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Research of Program Management Techniques taken by States to Rebalance their Long Term Care Systems

On February 1, 2001, the President announced the *New Freedom Initiative*, aimed at promoting full access to community life through efforts to implement the Supreme Court's *Olmstead* Decision. The President issued *Executive Order 13217* (June 18, 2001) and directed Federal agencies to work together to "tear down the barriers" to community living by developing a government-wide framework for helping provide elders and people with disabilities with supports necessary to learn and develop skills, engage in productive work, choose where to live and fully participate in community life.

CMS and our state partners have made important strides in identifying and eliminating barriers to community living. Of note is a 3- year research study to examine the effects of management techniques and systems changes that States have implemented to rebalance their Medicaid long-term care and long-term support programs. Eight (8) States have volunteered to be part of the study and include: Arkansas, Florida, Minnesota, New Mexico, Pennsylvania, Texas, Vermont, and Washington. Selected States were asked to participate to provide the geographical variety, diversity of Medicaid populations, urban and rural populations, and other factors needed to adequately assess rebalancing efforts.

This project will assist CMS to examine various initiatives designed to change the delivery of LTC including, targeted section 1115 waivers, home and community based waivers, Real Choice Systems Change grants, etc. It will provide insight on selected states' progress in rebalancing their systems for various target populations (including shifts in utilization and aggregate costs). It will also identify organizational and management techniques that are effective to achieve and manage such long term care redirection, while protecting the health and welfare of Medicaid beneficiaries, maintaining the quality of care and services delivered, and controlling overall costs.

The study will take place over a 3-year period. It includes longitudinal quantitative (Medicaid and State data sets) and qualitative study (onsite case review) and will result in annual case studies of the participating states and in cross-cutting topical studies of management techniques related to access, services, budget management, and linkages to other programs. CMS emphasizes that this study is not an evaluation of any state or state program, but rather an approach to collectively learn about effective rebalancing efforts for various populations under various circumstances. As a result of this research CMS expects participating states to gain useful information about their own systems at the same time as their cumulative experiences helps generate useful information for all states, Congress, CMS and others.

The study is being directed by the CNA Corporation and researchers at the University of Minnesota, School of Public Health, the National Academy for State Health Policy, and the University of California at San Francisco.

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**Additional Information on
"Research on Program Management Techniques taken by States to Rebalance
Their Long Term Care Systems"**

Definition of Rebalancing

"In its Request for Proposals for this project, CMS defined rebalancing to mean adjusting the state's Medicaid programs and services to achieve a more equitable balance between the proportion of total Medicaid long-term support expenditures used for institutional services (Nursing Facilities [NF] and Intermediate Care Facilities for the Mentally Retarded [ICFs-MR]) and those used for community-based supports under its State Plan and waiver options." Further, CMS stated that a balanced long-term support system "offers individuals a reasonable array of balanced options, particularly adequate choices of community and institutional options." [1]

Thus, rebalancing does not imply a particular target ratio of long-term care expenditures between institutional and community care. Rather, the term reflects the goal of state reform efforts to provide all persons in need of long-term care and supports choice among an array of options to assure that they receive care and supports in the most appropriate, integrated, and cost-effective setting relative to their needs. How states develop a vision related to rebalancing and plan strategically towards rebalancing is part of the State's management approach.

Research Parameters

The first focus for quantitative studies of utilization and expenditures and qualitative studies of management is the state's Medicaid program, including state plan and Medicaid services. However, CMS is interested in how states are organizing to promote care in the most integrated community settings for all state residents, including those who are paying for care entirely from private sources and those whose care is subsidized from a variety of state and local programs with and without federal contributions.

Populations and Programs that are included in Study

All populations who receive long-term support services under Medicaid are included in this project, regardless of age or disability type. CMS recognizes that the boundaries between a long-term care service and a service that falls under a different category (e.g., education, rehabilitation, acute care, mental health services) is sometimes variable and hard to discern. This project will help to clarify what is counted as a long-term support program. This project will give attention to consumers of long term care whose needs are particularly challenging to meet, such as those with serious mental health problems or who have Alzheimer's disease. It is recognized that states historically have used and still use different strategies for different populations, and that rebalancing creates different challenges for different target groups. We hope to learn the extent to which a consolidated approach is helpful to all populations, and the extent to which a differentiated approach is also necessary to expand community care and reduce institutional care.

Activities that will be included in Management Approaches

Management approaches encompasses a broad-range of topics including but not limited to approaches to:

- increase or manage access to programs (e.g., eligibility, case management, preadmission screening);
- managing budgets (e.g., consolidated program budgets, money follows the person programs, individual budgets for waiver clients, capitation strategies, consumer-directed strategies with cash payments);
- defining and developing an array of services; approaches to managing quality (e.g. information systems, quality assurance systems); and
- making linkages between Medicaid and other programs (e.g., aging programs, mental health programs, Medicare programs, disability programs, social service programs).

Research Products

The contractors will provide CMS with annual reports describing qualitative and quantitative information about rebalancing in each of the 8 participating states. We expect within-state comparisons, as proves feasible, to compare progress by type of program participant and by geographic region. The first year reports will provide a history of that state's activities in rebalancing and will provide time series data going back to 1999. Thereafter, the states will be followed prospectively. The contractors will also identify trends, common issues, and common facilitators and barriers that are highlighted by the separate state studies.

Over the course of the 3 year project, the Contractors will prepare 8 separate reports on 8 selected management approaches that are illustrated in one or more of the participating states. The contractors will identify these topics by October 2005, working in conjunction with CMS and the participating states and based on insights drawn from the first annual reports.

Relationship of this Study to the CMS Systems Change Projects

Since the Supreme Court's Olmstead decision of 1999 and the enunciation of the New Freedom initiative, CMS has annually funded a variety of state projects to further care in the most integrated setting. Many of these projects helped states focus on various management approaches to designing infrastructure, enhancing the array of services, encouraging consumer direction, and promoting quality. All states participating in this research have had grants under the New Freedom Initiative, and work they have done under those grants will be part of the state activity summarized in this project. The project does not set out directly to study the New Freedom Initiative, however, nor is it limited to activities undertaken under the CMS grant program. Moreover, the 2004 grants that happen to be entitled "Rebalancing LTC Systems" represent an entirely different program from this broader research. As it happens, there is no overlap between the states participating in this research and the states that received grants to explore Rebalancing. This study will utilize information gathered by RTI in the process of its evaluation of New Freedom Initiative programs and by the Technical Assistance Exchange Centers for the Grantees to avoid redundant activities in states, but this study

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provides an integrating overall focus for learning from the selected states that goes beyond particular grant programs.

States Selection for Project

CMS considered all states and looked at the variables and information necessary in order to learn about rebalancing efforts and outcomes. Eight (8) states, all of whom are well under way in progress towards rebalancing long-term support programs were invited to participate and all volunteered. Collectively, they reflect geographic distribution, a mix of urban and rural states, and a mix of administrative arrangements and roles for counties. In addition, they collectively reflect a variety of management approaches and innovations across the full range of long-term support populations.

Relationship of this Study to other Federal projects

We are aware that CMS, ASPE, and others have funded a variety of projects related to rebalancing over the years. This Congressionally mandated study takes a comprehensive and a longitudinal approach in selected states rather than concentrating on any given program or population. From it, we expect to gain rich information about what facilitates progress towards rebalanced systems. As a bi-product, we will also learn what kinds of information systems promote our understanding of the extent of state accomplishments and what the gaps are in our data systems that illuminate the supply and utilization of long-term support services in a state.

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[1] Request for Task Order Proposals CMS-04-0014 Request for Task Order Proposal CMS-04-0014 for "Research of Program Management Techniques Taken by States to Rebalance Their Long-Term Care System", Attachment A, Statement of Work, p. 3 of 13. "

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