

Wolf plans overhaul involving long-term care services for Pennsylvanians

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Matt Rourke/Associated Press



Gov. Tom Wolf delivers his budget address for the 2015-16 fiscal year to a joint session of the Pennsylvania House and Senate in March in Harrisburg.

By Gary Rotstein / Pittsburgh Post-Gazette

The Wolf administration, faulting a fractured, costly and inefficient long-term care system that it says fails many low-income Pennsylvanians, plans a major overhaul through a new managed care program.

The program, to be rolled out in phases over the next several years, would assign newly contracted care managers to oversee government-funded medical and social support services for more than 400,000 Medicaid-eligible seniors and young adults with disabilities. Administration officials began discussing the concept with interest groups last week and begins holding public hearings on it around the state this week, including one Thursday in Pittsburgh.

Latching onto a trend that has been growing in other states with encouragement from the federal government, administration officials say improved coordination of services and increased reliance on health maintenance measures and cost incentives will keep frail people at home longer and reduce expensive hospital and nursing home stays.

Companies performing the managed care for state clients — often health insurers or other entities associated with health care providers — would receive a predetermined monthly amount in combined Medicare and Medicaid dollars, based on the clients' assessed level of need. The companies would use those dollars to arrange and pay providers such as hospitals, nursing homes and home care agencies for services, instead of the government paying directly.

It's a payment system known as "capitation" in which some financial risk is assumed by the care management companies, giving them incentive to control costs. Used on only a small scale in state programs

currently, it represents a major shift from the largely fee-for-service health and long-term care system that now exists.

Government officials say the present system steers too many needy individuals to the most expensive type of help — even when they may not want or need it — because it's the easiest to obtain. A commonly cited example is that it is quicker and easier for still-recovering individuals discharged from the hospital to be admitted to a nursing home, using Medicaid reimbursements, than to obtain government approval of the needed assistance at home.

“Right now, the system is largely one of unmanaged care,” said Ted Dallas, state secretary of human services. “If we manage the care, we can get the alignment right to get what's best for individuals, by setting up a system that's efficient in getting people services in the community.”

While government offices such as Area Agencies on Aging or their contractors do currently arrange services for the needy elderly and disabled, their role is overly compartmentalized, said Jen Burnett, acting deputy secretary for the state's Office of Long-Term Living.

A government representative arranging home services such as personal care aides has no contact with a client's medical personnel and receives no results from her trips to a hospital. An entity familiar with all needs and services would better manage help, she said, and the care manager would also eliminate existing confusion between Medicare and Medicaid services and billings.

The administration used a research team from the University of Pittsburgh to study other managed care programs nationally and help outline the scope and objectives of how it might work in Pennsylvania, though many details remain to be sketched in.

Howard Degenholtz, a Pitt associate professor of health policy and management who led the research team, said one anticipated benefit would be a focus on health screenings and other preventive measures for some 300,000 older adults who are eligible for both Medicaid and Medicare, but not sick enough to qualify for nursing home status.

For nearly 60,000 low-income individuals whose low-financial conditions would entitle them to subsidized nursing-home care, the state has a system of Medicaid waivers providing them home assistance to avoid institutionalization. Many thousands more would benefit from wellness checkups and a more modest level of home assistance before they fall to a similar level of need, and Mr. Degenholtz said managed care companies would have a financial incentive to provide those to keep people healthy as long as possible.

Numerous details remain to be worked out before managed care would be implemented, which is to take place in phases around the state, starting with Western Pennsylvania in January 2017.

One key question is the right amount of capitated payments to offer managed care companies to draw their participation without driving up the state's costs. And on the consumers' side, advocates want a process that ensures that needy individuals' right to services and options is more important than a company's pursuit of profits.

"If a consumer has a complaint over being denied services they feel they deserve, or something they had in the past, and a managed care agency looking at cost effectiveness says 'You can't have that,' what's the appeal process?" wondered Kathleen Kleinmann, CEO of Tri-County Patriots for Independent Living, which provides services for individuals with disabilities.

She and others from interest groups who participated in the meetings and phone calls with Wolf administration officials last week said that while there are many such details that are uncertain, they're pleased that the state seems interested in gathering a great deal of public input.

Mr. Dallas said many specifics, including the future role of longstanding agencies such as the Area Agencies on Aging, were deliberately omitted for now in order to gather broad comments first from those affected.

"There's been some nervousness about what this is all going to look like," said Rebecca May-Cole, executive director of the Pennsylvania Association of Area Agencies on Aging. "We're very pleased the administration is very open about genuinely wanting stakeholder feedback ... but we also have concerns about how quickly this is moving. We want to make sure older adults and their family members and caregivers really understand what the impact is."

Thursday's local hearing is scheduled to run from 9:30 a.m. to 12:30 p.m. in the Gold Room of the Allegheny County Courthouse, Downtown. Those wanting to speak are expected to register in advance by calling 717-783-8412 or using the following link, where more information can be obtained on the plan: <http://www.dhs.state.pa.us/foradults/managedlongtermsupports/index.htm>.

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