December 16, 2015

Director Richard Whitley
Nevada Department of Health and Human Services
4126 Technology Way, Suite 100
Carson City, NV 89706-2009

RE: AARP Nevada – Recommended Principles to Guide Consideration of a Managed Long Term Services and Supports Initiative

Dear Director Whitley:

As a nonprofit, nonpartisan social welfare organization with a membership and offices in all 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands, AARP's mission is to help people 50+ have independence, choice and control in ways that are beneficial and affordable to them and society as a whole. We seek to help older Americans live long and healthy lives. AARP Nevada, representing 326,000 members, is Nevada's largest organization representing the needs, views, desires, and hopes of Nevada's 50+ population.

Since passage of Senate Bill 514, which establishes a pathway for the state to evaluate and eventually implement a transition to Medicaid Managed Long Term Services and Supports (MLTSS), we have looked forward to having the opportunity to share our perspective to help inform this process. This letter outlines some of the broad, consumer-focused principles that AARP encourages the state to consider as it continues this important evaluation. We hope that the state will establish a pattern of robust stakeholder input as the state considers more detailed plans and if a MLTSS program is eventually implemented.

MLTSS provides many opportunities and challenges in care delivery and financing. AARP does not support or oppose a transition to managed care, but rather seeks to ensure that any changes to the state's LTSS system are person and family-centered and allow individuals to live as independently as possible and to exercise control over their own care arrangements. We also note that earlier this year the federal Centers for Medicare & Medicaid Services (CMS) proposed the first major update to Medicaid managed care regulations in more than a decade. While these rules are not yet final, we urge Nevada to pay special attention to the provisions of the proposed rules that seek to protect individuals enrolled in managed care and incorporate these elements in any MLTSS program the state might consider.

The following are some of the major policies and principles that AARP believes Nevada should consider as it evaluates and develops an MLTSS program:

Community Integration

AARP supports the ability of people of all ages and incomes to participate as fully as possible in all aspects of community living. Nevada has made strides to address the historical LTSS institutional bias, but there is still room for improvement. In fiscal year 2013, Nevada spent 48.5 percent of its total Medicaid LTSS dollars on home and community-based services – an improvement from past years, but still in the bottom half of states nationwide.[i] Equally noteworthy is the fact that the spending imbalance is greater for older adults. Data from the same year shows that the state spent only 34.9 percent of its Medicaid LTSS dollars on home and community-based services for adults over age 65 and people with physical disabilities.[ii] We know that an overwhelming majority of older Nevadans would prefer to receive services in their homes and communities, and correcting this imbalance, especially for older adults, should be a top priority for any MLTSS program in the state.

Involvement of Family Caregivers

AARP strongly supports a person- and family-centered approach to LTSS. Family caregivers provide the vast majority of LTSS in the home and community, and should be seen as a key component and partner in any effective Medicaid system when they are willing and able to help. Such an approach should include family caregivers as part of the care team, when the beneficiary welcomes the involvement of family caregivers. In a person- and family-centered care system, family caregivers should not be viewed as just a "resource" for the beneficiary; rather, they are viewed as "partners" on the care team, and also recognized as individuals who may themselves need training and support (such as respite care). In further developing any MLTSS program, we urge the state to ensure that:

- Family caregivers and other advocates and family members, as requested by the beneficiary, have the opportunity to be actively involved in assessment of need of their family member and development of the beneficiary's service plan;
- Family caregivers receive an independent assessment to determine how the managed care organizations (MCOs) can work with the caregiver and support the caregiver's own needs;
- MCOs train their case managers on how to communicate and work with family caregivers;
- With the beneficiary's consent, MCOs have regular communication with the family caregiver and require paid home care/health provider to communicate/consult with the family caregiver on service delivery;
- MCOs offer caregiver training to family caregivers that covers both effective caregiving techniques and stress reduction practices; and
- MCOs provide respite support for family caregivers on a regular basis.

Enrollment and Choice

States that adopt managed care programs should still recognize and support consumer choice to the maximum extent possible. If Nevada does require managed care enrollment, the state must ensure that

a choice of plans and providers is offered. If the state plans to automatically assign enrollees to an MCO, following a period of time in which enrollees are given a choice of MCO, the state should ensure that there are sufficient beneficiary protections to ensure enrollees receive the care they need. For example, any automatic assignment of an individual to an MCO should take into account continuity of care by the individual's current providers. This is especially important in the context of LTSS, which often involves an individual's living arrangements and provision of personal services.

Any MLTSS program considered by the state should also address the need for conflict-free choice counseling, assistance with enrollment, and participant advocacy. No person should be enrolled in an MLTSS plan without first receiving a conflict-free assessment of their needs and preferences and conflict-free counseling about the range of options available to meet their needs and preferences.

Nevada should guard against any MCO that might attempt to encourage disenrollment by individuals who are medically challenging and expensive to care for. We would also strongly urge the state to conduct exit interviews of those who disenroll and order corrective action in response to any enrollment manipulation. Plan retention rates will be a key indicator of quality and consumer services and should be made public and provided to consumers during the enrollment and renewal processes. The responsibility of the MCOs and their networks should not end with disenrollment. They should be required to develop and implement a seamless transition plan with no gaps in care for those changing plans or opting out of the managed care system.

MCO Readiness and Network Adequacy

If the state proceeds to transition to MLTSS, it is critical to ensure prior to enrollment that MCOs have the capacity to meet the needs of the enrollees. The state should develop a robust MCO-readiness review process to determine whether managed care plans are prepared to provide all contracted services in a safe, efficient, and effective manner. Plan readiness includes, at a minimum, network adequacy (including the ability to pay contracted providers within a reasonable amount of time); a proven track record of high performance; the ability to offer participant-directed LTSS including, but not limited to, counseling and financial management services; the ability to monitor and improve services; demonstrated financial stability in the plan and adequate protections against insolvency; the ability to generate required data and reports for governmental entities and public reporting; and adequate capacity to respond to enrollee grievances and appeals.

States adopting MLTSS have taken a variety of approaches to ensure that MCOs can properly coordinate care across an individual's medical and supportive services needs. Effective care coordination is particularly important for people receiving LTSS. People with LTSS needs interact frequently with the health care system, have physical or cognitive limitations that require ongoing supports, and often have chronic health conditions that require continuous monitoring. As Nevada considers potential models for care coordination, we recommend that the state consult the recent AARP Public Policy Institute report *Care Coordination in Managed Long-Term Services and Supports*, (enclosed and available at this link), http://www.aarp.org/content/dam/aarp/ppi/2015/care-coordination-in-managed-long-term-services-and-supports-report.pdf, which reviews specific examples of state programs and includes MCO contract

language regarding care coordination.[iii] In speaking with enrollees and providers in Nevada's current managed care system, we are concerned that inconsistencies and inefficiencies in MCO care coordination may be preventing enrollees from getting the care they need when they need it. We urge the state to use this MLTSS evaluation as a chance to improve care coordination in the current system and recommit to making this a priority in any MLTSS system in the future.

Among the most important elements of MCO readiness is network adequacy. The state should first make clear the standards for network adequacy supported by evidence-based research and data, and provide a clear plan for network adequacy review that does not simply require the submission of data to the state on an annual basis. The state should ensure that MCOs will meet explicit network standards for providers and provider facilities, including primary, specialty, and other critical professional, allied and supportive services and equipment providers, in both rural and urban areas, with a right to an out-of-network authorization if the standard is unmet. This is especially important for LTSS facilities and home care providers. We encourage the state to set a "good standing" requirement for MCO-contracted nursing facilities and home care providers. No Medicaid beneficiary should be forced to choose between a few poor performing nursing facilities or home care providers, simply because they are enrolled in managed care. The state could use the Nursing Home Compare Five-Star Quality Rating system for this purpose or set similar minimum performance standards and accreditation for participating facilities and other providers.

State Oversight

In shifting to a managed care program, robust MCO contract oversight and monitoring is critical to ensure that capitated payments do not create incentives for MCOs to stint on needed care and services for this very vulnerable population. Robust oversight is also imperative to ensure that all reporting requirements and performance standards are being complied with and that they are leading to improved quality and access. A recent AARP Public Policy Institute report points out that "although contracts between states and [managed care contractors] establish standards and requirements, such contracts are empty promises if states are unable to monitor and enforce plan compliance and performance."[iv] As Nevada considers MLTSS, the state should pay special attention to how it would conduct oversight and what resources it must dedicate to this effort.

Based on the experience of states that have successfully implemented Medicaid managed care and MLTSS, we are convinced that state governments must take a hands-on management approach to effectively oversee managed care contracts. The state must be committed and take steps (both from a staffing and knowledge perspective) to actively monitor and use all enforcement tools available to ensure that Nevada consumers receive the right care, in the right place, at the right time. The movement to managed care should not be seen by a state as a way to reduce its Medicaid role and responsibilities by simply paying MCOs and relinquishing these functions to them. As you know, final accountability for the performance of its contractors, including managed care plans, must remain with the state.

AARP also urges the state to create an independent oversight committee or task force independent of the state Department of Health and Human Services to monitor and report on implementation of the initiative with the ability to ensure that needed modifications and adjustments can be made. Legislative oversight committees are active in Indiana, and were a valuable vehicle for advancing Tennessee's long-term care transition to managed care plans.

Sufficient oversight is especially important during a time of so much change in the state's LTSS system. As the state implements its multi-year transition plan to conform with new CMS standards of what qualifies as a "home and community-based" setting under the Medicaid program, there may be a need to modify certain settings or transition individuals to alternate settings and a person-centered approach will be crucial to ensure that there is no break in services. If the state also pursues a transition to MLTSS during this time of change, it must pay special attention to how all of these moving parts are affecting real people and ensure that individual needs and preferences are met.

Reinvestment of Savings

If Nevada is able to use an MLTSS program to achieve the goals of person- and family-centeredness, consumer independence, choice, dignity, autonomy, and privacy, as well as generate cost savings for the state, AARP strongly believes that the state should commit to using these savings to improve access to and quality of home and community-based care on a larger scale. Transition to managed care must not be a way to gradually decrease the state's investment in, and thus, the availability of, LTSS or other services available to these populations. This commitment should be demonstrated by including specific language in any future plans and waiver amendments that directs that any savings achieved through the success of the program be reinvested to improve the network and quality of services and supports available to those in need of HCBS. In specific, savings should be allocated to increase eligibility for services so that more individuals can receive home and community-based services. While we understand that savings may not accrue the first few years, we strongly believe that the commitment to reinvest savings should be made upfront.

In conclusion, AARP believes that any MLTSS initiative considered or pursued by Nevada should put consumers at the forefront and incorporate the policies and principles delineated above. We appreciate the opportunity to provide these comments and look forward to discussing them with you. If you have any questions, please contact Barry Gold at bgold@aarp 702 -938-3236, or Maria Dent at mdent@aarp.org 702 938-3238.

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[i] Eiken, Steve, Kate Sredl, Brian Burwell, and Paul Saucier. "Medicaid expenditures for long-term services and supports in FY 2013." Center for Medicare & Medicaid Services, June 2015. Available at: http://www.medicaid.gov/medicaid-chip-program-information/by-topics/long-term-services-and-supports/downloads/ltss-expenditures-fy2013.pdf

[ii] Id. at Table AP. Note: FY2009 is the last year for which HCBS expenditures for 65+ (separately and not grouped with people with physical disabilities) is available. HCBS expenditures represented 26 percent of LTSS spending in Nevada for that group in FY2009. See Kaiser Family Foundation. "Medicaid's Role in Meeting the Long-Term Care

Needs of America's Seniors." January 2013. Available at: https://kaiserfamilyfoundation.files.wordpress.com/2013/02/8403.pdf.

[iii] Saucier, P., and B. Burwell. "Care Coordination in Managed Long-Term Services and Supports." Report no. 2015-07. Washington, DC: AARP Public Policy Institute, July 2015. Available at http://www.aarp.org/content/dam/aarp/ppi/2015/care-coordination-in-managed-long-term-services-and-supports-report.pdf

[iv] Lipson, D., J. Libersky, R. Machta, L. Flowers, and W. Fox-Grage. "Keeping Watch: Building State Capacity to Oversee Medicaid Managed Long-Term Services and Supports." Report no. 2012-06. Washington, DC: AARP Public Policy Institute, July 2012. Available at http://www.aarp.org/health/medicare-insurance/info-07-2012/keeping-watch-building-statecapacity-to-oversee-medicaid-managed-long-term-services-and-supportsAARP-ppi-health.html.