

## **Draft Model Design for an Integrated Care Delivery System in Ohio for Individuals Enrolled in Both Medicare and Medicaid**

### **1. Introduction**

This document presents a draft model design for an Integrated Care Delivery System (ICDS) for persons who are dually enrolled in the Medicare and Medicaid programs in Ohio. This draft model design is meant for discussion purposes only, but it does reflect the belief that it represents the model design best able to accomplish the goals of an Integrated Care Delivery System.

### **2. Goal of Initiative**

Ohio's goal is to provide the most integrated and coordinated delivery system possible. This goal will be accomplished by:

- Providing one point of contact for beneficiaries;
- Improving individual care coordination via a person-centered, team oriented delivery system that holistically addresses individuals' needs in a setting they choose;
- Providing a delivery system that is easy to navigate for both the individual and provider;
- Reducing the overall cost of care, benefiting the beneficiary, Medicare and Medicaid; and
- Providing a seamless transition between settings and programs as needs change.

Through this initiative, Ohio seeks to establish an Integrated Care Delivery System for Medicare-Medicaid Enrollees (MMEs) that creates a single point of accountability, for the full range of Medicare and Medicaid benefits to which beneficiaries are entitled. Ohio's ICDS initiative complements a national initiative led by the Centers for Medicare and Medicaid Services (CMS) to support improvements in the quality and cost of care for MMEs.

From the viewpoint of the beneficiary, the ICDS should be completely seamless, such that the beneficiary is able to access all of his or her health care services and long-term services and supports (LTSS), through a single accountable entity. It will be equally important to assure the continuity of care for beneficiaries during any transition period. By combining all Medicare and Medicaid services into an Integrated Care Delivery System, the state (and beneficiaries) will be able to achieve higher quality outcomes, as well as lower overall costs, for the population served.

### **3. Care Management Model**

Ohio's Medicaid program will require the provider of the ICDS to develop and implement person-centered care management models to comprehensively manage the health and LTSS needs of the beneficiaries. While there is no single care management model that fits every sub-population in every locality, there is considerable consensus that the effective care management of serious chronic illness and significant functional deficits includes these features:

- A team approach to care management, in which the core team is the beneficiary, the primary care practitioner, and the care manager, supplemented by LTSS specialists, behavioral specialists, and other health care practitioners as indicated by individual needs, to achieve a trans-disciplinary approach to effective management of the beneficiary's health care needs.
- A heavy emphasis on conducting periodic home visits with members so that beneficiaries can be observed and assessed in their own home environment. Persons with more significant health and functional needs will be required to be visited more frequently than beneficiaries in relatively good health and with no functional impairments.
- Twenty-four hour in-person coverage for all beneficiaries, such that if a person calls at any time of day, a trained health care professional with access to the beneficiary's records will be available to assess their situation and take an appropriate course of action.
- A pharmacy management program that continually monitors the proper adherence of beneficiaries to fill prescriptions and take medications in accordance with the prescriber's instructions.
- Aggressive management of care transitions, including admissions and discharges from hospitals, nursing facilities, and other facilities, to ensure communication among providers, primary care follow-up, medication reconciliation, timely provision of formal and informal in-home supports, etc.
- A comprehensive and aggressive process to review all hospital admissions and nursing home placements to identify admissions/placements that were inappropriate and avoidable and to develop systemic approaches to reducing inappropriate use of high-cost tertiary services.
- A comprehensive behavioral health management program that integrates physical and behavioral health services and that has the requisite staff and resources to develop appropriate care interventions for beneficiaries with cognitive impairments and behavioral issues, including the ability to rapidly respond to acute psychotic episodes for beneficiaries with severe mental illnesses. Pending successful implementation, this will be based on a health home model of delivery for persons with serious mental illness.
- A culturally sensitive approach to care management, such that beneficiaries have an opportunity to communicate with their health care practitioners in their primary language,

either directly or through interpreters, and to receive care that is sensitive to their cultural background and preferences.

- A common or centralized record, provided by the ICDS, for each beneficiary, whose care is coordinated by the ICDS, that is accessible to all health care practitioners involved in managing the beneficiary's care, so that all encounters with the beneficiary by any practitioner can be shared across the ICDS .

#### **4. Consumer Protections**

Strong consumer protections must be incorporated into the model design, to mitigate any financial incentives to reduce costs simply through utilization and price controls. Ohio Medicaid will collaborate with stakeholders on a set of consumer protections to ensure that beneficiaries enrolled with providers of ICDS receive both high-quality services, and adequate levels of services to meet their health and functional needs. Ohio will work to strengthen and unify regulatory oversight of the entities across Medicare and Medicaid provisions. The protections provided to beneficiaries in the model design will be no less than the protections provided members of Medicare Advantage plans, Medicaid-only plans, and recipients of 1915(c) home- and community-based services (HCBS) waiver services or in any other affected setting.

In addition, the model design will include the following consumer protections specific to the Ohio's Integrated Care Delivery System demonstration:

- Beneficiaries can choose to opt out of participation or change plans, on the Medicare side, during the initial enrollment phase.
- Beneficiaries will be allowed to switch plans up to twice annually.
- The ICDS will be required to include beneficiaries on the governance bodies of their contracted entities as well as create beneficiary advisory councils to assure beneficiary input into operations. Beneficiaries should make up no less than 20% of the members of the governing board.
- The ICDS will be required to convene quarterly meetings with their beneficiaries, to fully document all grievances raised by beneficiaries at the meetings, to keep comprehensive minutes of all beneficiary meetings that are made available to all beneficiaries and to provide written responses to all articulated grievances prior to the convening of the next beneficiary meeting. The ICDS will notify beneficiaries 15 days prior to these meetings.
- Each ICDS will administer a unified Grievances and Appeals process, by which beneficiaries can appeal any decision made by the ICDS to reduce or deny access to covered benefits. An appeal filed within 30 days of a decision by the ICDS will require the continuation of benefits during the appeals process.
- The ICDS will provide each beneficiary with contact information for regulatory agencies. In the case of beneficiaries receiving long-term care services and supports, the ICDS will provide contact information for the Office of the State Long-Term Care Ombudsman.

#### **5. Covered Benefits**

In this draft design, Ohio intends to include the full continuum of Medicare and Medicaid benefits in the ICDS. The ICDS will be accountable for providing access to all of the services covered by both programs for its beneficiaries.

In regard to coverage of LTSS currently provided under Ohio's HCBS waiver programs, the ICDS will be required to provide, at the minimum, all home-and community-based services provided under Ohio's current 1915(c) waivers for the aged and disabled. In this framework, the ICDS will be coordinated with Ohio's initiative to consolidate these HCBS waivers across the state.

The PASSPORT program and the Home Care waiver both include a consumer-directed services option, in which persons determined eligible for waiver services can select their own personal care provider. This option will continue, and each ICDS will be required to offer a consumer-directed service option to beneficiaries who qualify for LTSS services in the community.

## **6. Target Population**

The target population for the ICDS will be all beneficiaries fully enrolled in both the Medicare and Medicaid programs in selected regions or counties. Persons who are "partial benefit duals," i.e. persons who are not eligible for full Medicaid benefits, (including some Qualified Medicare Beneficiaries (QMBs), and Specified Low-Income Medicare Beneficiaries (SLMBs) will not be enrolled.

Medicare-Medicaid Enrollees under the age of 18 and beneficiaries with developmental disabilities who are currently served in Ohio's Intellectual and Developmental Disability system, will be exempt from participation in the this initiative. These individuals may be added to the system at some point in the future, but there is no current plan to do so.

Beneficiaries with serious mental illness will be phased into the program. Ohio is currently working on the development of a health home model of service delivery for persons with serious mental illness and needs more time to refine and test the feasibility of the health home model before fully incorporating it into the ICDS.

## **7. Enrollment Process**

All beneficiaries fully enrolled in both the Medicare and Medicaid programs in the target counties or regions would be offered a choice of two ICDS entities, beginning January 1, 2013, with an "opt out" provision for Medicare. Those who do not choose would be assigned to an ICDS.

Once enrolled, a person could choose to disenroll from the Medicare-portion of the ICDS program, but would remain in the program for Medicaid benefits. In addition, each ICDS would be responsible for coordinating with whatever Medicare choice the person has made.

In order to phase in the operations of the ICDS gradually, beneficiaries will be enrolled in the ICDS on the month of their birthday, so that the ICDS a person selects can more easily

accommodate the enrollment of new beneficiaries. Thus, all beneficiaries in the target counties or regions, would be initially enrolled in the ICDS by December 31, 2013.

#### **8. Eligibility for Long Term Services and Supports (LTSS)**

Eligibility for LTSS in the ICDS will be modified from the current eligibility levels for LTSS in Ohio. Ohio will propose to CMS the creation of two separate levels of care for eligibility determination for LTSS. Currently, a person must meet a nursing facility level of care to access both nursing facility services and home-and community-based services. The new proposal will be to keep the current level of care requirements for home-and community-based services, but have a higher level of care requirement for nursing facility services. Thus, people who qualify for LTSS in Ohio's existing HCBS waiver programs will also qualify for home-and community-based services in the ICDS program. For those persons determined eligible for LTSS in the ICDS program, the ICDS will be required to incorporate an individualized plan of LTSS services into the comprehensive care plan, and to include an LTSS Specialist on the care team to oversee the LTSS services and coordinate with other members of the team. All beneficiaries served by the ICDS who are determined eligible for LTSS must be provided the services specified in the individualized plan of care. An ICDS will not be permitted to establish waiting lists for LTSS.

#### **9. Quality Management System**

The ICDS will be required to have a comprehensive quality management system to monitor both processes and outcomes for beneficiaries. The quality management systems must have the capability to collect data on specified quality measures, aggregate and analyze the data, report on findings, take corrective action on areas where quality improvements should be made, and assess the impacts of the corrective actions that were taken.

There are several projects being undertaken at the federal level (e.g. by the National Quality Forum) to develop appropriate quality measures for the population that will be served by this initiative, and Ohio Medicaid will draw upon those projects in selecting quality measures for the ICDS. The ICDS will be required to utilize the same quality measures in their quality management systems, so that comparisons in quality can be made across plans.

In addition to internal quality management systems, Ohio Medicaid will contract with external quality review organizations to assess process and outcome measures in the ICDS. The results of these external quality review efforts will be shared with the ICDS, which will be required to respond to the findings of the reviews. All external reviews will also be made available to the general public.

#### **10. Strategic Partnerships**

The goal of the ICDS initiative is to procure a truly integrated care product that can provide the full continuum of Medicare and Medicaid benefits to a high-cost and vulnerable population.

It is also recognized that the development of a truly integrated Medicare-Medicaid services for beneficiaries will require strategic partnerships between organizations with different backgrounds and experience in providing services to beneficiaries enrolled in both programs. Some organizations have more experience in providing acute care services to this target population, including hospital care, post-acute care, specialty services, physician services, behavioral health, and so on. Other organizations have more experience in providing long term services and supports to the target population, including personal care, in-home services, nursing home care, assisted living services, and other home-and community-based services (HCBS). It is fully expected that the ICDS will involve strategic partnerships between organizations with these two different skill sets, and that these organizations will form a collaborative structure that can efficiently manage the full continuum of Medicare and Medicaid services that will be covered under the ICDS contract.

Finally, Ohio Medicaid is strongly committed to selecting ICDS contractors that have a strong presence and connection to the communities which they will be serving. A historical presence in the communities of the target region or county, knowledge of and connections to local community resources that can be drawn upon in meeting the health and LTSS needs of beneficiaries in the community, and a strong track record of prior contributions to local communities will be rated highly in the contractor selection process.

### **11. Contractor Requirements**

To be eligible to bid as a contractor under the ICDS initiative, organizations must have:

- A network of providers capable of delivering the comprehensive range of Medicare and Medicaid services;
- Demonstrated experience providing comprehensive care management for the target population of beneficiaries;
- The ability to monitor and improve quality, as further described in the next section.

Bidders will also be required to submit a file containing 100% of all claims and encounters for services utilized by beneficiaries and meet additional criteria specified by CMS and Ohio Medicaid in the Request for Proposals. A number of these additional criteria are discussed in other sections of this draft model design document.

### **12. Provider Network Requirements**

Successful bidders will be required to submit evidence that they can provide access for their beneficiaries to the full range of Medicare and Medicaid benefits through a comprehensive provider network of medical, LTSS, and behavioral health providers. Provider certification and licensure requirements will reflect those used in the traditional Medicare and Medicaid programs. In addition, the ICDS will be required to establish infrastructure (such as fiscal intermediaries) that will support self-directed service models, in which consumers who qualify for LTSS can select their own individual providers.

Further, while the ICDS will be encouraged to develop innovative payment methodologies with its network of providers that promote high-quality and efficient care, it is Ohio Medicaid's full intention that cost savings achieved by the ICDS accrue from the more efficient utilization of services provided to beneficiaries, not from reductions in the payment rates made to network providers.

### **13. Contractor Procurement Process**

Ohio Medicaid intends to select contractors for the ICDS initiative through a competitive procurement process. Contracts will be awarded to those organizations that can best meet the criteria established by Ohio Medicaid for a truly integrated care delivery system for beneficiaries. It is currently anticipated that Ohio Medicaid will issue a Request for Proposal (RFP) in early 2012. A bidders' conference will be held shortly after release of the RFP, at which potential bidders will be given the opportunity to ask clarifying questions about the specifications provided in the RFP. Ohio Medicaid will also respond in writing to all technical and business questions submitted by potential bidders. It is anticipated that bidders will be given approximately eight weeks to prepare a response to RFP.

It is anticipated that the contractor selection process will be a two-phase process. Proposals that adequately meet all of the criteria specified in the RFP will be considered finalists. Ohio Medicaid may then direct additional technical and business questions to finalists in each target region or county in order to support final selections. Finalists may also be requested to make oral presentations to the ICDS selection committee.

If no quality bids are submitted in a target region or county, Ohio Medicaid reserves the right to rebid or combine regions to facilitate implementation. If multiple ICDS contractors are selected, it is highly unlikely that more than two contractors will be awarded contracts in any target region or county.

### **14. Payment Methodology**

Ohio Medicaid will pay the ICDS a Medicaid capitated payment for each month of enrollment for each enrolled beneficiary (i.e., a PMPM payment). Medicaid payment amounts will be some percentage less than what Ohio Medicaid would have paid, on average, if the beneficiary was not enrolled in the ICDS, and was receiving services in the existing service system. The Medicare payment methodology will be predicated on the model that is finally selected to serve as the ICDS. Ohio Medicaid recognizes that actual costs for services provided by ICDS to beneficiaries may be more or less than the capitation payments. Ohio Medicaid will require audited financial statements from each ICDS awarded a contract. Ohio Medicaid may adopt a risk sharing strategy in which profits or losses over a certain threshold are shared between Ohio Medicaid and the ICDS. However, no decisions about risk sharing strategies have been made.

### **15. Geographic Target Areas**

The ICDS will be implemented in a phased-in approach, regionally or in specific counties. A final determination will be made at a later date. It will not be implemented statewide.

## **16. Program Evaluation**

Ohio Medicaid anticipates support from CMS to fully evaluate the program through a national integrated care program evaluator. Contractors will be required to participate in any evaluation that is undertaken by Ohio Medicaid and/or CMS.