursing • Adult Companion Services • Home Modifications • Assistive Technology • Personal Emergency Response Systems • Medical Equipment Supplies and Appliances • Personal Assistant Services