

Schedule 13

Department of Health Care Policy and Financing

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-13 Long-Term Care Utilization Management

Dept. Approval By: _____



Supplemental FY 2019-20

OSPB Approval By: _____



Budget Amendment FY 2020-21

X

Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$22,864,305	\$0	\$22,630,967	\$1,746,531	\$1,746,531
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$5,808,855	\$0	\$7,030,521	\$431,632	\$431,632
	CF	\$1,587,101	\$0	\$1,587,101	\$5,002	\$5,002
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$15,468,349	\$0	\$14,013,345	\$1,309,897	\$1,309,897

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$22,864,305	\$0	\$22,630,967	\$1,746,531	\$1,746,531
01. Executive Director's Office, (E) Utilization and Quality Review	FTE	0.0	0.0	0.0	0.0	0.0
Contracts, (1) Utilization and Quality Review	GF	\$5,808,855	\$0	\$7,030,521	\$431,632	\$431,632
Contracts - Professional	CF	\$1,587,101	\$0	\$1,587,101	\$5,002	\$5,002
Service Contracts	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$15,468,349	\$0	\$14,013,345	\$1,309,897	\$1,309,897

Auxiliary Data

Requires Legislation? NO

Type of Request?

Department of Health Care Policy and Financing Prioritized Request

Interagency Approval or Related Schedule 13s:

No Other Agency Impact



Department Priority: R-13
Long Term Care Utilization Management

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$1,746,531	\$1,746,531
FTE	0.0	0.0	0.0
General Fund	\$0	\$431,632	\$431,632
Cash Funds	\$0	\$5,002	\$5,002
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$1,309,897	\$1,309,897

Summary of Request:

The Department requests \$1,746,531 total funds including \$431,632 General Fund, \$5,002 cash funds and \$1,309,897 federal funds in FY 2020-21 and ongoing for enhancing the scope of work of its Long-Term Care Utilization Management (LTC UM) contract. Cash funds are from the Health Care Affordability & Sustainability Fee Cash Fund. The enhanced scope would direct utilization management activities of the In-Home Support Services (IHSS) and Consumer Directed Attendant Support Services (CDASS) populations. This request represents less than 0.5% of the Department's FY 2019-20 Long Bill total funds appropriation.

Current Program:

The Department currently contracts with separate Quality Improvement Organizations (QIO) for its standard Utilization Management contract (UM) and its Long-Term Care Utilization Management contract (LTC UM). A QIO is a group of health quality experts, clinicians, and consumers organized to improve the care delivered to individuals. Additionally, an entity designated as a QIO is part of the QIO program,¹ one of the largest federal programs dedicated to improving health quality for Medicaid and Medicare beneficiaries and an integral part of the National Quality Strategy of the U.S. Department of Health and Human Services (HHS) for providing better care and better health at lower cost.² The mission of the QIO program is to improve the effectiveness, efficiency, economy, and quality of services delivered to Medicaid and Medicare beneficiaries.³

The Department's current LTC UM contract is comprised of multiple activities to review and evaluate program enrollment and service delivery options provided through Home and Community Based Services (HCBS) waiver programs. HCBS programs provide opportunities for Medicaid beneficiaries to receive services in their own home or community rather than institutions. These programs serve a variety of targeted populations groups, such as people with intellectual or developmental disabilities, physical disabilities, and/or mental illnesses. Enrollments in these programs need to be examined and reviewed to comply with key regulatory requirements from the Centers for Medicare and Medicaid Services (CMS).

The activities performed in the LTC UM contract include:

1. Brain Injury Supportive Living Program and Transitional Living Program Acuity Assessments
2. Critical Incident Reporting and Monitoring
3. Post Eligibility Treatment of Income Incurred Medical Expenses Review
4. Intermediate Care Facility Continued Stay Reviews
5. Hospital Back-Up Continued Stay Reviews
6. Case Management Agency Performance and Quality Reviews
7. Quality Improvement Strategy and Review

Older adults and people with disabilities accounted for 12.79% of the Department's overall caseload in FY 2017-18. Their total cost of care, including medical and long-term services and supports, represented 42.9% of the Department's total expenditure of Medical Services Premiums in FY 2017-18. To ensure high quality services for this population, the Department must continually work to improve the authorization and oversight of the life-saving long term services and supports that are at the core of the service package utilized

¹ https://qioprogram.org/sites/default/files/QIN-QIO_Fact_Sheet_Aug2018_FINAL_508.pdf

² The National Quality Strategy (NQS) was first published in March 2011 as the National Strategy for Quality Improvement in Health Care and is led by the Agency for Healthcare Research and Quality (AHRQ) on behalf of the HHS; <https://www.ahrq.gov>

³ <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/QualityImprovementOrgs/index.html>

by older adults and members with disabilities. Additionally, this process of oversight must include processes to ensure the health, safety, and welfare of all individuals in services.

The LTC UM activities performed by the QIO provide critical program oversight by ensuring member services are authorized in full compliance with required rules and regulations. Additional objectives of the LTC UM contract are improving the quality of the work of the Department with its contracted agencies, as well as identifying and preventing fraud.

Both IHSS and CDASS form part of the Department's commitment to providing service-delivery options that empower members and their families to direct and manage the long-term care services and supports they need to live at home. IHSS allows the member, with the support of a home care agency, to direct and manage the attendants that provide their personal care, homemaker and health maintenance services. Through IHSS, the member is empowered to select, train and manage attendants of choice to best fit their unique needs. The member may also delegate these responsibilities to an authorized representative. IHSS is available in the following HCBS programs: Children's Home and Community Based Services (CHCBS) waiver, Elderly, Blind, and Disabled (EBD) waiver, and Spinal Cord Injury (SCI) waiver.

CDASS allows people with disabilities to manage their attendant care to an even greater degree than IHSS. In CDASS, the member receives a funding allocation⁴ from the Department and comprehensive training from a case management agency to develop and manage their Attendant Support Management Plan (ASMP)⁵. The member is then able to hire, train, supervise, manage, and if necessary, fire their attendants. The member may also have an authorized representative direct the services on the member's behalf. In CDASS, the member, or an authorized representative, exclusively controls attendant care by making the attendant-care decisions and taking responsibility for them. CDASS provides the member with greater flexibility in managing their daily routine and the opportunity to take greater control of their life.

Problem or Opportunity:

The Department lacks a thorough utilization review strategy for specific high-growth populations within HCBS programs. Expenditures attributed to IHSS populations grew by approximately 35.6% from FY 2017-18 to FY 2018-19 while CDASS expenditures grew at approximately 6.54% over the same period. The existing review activities from Over Cost Containment (OCC) reviews encompass a sampling of plans within these populations; however, the OCC activities focus on identifying potential violations of federal cost neutrality requirements and provide insufficient oversight of the oftentimes complex cases of consumer-directed service options.

⁴ The funds determined by the case manager and made available by the Department to members receiving CDASS and administered by the Fiscal Management Services (FMS) authorized for attendant support services and administrative fees paid to the FMS.

⁵ The documented plan for members to manage their care as determined in Department rule 10 CCR 2505-10 § 8.510.4 which is reviewed and approved by the case manager.

Determinations of service authorization in IHSS and CDASS are made by case management agency representatives who frequently lack clinical expertise and whose decisions are not subject to oversight or accountability measures. Lack of clinical expertise and accountability increases the risk of a case manager inappropriately authorizing these services. Without additional resources directed to LTC UM, the Department is unable to direct its vendor, a certified QIO entity, to evaluate the IHSS and CDASS determinations for appropriateness and medical necessity of services.

Proposed Solution:

The Department requests \$1,746,531 total funds including \$431,632 General Fund, \$5,002 cash funds and \$1,309,897 federal funds in FY 2020-21 and ongoing to implement additional LTC UM activities. Cash funds are from the Health Care Affordability & Sustainability Fee Cash Fund.

The Department currently utilizes a UM vendor for appropriate authorization of skilled care services under Long Term Home Health. CDASS and IHSS allow for an attendant to perform the delivery of skilled care services through health maintenance activities. Implementing UM review for CDASS and IHSS would allow the Department to have consistency in the service authorization for skilled care services regardless of the service delivery model.

A robust and thorough UM program with QIO oversight of IHSS and CDASS would ensure case managers are authorizing the clinically appropriate services for members who choose to receive their health maintenance services through a self-directed option. While implementation of this request would likely result in savings on medical costs, the Department is not including explicit savings in this request and will account for demonstrated savings in future years through the normal budget process.

If this request is not approved, the Department would continue to have no reliable way to ensure that service plans are consistent with best practices.

Anticipated Outcomes:

Approval of this request would provide the Department funding to implement additional activities within its LTC UM contract.

The risk of inappropriate authorization of services would be mitigated by the oversight provided by the QIO contracted as the Department's UM vendor. The QIO would begin UM activities by receiving the initial Prior Authorization Review (PAR) submitted by the case manager and then prospectively reviewing the list of the proposed services, funding allocation and other relevant information for the member's proposed service-delivery plan. The UM vendor would review health maintenance service to ensure the appropriateness and medical necessity of the authorized services according to evidence-based criteria and regulations. The Department could then direct concurrent and retrospective reviews of each case as necessary.

Approval of this request would allow the Department, using an LTC UM vendor, to ensure appropriate authorization of Health Maintenance Activities through IHSS and CDASS service delivery options.

The Department would monitor the success of the additional UM activities by comparing service allocations from prior to implementation to service allocations after implementation. This work can be accomplished within existing Department resources and data. The Department would also require the vendor to provide detailed reporting on how allocations were reduced or increased from the initial assessment. Case managers would be responsible for ensuring that, as authorized services change, that members are having their needs met in the community.

Assumptions and Calculations:

Detailed assumptions and calculations are provided in Appendix A.

Table 1 shows a summary by line item for this request.

Table 2 shows a summary by initiative for this request.

Table 3 shows the detailed deliverables of the additional activities encompassing IHSS and CDASS that comprise a contract maximum. The Department established the expected contract maximum rate for these services utilizing the following industry-wide factors; employee classifications and salaries, facility expenses, capital expenses, and administrative costs.

Table 1.1 - Summary By Line Item FY 2020-21								
Row	Description	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds	Source
A	(1) Executive Director's Office; (E) Utilization and Quality Review Contracts, Professional Services Contracts	\$1,746,531	0.0	\$431,632	\$5,002	\$0	\$1,309,897	Table 2.1, Row C
B	Total Request	\$1,746,531	0.0	\$431,632	\$5,002	\$0	\$1,309,897	Row A

⁽¹⁾Cash funds are from the Health Care Affordability & Sustainability Fee Cash Fund

Table 1.2 - Summary By Line Item FY 2021-22 and Ongoing								
Row	FY 2020-21	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds	Source
A	(1) Executive Director's Office; (E) Utilization and Quality Review Contracts, Professional Services Contracts	\$1,746,531	0.0	\$431,632	\$5,002	\$0	\$1,309,897	Table 2.2, Row C
B	Total Request	\$1,746,531	0.0	\$431,632	\$5,002	\$0.00	\$1,309,897	Row A

⁽¹⁾Cash funds are from the Health Care Affordability & Sustainability Fee Cash Fund

Table 2.1 - Summary by Initiative FY 2020-21									
Row	Item	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds	FFP	Source
Long Term Care Utilization Management Contract									
<i>Cost of Additional Activities</i>									
A	Consumer-Directed Attendant Support Services (CDASS) Utilization Reviews	\$253,841	0.0	\$62,191	\$1,270	\$0	\$190,380	75.00%	Table 3, Row F
B	In-Home Support Services (IHSS) Utilization Reviews	\$1,492,690	0.0	\$369,441	\$3,732	\$0	\$1,119,517	75.00%	Table 3, Row L
C	Total Request	\$1,746,531	0.0	\$431,632	\$5,002	\$0	\$1,309,897	75.00%	Row A + Row B

⁽¹⁾Cash funds are from the Health Care Affordability & Sustainability Fee Cash Fund

Table 2.2 - Summary by Initiative FY 2021-22 and Ongoing									
Row	Item	Total Funds	FTE	General Fund	Cash Funds ⁽¹⁾	Reappropriated Funds	Federal Funds	FFP	Source
Long Term Care Utilization Management Contract									
<i>Cost of Additional Activities</i>									
A	Consumer-Directed Attendant Support Services (CDASS) Utilization Reviews	\$253,841	0.0	\$62,191	\$1,270	\$0	\$190,380	75.00%	Table 3, Row F
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C	Total Request	\$1,746,531	0.0	\$431,632	\$5,002	\$0	\$1,309,897	75.00%	Row A + Row B

⁽¹⁾Cash funds are from the Health Care Affordability & Sustainability Fee Cash Fund

R-13 Long Term Care Utilization Management Contract
Appendix A - Calculations and Assumptions

Table 3 - Long Term Care Utilization Management Contract Proposed Additional Activities FY 2020-21 and Ongoing										
Row	Deliverables	Quantity	Final Price	Total Price	Category	Enhanced Match (75%)	CFR	FMAP	Total Funds	Federal Funds
A	Each CDASS PAR Reviewed	3,977	\$54.03	\$214,876.43	CDASS	Yes	42 CFR §475.102	75%	\$214,876.00	\$161,157.00
B	CDASS PAR Review Monthly Report	12	\$1,156.24	\$13,874.85	CDASS	Yes	42 CFR §475.102	75%	\$13,875.00	\$10,406.00
C	CDASS PAR Review Quarterly Trend Analysis	4	\$2,189.33	\$8,757.30	CDASS	Yes	42 CFR §475.102	75%	\$8,757.00	\$6,568.00
D	CDASS PAR Review Annual Report	1	\$4,688.82	\$4,688.82	CDASS	Yes	42 CFR §475.102	75%	\$4,689.00	\$3,517.00
E	CDASS PAR Review Weekly Meeting	52	\$223.91	\$11,643.58	CDASS	Yes	42 CFR §475.102	75%	\$11,644.00	\$8,733.00
F	Subtotal - CDASS Activities	NA	NA	NA	CDASS	Yes	42 CFR §475.102	75%	\$253,841.00	\$190,381.00
G	Each IHSS PAR Reviewed	26,906	\$54.03	\$1,453,725.25	IHSS	Yes	42 CFR §475.102	75%	\$1,453,725.00	\$1,090,294.00
H	IHSS PAR Review Quarterly Trend Analysis	4	\$2,189.33	\$8,757.30	IHSS	Yes	42 CFR §475.102	75%	\$8,757.00	\$6,568.00
I	IHSS PAR Review Monthly Report	12	\$1,156.24	\$13,874.85	IHSS	Yes	42 CFR §475.102	75%	\$13,875.00	\$10,406.00
J	IHSS Annual Report	1	\$4,688.82	\$4,688.82	IHSS	Yes	42 CFR §475.102	75%	\$4,689.00	\$3,517.00
K	IHSS Weekly Meeting	52	\$223.91	\$11,643.58	IHSS	Yes	42 CFR §475.102	75%	\$11,644.00	\$8,733.00
L	Subtotal - IHSS Activities	NA	NA	NA	IHSS	Yes	42 CFR §475.102	75%	\$1,492,690.00	\$1,119,518.00
M	Total Proposed Additional Activities (Row F + Row L)								\$1,746,531.00	\$1,309,899.00

Acronym Legend

CDASS - Consumer-Directed Attendant Support Services

IHSS - In Home Support Services

PAR - Prior Authorization Review