



Florida Medicaid Managed Long-Term Care Program Care Setting Transition Analysis Summary

*Report to the Florida Legislature
December 2023*



Purpose of Report

Per section 409.983(5), Florida Statutes (F.S.), the Agency for Health Care Administration (Agency) shall annually report to the Legislature the actual change in the utilization mix of home and community-based services compared to institutional placements in the Statewide Medicaid Managed Care Long-Term Care program and provide a recommendation for utilization mix requirements for future contracts. This report includes data for the managed care rate periods of September 2014 through September 2022.

Background

Statewide Medicaid Managed Care Long-Term Care

The Agency began rolling out the Long-Term Care (LTC) component of the Statewide Medicaid Managed Care program on a regional basis in 2013. Individuals first received services through the new program August 1, 2013, and the last group of individuals began receiving services March 1, 2014. Since September 2014, Medicaid LTC enrollees have entered the program at an average of 2,670 per month. In total, the LTC program has been growing, with membership up 49% since September 2014.

The LTC program provides long-term care services to Medicaid-eligible elders and younger adults with disabilities who meet nursing facility level of care. The majority of enrollees are elders, and the average age of an LTC program enrollee is 76 years of age. Long-Term Care enrollees can receive nursing facility services or home and community-based long-term care services, like home delivered meals and help with eating, bathing, and dressing. All LTC enrollees receive case management and person-centered care planning.

The Long-Term Care program is designed to delay or prevent institutionalization in a nursing facility and allow enrollees to maintain stable health while receiving services at home and in the community. Community-based settings include a person's own home, a family member's home, or an adult family care home or assisted living facility. If an individual needs nursing facility care, the program provides it while also ensuring that, if appropriate and desired by the individual, a case manager helps the person to move back to a community setting when the individual is ready.

Individuals are required to be enrolled in the Long-Term Care program if they are:

- 65 years of age or older AND need nursing facility level of care
- 18 years of age or older AND are eligible for Medicaid by reason of disability AND need nursing facility level of care or hospital level of care, or individuals diagnosed with cystic fibrosis.

The minimum covered services in LTC include:

- Adult companion care
- Adult day health care
- Assisted living
- Assistive care services
- Attendant nursing care
- Behavioral management
- Care coordination/ Case management
- Caregiver training
- Home accessibility adaptation
- Home-delivered meals
- Homemaker
- Hospice
- Intermittent and skilled nursing
- Medical equipment and supplies
- Medication administration
- Medication management
- Nursing facility
- Nutritional assessment/ risk reduction
- Personal care
- Personal emergency response system
- Respite care
- Therapies: occupational, physical, respiratory and speech
- Transportation, Non-emergency

Transitioning to Community-Based Care

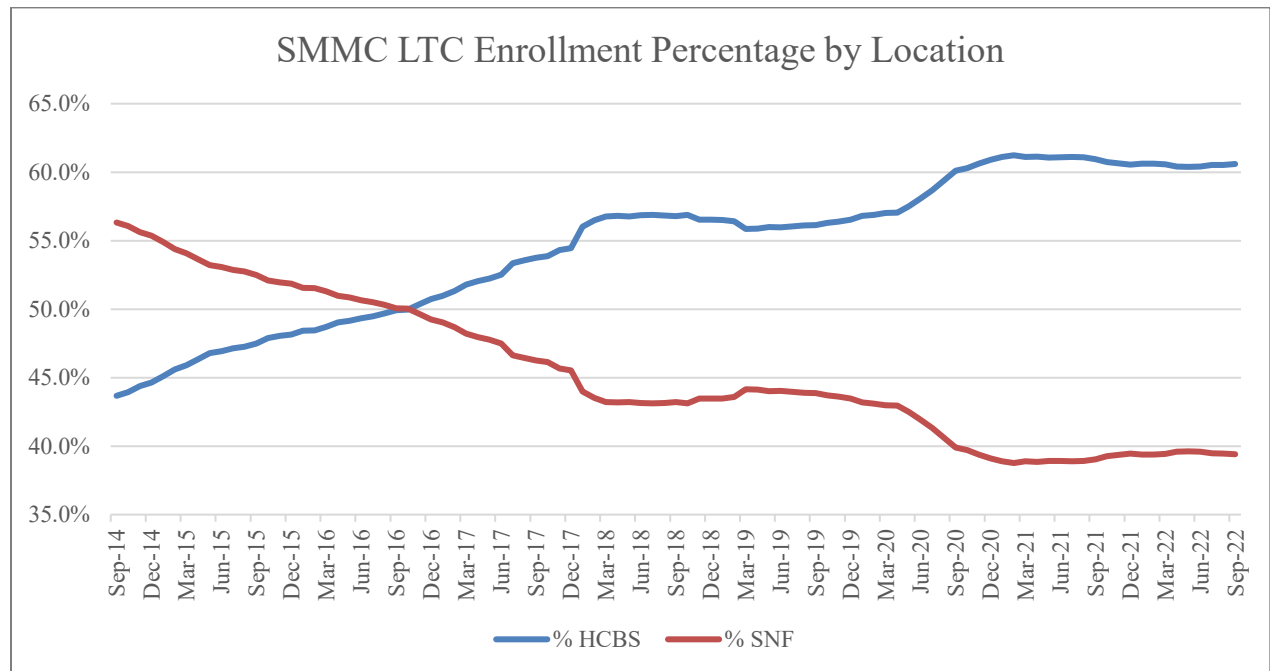
When the LTC program first launched, more than half, 56 percent, of all LTC enrollees were living in a skilled nursing facility (SNF) and 44 percent were receiving home and community-based services (HCBS). From the outset, one of the chief goals of the LTC program was to transition LTC enrollees from facility-based care to community-based care. Transitioning individuals from a SNF to a community-based environment can result in a higher quality of life for the enrollee. In addition to benefitting the enrollee, transitions from a higher cost SNF environment to a lower cost HCBS environment have resulted in more enrollees receiving LTC services at a lower per-member-per-month cost to Florida Medicaid.

When the Legislature designed the Statewide Medicaid Managed Care program, it included in Florida Statutes an incentive to encourage the transitions from nursing facility to community-based care. The incentive is in the form of a mandatory adjustment to the monthly, all-inclusive capitation rates that the Agency pays the LTC plans for each LTC enrollee. These rate adjustments target a rate of transition from nursing facility to community of two to three percent per year. The statute requires this rate incentive to continue until no more than 35 percent of a plan's enrollees are residing in nursing facilities. As the following data and analyses show, this incentive has led to a significant, positive shift in the proportion of individuals receiving nursing facility versus home and community-based services. The analyses in the next section cover the period September 2014 to September 2022. September 2014 marks the end of the first rate year of the program.

Incentives Drive Significant Shift Towards Community-Based Care

In total, the SMMC LTC program has been growing, with membership up 49% since September 2014. From September 2014 through September 2022, new enrollees have entered the LTC program at an average rate of 2,670 per month. Of these individuals, about 47% entered the program as recipients of Home and Community Based Services (HCBS), while the other 53% began their enrollment requiring skilled nursing care (SNF).

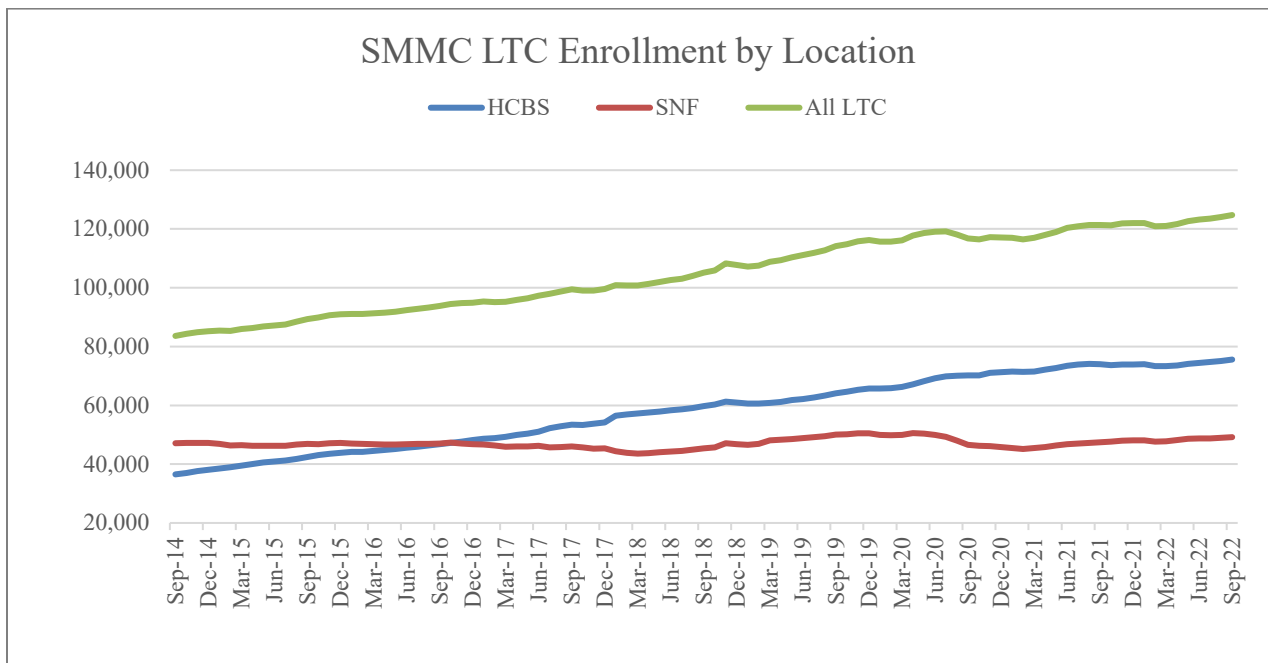
At the end of the first LTC program rate year, in September 2014, the percentage of Medicaid enrollees receiving services in the SNF and HCBS settings was 56%/44% respectively. Since this time, significant strides have been made to rebalance this proportion toward the HCBS settings. As of September 2022, the percentages of enrollees in each care setting have shifted to 39% SNF, with HCBS reaching 61%.



Managed Long-term Care Program Historical Perspective

Successful Transitions Continue to Rebalance the SNF and HCBS Populations

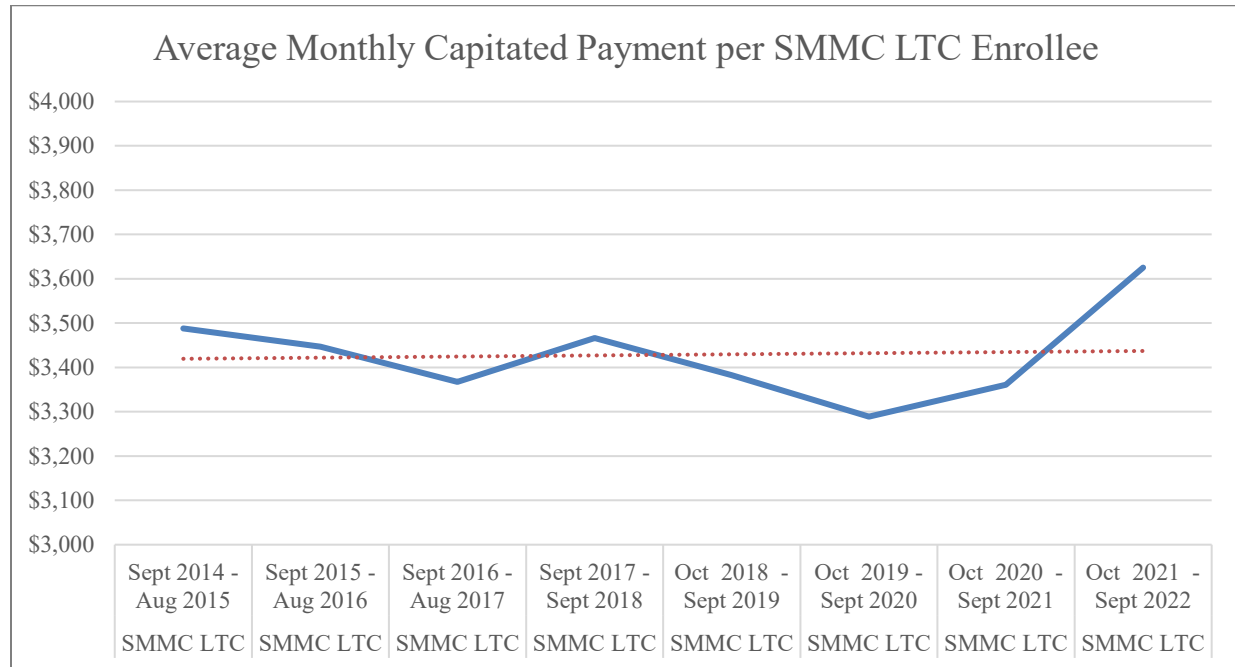
The number of enrollees entering the program in HCBS since September of 2014 has been relatively steady month to month. With a higher percentage of new enrollees requiring skilled nursing services during their first month in LTC, the gain in the HCBS percentage of total enrollment over time is in part a result of LTC plans transitioning enrollees from a SNF to a HCBS environment. This effect can be seen in the chart below:



Transitions to HCBS Helps Combat Rising Costs of LTSS

Transition Incentives Encourage Plans to Choose Cost-Effective Care Settings

Transitioning individuals who wish to leave a SNF from a SNF to a HCBS setting can result in a higher quality of life for the enrollee. In addition to benefitting the enrollee, transitions from a higher cost SNF environment to a lower cost HCBS environment have resulted in more enrollees receiving LTC services at a lower per-member-per-month cost to Florida Medicaid.



The chart shows that as home and community-based services become a more common alternative to nursing facility care, the average per month cost of caring for a person in LTC has been steady relative to rising costs of health care during the same time period. The average capitation payment paid per LTC enrollee was \$3,488 in September 2014 and \$3,625 in September 2022, which amounts to less than a 0.5% yearly increase during the 8-year span.

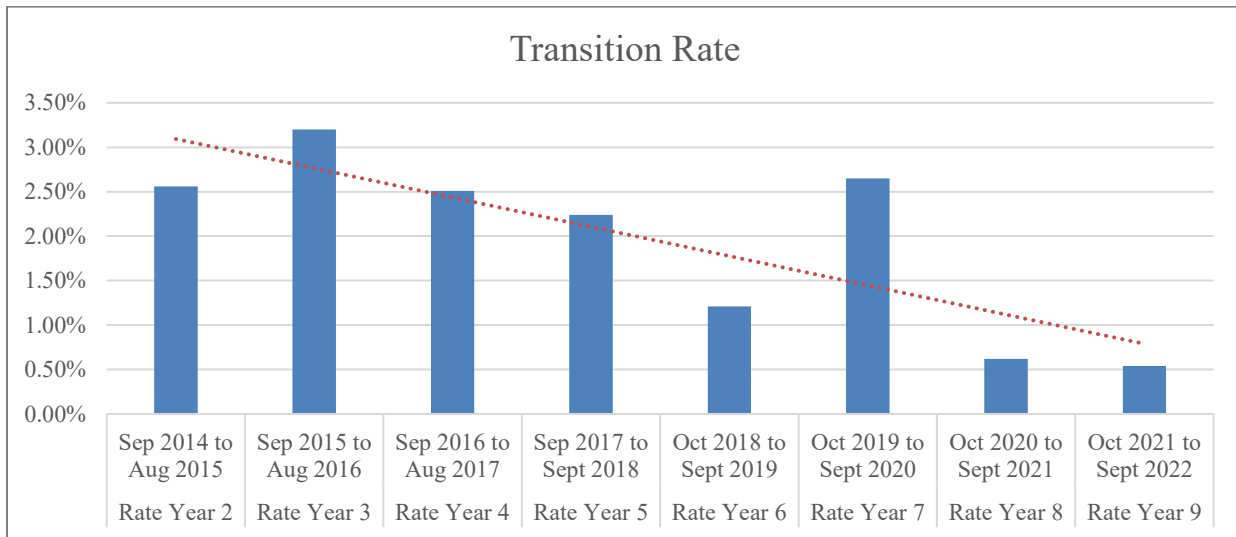
Transitions in Location are Common

Transition Incentives Encourage Plans to Seek the Best Location for Enrollees

Since the beginning of the LTC program, 232,943 enrollees have received skilled nursing facility services through the LTC program. Of these 232,943 enrollees, 51,149 have at some point transitioned to a HCBS environment after being in a SNF, which means 22% of all nursing facility enrollees have made a transition to HCBS at some point during their LTC program enrollment.

LTC plans are financially incentivized to transition a percentage of their enrollees to a HCBS environment over the course of each rate year. This incentive remains in place until the plan reaches the statutory threshold for imposition of the transition percentage. For those plans that have not met that threshold, to measure the effect of this incentive, a census of enrollee location is performed yearly and compared with the previous year. As the chart below describes, the

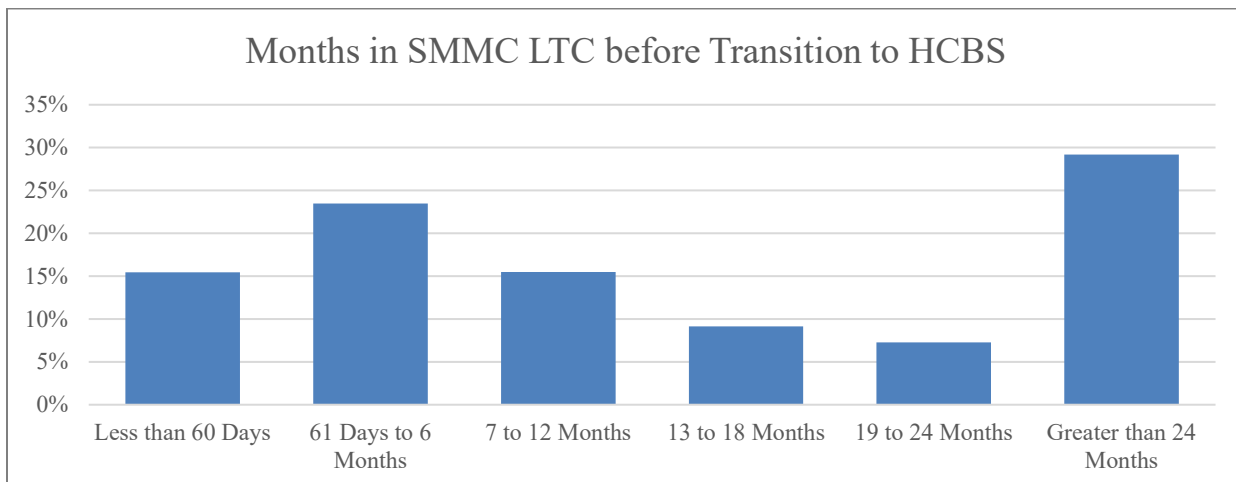
year-to-year rate of transition from SNF to HCBS increased in the three years following the program rollout, then declined over the most recent five-year period. Rate year 19/20 saw a high transition rate from SNF to HCBS, likely influenced by residents choosing to leave SNFs in favor of a home setting due to the uncertainty surrounding the impact of COVID-19 at the outset of the pandemic. Even taking the effect of COVID into account, the flattening of the transition rate over the most recent years is in part a natural result of increased HCBS enrollment, coupled with a growing number of plans reaching the statutory transition percentage.



Enrollees Can Transition to HCBS after Months in a SNF

In Addition to Being Frequent, Transitions Can Occur after Lengthy SNF Stays

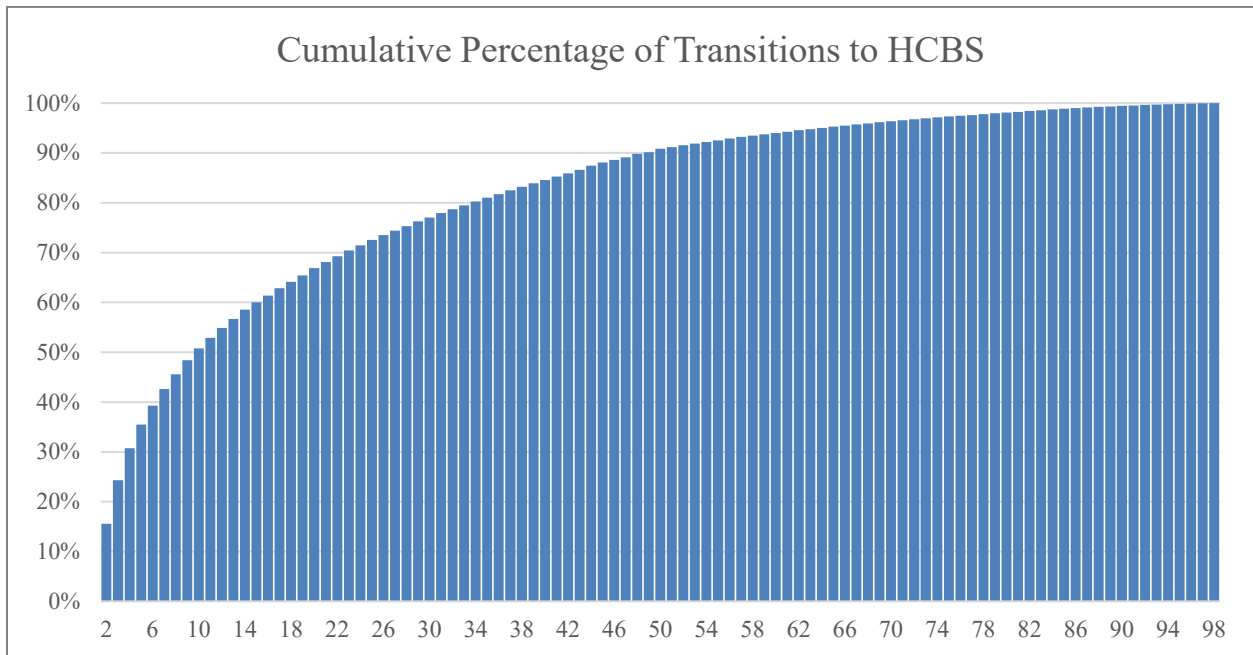
There have been 32,198 (out of 67,114 total) transitions from SNF to HCBS where the enrollee continued in HCBS throughout the remainder of their enrollment in the LTC program. This means that 48% of all HCBS transitions resulted in the enrollee staying in an HCBS environment. As the chart below describes, 85% of these successful transitions to HCBS occurred after the enrollee had been in the program for longer than 2 months.



Successful Transition to HCBS after Prolonged Nursing Facility Stays

Enrollees Transition from SNF to HCBS Years after Admission

Enrollees have been observed to make transitions long after initial enrollment in the LTC program. In fact, over half of all enrollees who make the transition from SNF to HCBS do so after the enrollee has spent 12 months in the LTC program. As the chart below illustrates, only 39% of enrollees transition to HCBS by 6 months, meaning the majority of enrollees who transition to HCBS do so after 6 months in the LTC program.



Conclusions

- Statewide Medicaid Managed Care Long-Term Care plans are moving enrollees to lower cost, home and community-based settings as a result of the LTC program design, monitoring of quality/performance measures, and financially based transition incentives.
- Enrollees in the LTC program change care environments fairly often.
- Transitions to HCBS were observed to continue well beyond the first 60 days of a person's stay in a skilled nursing facility.