MassHealth Matters II

LONG-TERM SERVICES & SUPPORTS (LTSS): OPPORTUNITIES FOR MASSHEALTH

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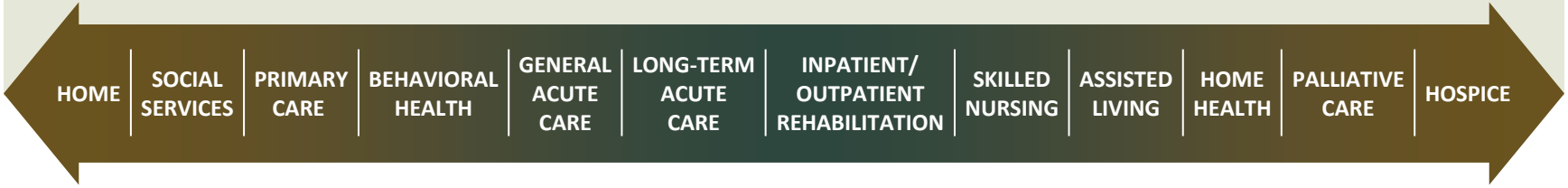
WHAT ARE LONG-TERM SERVICES AND SUPPORTS (LTSS)?

LTSS include a range of services that people with disabilities and chronic conditions use to meet their personal care and daily routine needs in order to promote independence, support their ability to participate in the community of their choice and increase overall quality of life, such as:

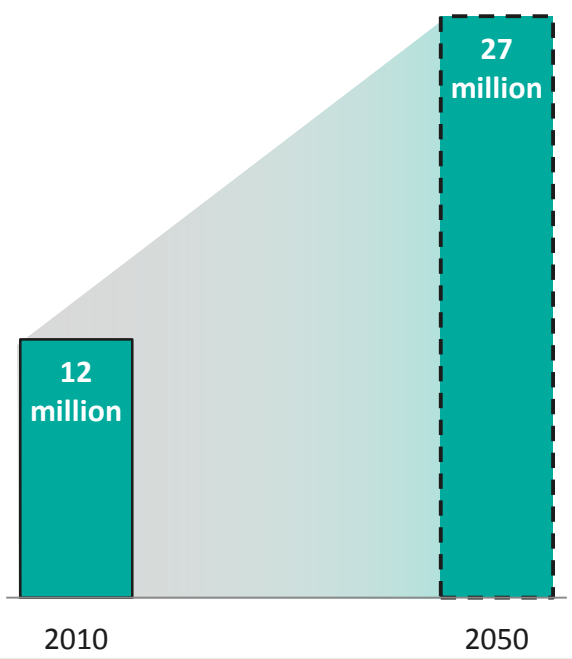
- Care coordination
- Transportation
- Homemaking services
- Medication management
- Laundry / chore
- Meal preparation
- Day habilitation
- Durable medical equipment
- Adult day health
- Personal care services
- Home health care
- Private duty nurse
- Physical therapy
- Skilled nursing care

People use LTSS in community and institutional settings across the care continuum



A NATIONAL CALL TO ACTION ON LTSS

The American Taxpayer Relief Act of 2012 established a national Commission on Long-Term Care in early 2013, reflecting a growing concern about the way the nation delivers and finances LTSS as the number of Americans needing these services is expected to grow rapidly over the next few decades.



The Commission's goals included:

- Continuing the national dialogue to educate leaders and the public
- Getting ahead of the demographic challenge
- Enabling independence and choice – to the fullest extent possible

On September 30, 2013, the Commission completed its work and submitted its Final Report to Congress, recommending:

- The creation of a public/private financing system;
- That each patient has a point person no matter where they are in the system;
- A uniform assessment across care settings to ensure patients are receiving the right care at the right place;
- Sustaining and building on family caregiving;
- Setting standards and investing in a well trained formal workforce; and,
- Adopting innovative technology to better integrate LTSS into health care and human service systems and meet people's needs.

SOURCE: U.S. Senate Commission on Long-Term Care, 2013.

WHY FOCUS ON LTSS IN MASSACHUSETTS?

PEOPLE

People of all ages use LTSS to live independently in the setting of their choice

- Estimates indicate that roughly 750,000 people – or 11% of the non-institutionalized population – report having a disability.
- MA's population is projected to age rapidly, with the rate of growth for those 65+ to increase by 46% in 20 years.

CARE DELIVERY

MA has expanded access to community LTSS, but there is more to do

- MA has aggressively shifted LTSS utilization and spending to the community, but institutional spending has yet to decline accordingly.
- While MA is testing several MassHealth managed care options that include LTSS, most people who use LTSS remain in a fee-for-service system.

COST

LTSS accounts for nearly one-third of all MassHealth spending and is expected to grow

- MassHealth is the largest payer of LTSS in MA – with 2015 LTSS spending of $4.5 billion or 12% of the entire state budget.
- National estimates project the rate of spending growth for Medicaid LTSS to be more than 3 times that of Medicaid overall.

INNOVATION

MA has an opportunity to become a national leader in LTSS

- In a national ranking of states on twenty-five LTSS metrics, MA ranked 18th overall.
- MA scored in the 2nd quartile on affordability & access, choice of setting & provider, quality of life & quality of care, and effective transitions, but in the 4th quartile for support for family caregivers.

SOURCE: University of Massachusetts Medical School, 2013; MassHealth Office of Long-Term Services and Supports, Management Report, 2015; Eiken, S. et al., "Medicaid Expenditures for Long-Term Services and Supports (LTSS) in FY 2013," Truven Health Analytics, 2015; AARP/SCAN Foundation/Commonwealth Fund Long Term Scorecard, 2014.

MASSACHUSETTS' LTSS POLICY AND ACTION PLAN

Massachusetts has a long-standing "Community First" LTSS policy, which is to empower and support people with disabilities and elders to live with dignity and independence in the community by expanding, strengthening, and integrating systems of community-based long-term supports that are person-centered, high in quality and provide optimal choice.

STRATEGIC FRAMEWORK: Massachusetts' action plan to implement this policy, finalized in 2008, is called the *Community First Olmstead Plan*.

GOAL: To maximize the extent to which elders and people with disabilities are able to live successfully in their homes and communities.

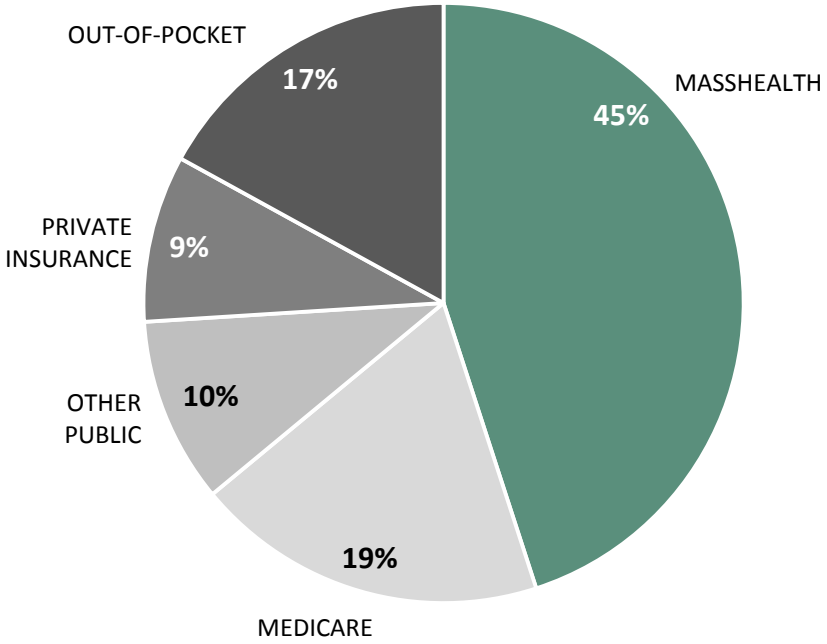
GOAL AREA 1 Help individuals transition from institutional care	**GOAL AREA 2** Expand access to community-based long-term supports	**GOAL AREA 3** Improve capacity and quality of community-based long-term supports
GOAL AREA 4 Expand access to affordable and accessible housing with supports	**GOAL AREA 5** Promote employment of persons with disabilities and elders	**GOAL AREA 6** Promote awareness of long-term supports

SOURCE: The Community First Olmstead Plan: A Summary, Massachusetts Executive Office of Health and Human Services (EOHHS).

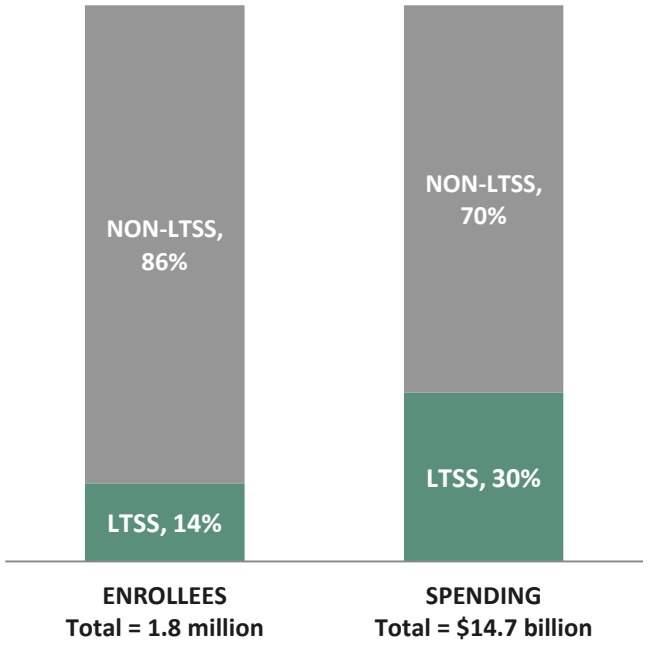
WHO PAYS FOR LTSS?

MassHealth is the largest payer of LTSS, accounting for nearly half of all spending in 2010. While relatively few MassHealth enrollees utilize LTSS, their LTSS spending accounts for 30% of all MassHealth spending.

MASSACHUSETTS SPENDING ON LTSS BY PAYER, 2010



MASSHEALTH ENROLLEES AND SPENDING, 2015

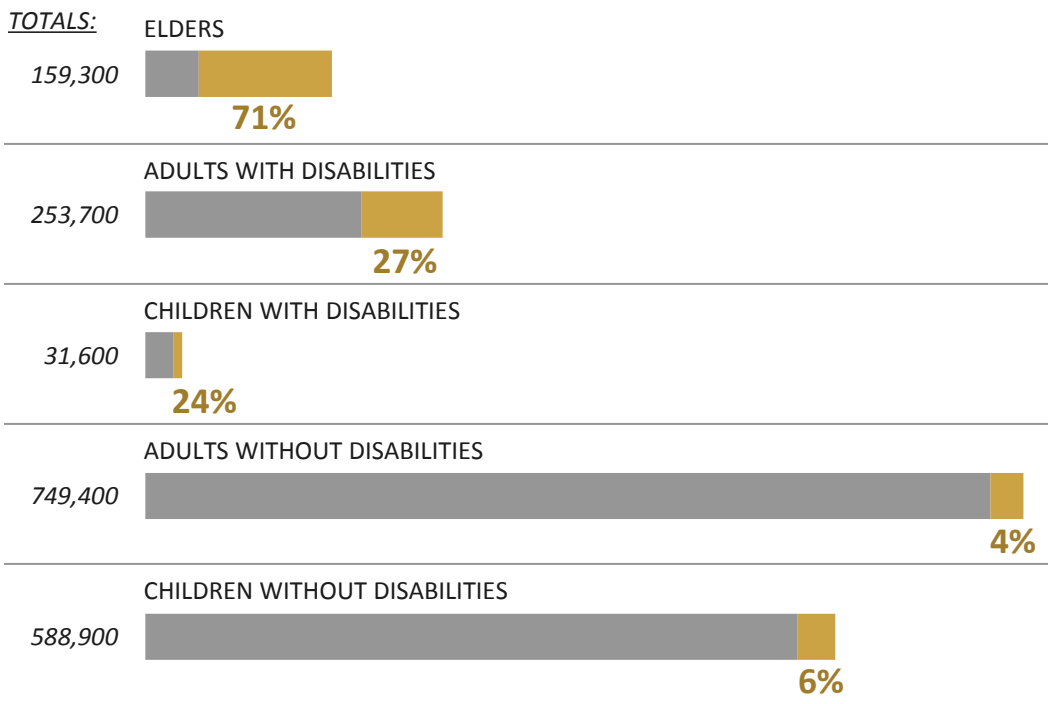


SOURCE: Massachusetts Long-Term Care Financing Advisory Committee, 2010; MassHealth Office of Long-Term Services and Supports, Management Report, 2015; Massachusetts FY 2015 Budget, or General Appropriations Act (GAA).

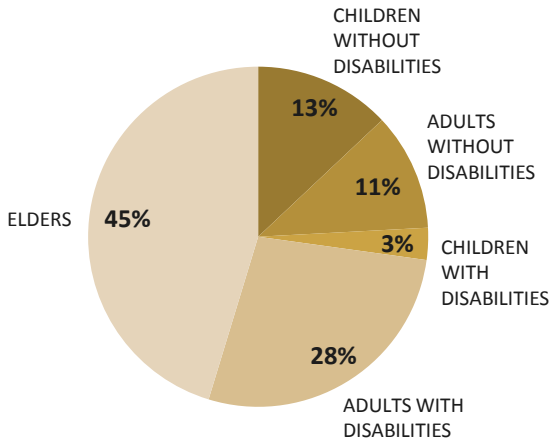
WHO USES LTSS?

Roughly 14% of MassHealth enrollees – or 251,000 people – utilize LTSS, of which nearly half are elders and nearly a third are adults and children with disabilities.

MASSHEALTH ENROLLMENT BY POPULATION, AUGUST 2015
(TOTAL = 1.8 million)



MASSHEALTH LTSS UTILIZERS, 2015
(TOTAL = 251,000)

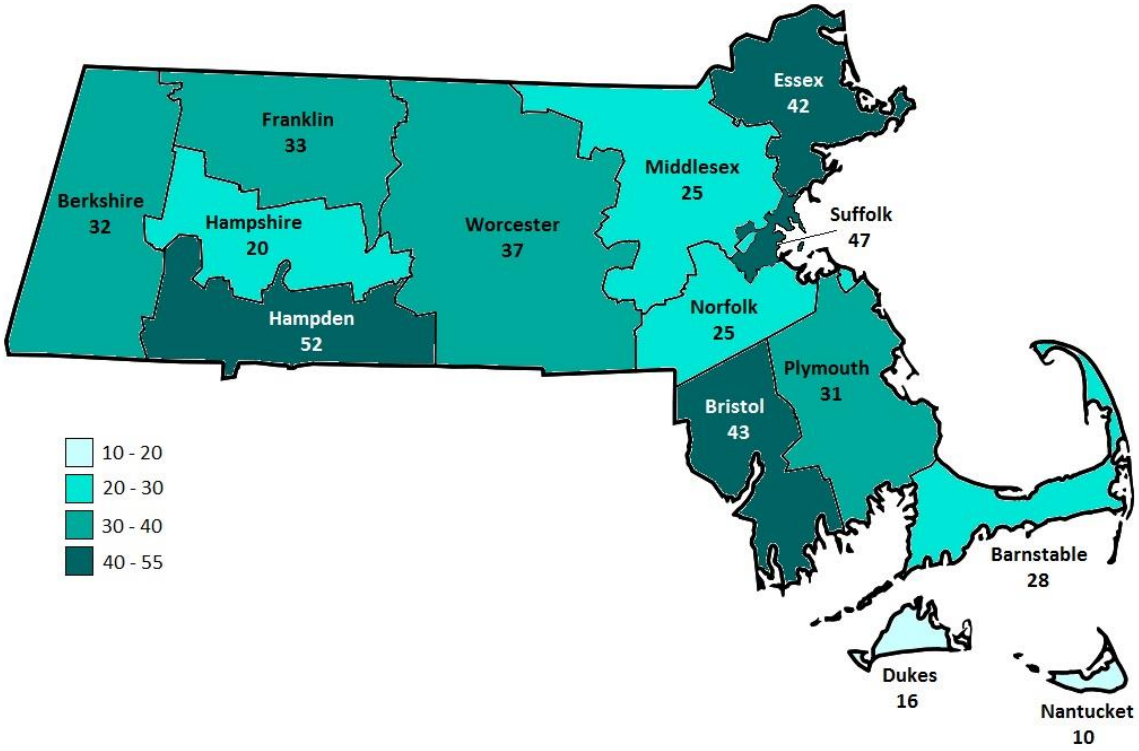


NOTE: LTSS utilizers may contain some duplication in member counts as people age into another group.
SOURCE: MassHealth Snapshot Report, August 2015; LTSS enrollment is from the MassHealth Office of Long-Term Services and Supports Management Report, 2015, and includes MassHealth enrollees using fee-for-service state plan LTSS services, PACE, and SCO. LTSS enrollment for One Care is from the One Care Implementation Council's October 16, 2015, MassHealth Presentation.

WHERE DO MASSHEALTH ENROLLEES WHO USE LTSS LIVE?

The relative use of MassHealth LTSS highlights different needs for LTSS across counties in the Commonwealth.

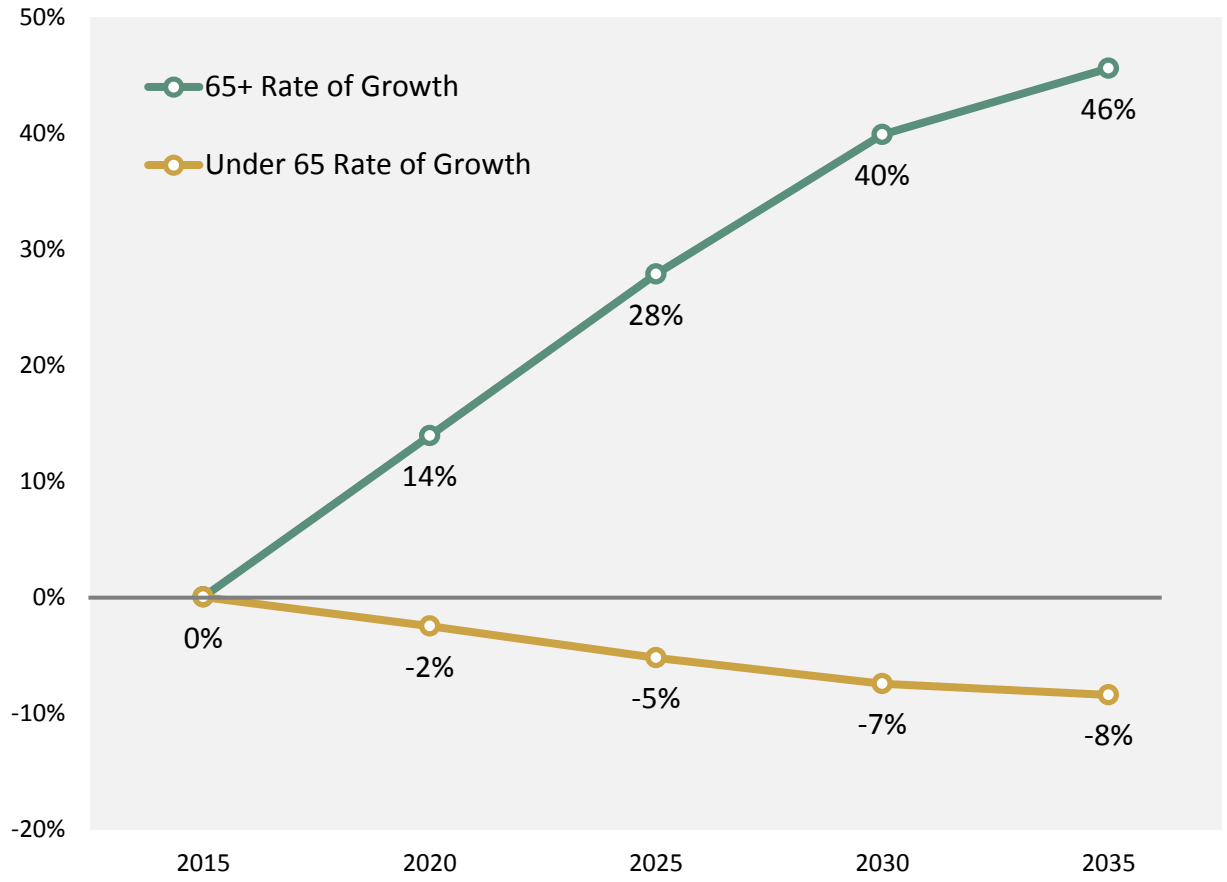
MASSHEALTH LTSS UTILIZERS PER 1,000 RESIDENTS, BY COUNTY, 2015



NOTE: LTSS utilizers represent those having received some amount of MassHealth fee-for-service (FFS) LTSS in 2015, and may contain some duplication in county attribution.
SOURCE: MassHealth Office of Long-Term Services and Supports, 2015.

RATE OF GROWTH FOR MASSACHUSETTS POPULATION BY AGE

RATE OF PROJECTED GROWTH FOR AGE POPULATIONS IN MASSACHUSETTS, 2015 – 2035



SOURCE: University of Massachusetts Donahue Institute, for the Massachusetts Secretary of the Commonwealth, 2015; Kemper et al., 2005.

The number of individuals ages 65 and over is expected to grow dramatically over the next 20 years, increasing the need for LTSS and the demand on the workforce. Additionally, people with disabilities and chronic conditions are living longer, adding to the demand and putting further strain on the LTSS delivery and financing system.

The growth in the state's population ages 65 and over is projected to increase 46 percent by 2035. This rapid increase closely mirrors national trends for 2020 and 2030, as projected by the Census Bureau.

Nearly 70% of people turning age 65 will need some level of LTSS in their lifetime, with 40% of people needing services for more than 2 years and 16% of people needing over $100,000 in services.

KEY LTSS PROGRAMS IN MASSACHUSETTS

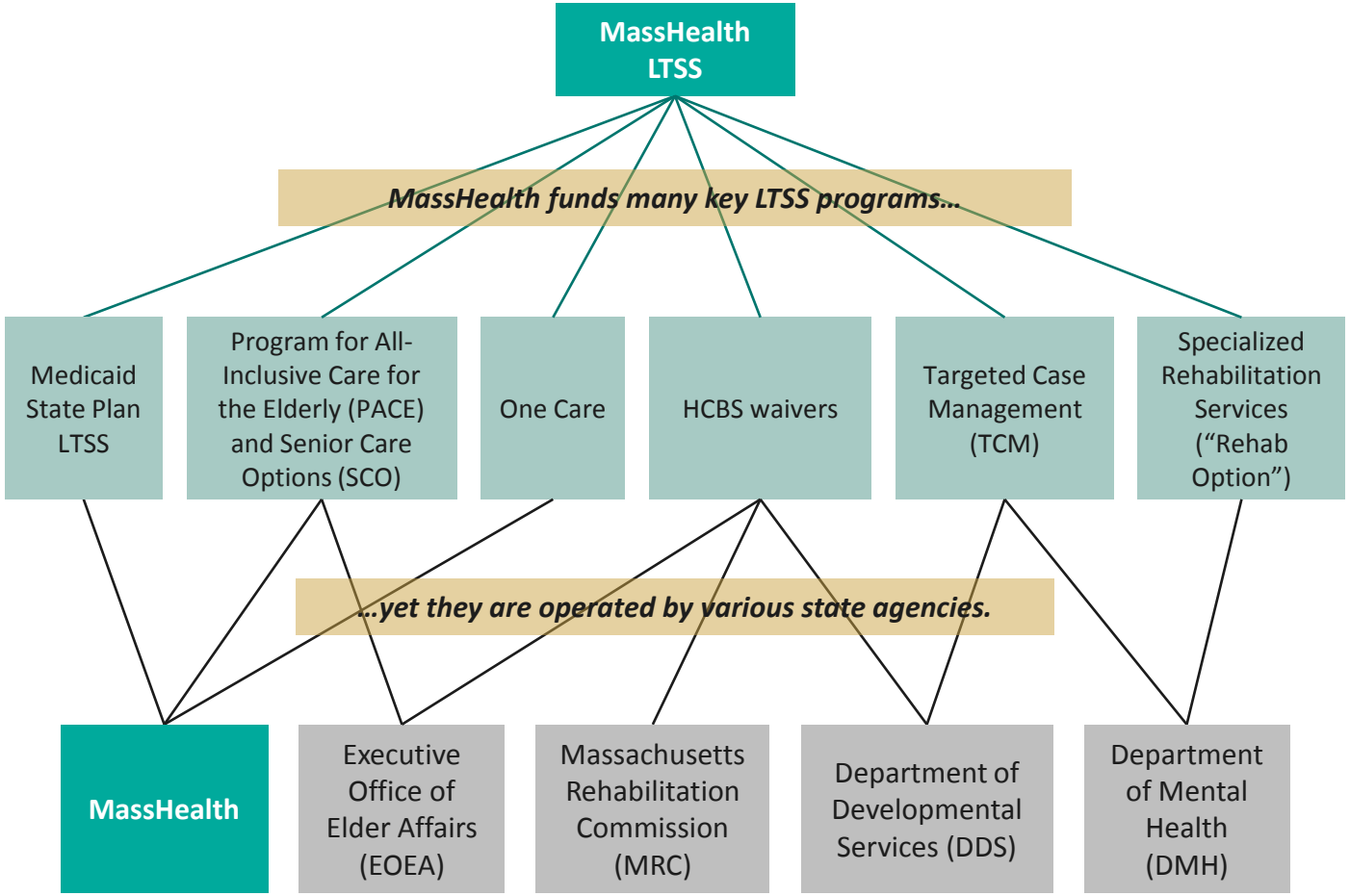
MassHealth is the largest payer of LTSS in Massachusetts, spending about $4.5 billion on LTSS in 2015.

BRIEF DESCRIPTIONS OF THE KEY MASSHEALTH LTSS PROGRAMS

MassHealth State Plan LTSS	MassHealth covers numerous community-based and institutional LTSS through its state plan. Examples include adult day health, home health, personal care and skilled nursing.
Home & Community-Based Services (HCBS) Waivers	MassHealth covers additional community-based LTSS, such as respite and transportation, for some populations through its administration of 10 different HCBS waiver programs, operated by three other state human service agencies.
Program of All-Inclusive Care for the Elderly (PACE)	PACE is a national model of care that provides integrated primary care, behavioral health, LTSS and social supports to certain individuals age 55 and older living in the community.
Senior Care Options (SCO)	SCO is a program that provides primary care, behavioral health, LTSS and social supports to MassHealth enrollees ages 65+ receiving benefits from both Medicare and MassHealth ("dual eligibles").
One Care	One Care is a program that provides primary care, behavioral health, LTSS and social supports to MassHealth enrollees ages 19-64 receiving benefits from both Medicare and MassHealth ("dual eligibles").
Targeted Case Management (TCM)	TCM is a MassHealth-covered service, provided by other state agencies, that facilitates planning and coordination of services, including LTSS, for MassHealth enrollees.
Specialized Rehabilitation Services ("Rehab Option")	The Department of Mental Health provides these specialized clinical, rehabilitative, and supportive services for MassHealth enrollees with mental health conditions.

MASSHEALTH-FUNDED LTSS PROGRAMS AND ADMINISTERING AGENCIES

Multiple agencies in Massachusetts administer MassHealth-funded LTSS programs.



SOURCE: Massachusetts Executive Office of Health and Human Services (EOHHS).

OTHER LTSS PROGRAMS OR RELATED SUPPORTS NOT FUNDED BY MASSHEALTH

A number of state agencies provide other critical health and social services to meet the needs of specific populations. These services are financed mostly through state funds and federal grants.

AGENCY	EXAMPLE OF LTSS PROGRAMS OR RELATED SERVICES
Department of Developmental Services (DDS)	DDS provides adults with intellectual disabilities and children with developmental disabilities specialized services, including living, employment, residential, family, respite, and transportation assistance.
Department of Veterans Services (DVS)	DVS provides for veterans' health services, including specialized services for traumatic brain injury, support groups, and specific mental health services and counseling.
Executive Office of Elder Affairs (EOEA)	EOEA provides a wide variety of services and supports to elders, including housing supports, health, homecare, meals and nutrition, and supports for caregivers.
Massachusetts Commission for the Blind (MCB)	MCB provides rehabilitation and social services to individuals who are blind leading to independence and full community participation.
Massachusetts Commission for the Deaf and Hard of Hearing (MCDHH)	MCDHH provides services for people of all ages who are deaf and hard of hearing, including case management, interpreter services, independent living services , and technology services.
Massachusetts Rehabilitation Commission (MRC)	MRC provides services ranging from health benefits to housing and vocational rehabilitation/employment assistance to people with disabilities to enhance their quality of life and economic self-sufficiency in the community.

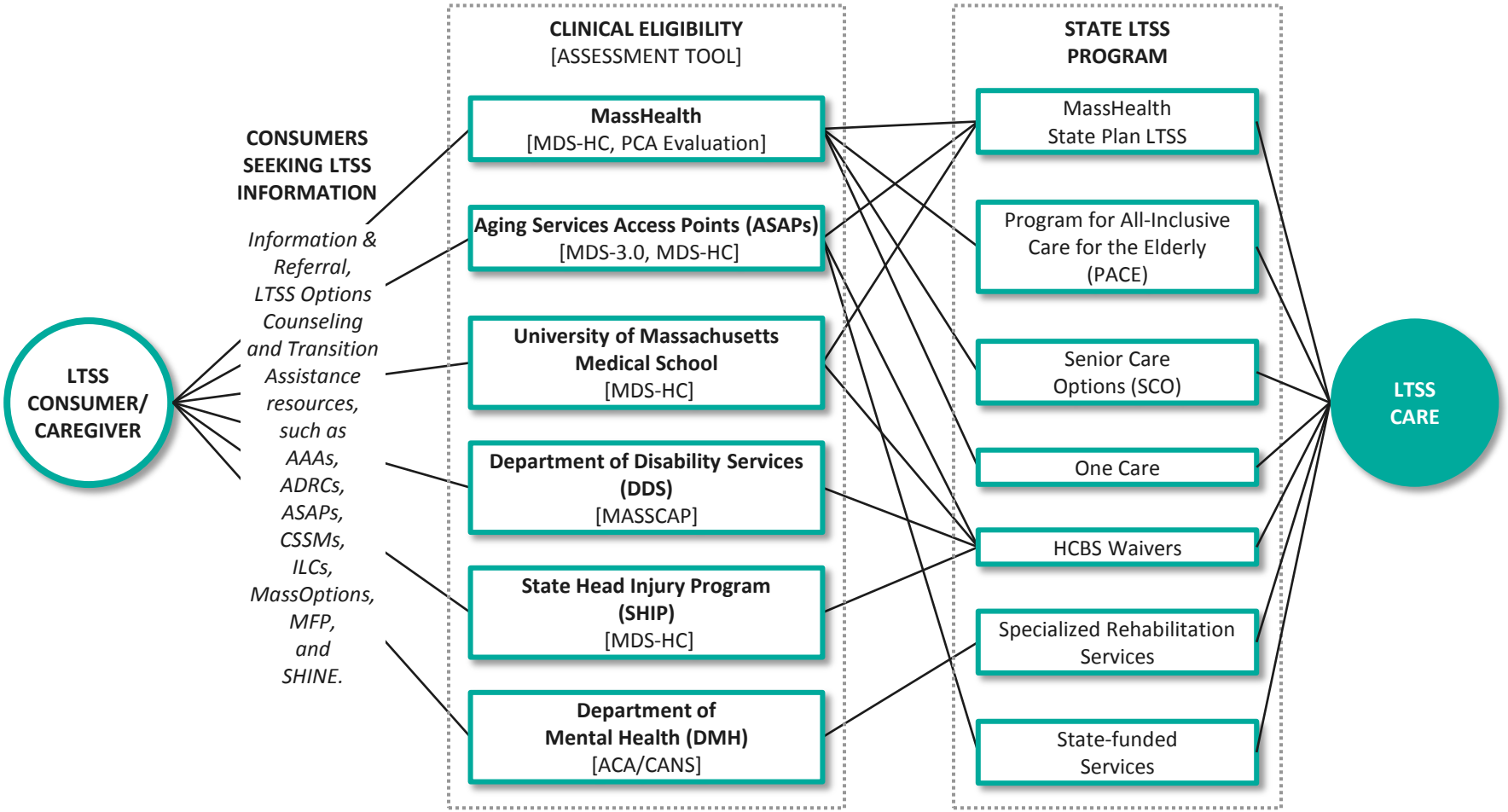
SOURCE: Respective state agency websites.

BEHAVIORAL HEALTH SERVICES

The Department of Mental Health (DMH) and Department of Public Health/Bureau of Substance Abuse Services (BSAS) provide life-saving behavioral health prevention, screening, treatment, counseling, and other support services to people with mental health conditions and substance use disorders of all ages.

For example, DMH provides services to over 20,000 individuals with severe and persistent mental illness, with the goal of enabling them to live, work, and fully participate as valuable members of the community. Agencies like DMH and the services they provide are vital complements to MassHealth and other state LTSS programs.

NAVIGATING THE LTSS SYSTEM IN MASSACHUSETTS: AN ILLUSTRATION



NOTE: AAA = Area Agencies on Aging, ACA = Adult Comprehensive Assessment, ADRC = Aging and Disabilities Resource Consortia, CANS = Child and Adolescent Needs and Strengths, CSSM = Comprehensive Screening and Service Model, ILC = Independent Living Center, MASSCAP = Massachusetts Comprehensive Assessment Profile, MDS = Minimum Data Set, MDS-HC = Minimum Data Set-Home Care, MFP = Money Follows the Person, PCA = Personal Care Attendant, and SHINE = Serving the Health Information Needs of Everyone.
SOURCE: Massachusetts Balancing Incentive Program Application, January 2014.

MASSACHUSETTS BALANCING INCENTIVE PROGRAM (BIP)

- In Massachusetts, many different agencies administer LTSS services and programs. This may result in an individual receiving a different clinical/functional assessment depending on what agency he or she presents to for care. The results of the assessment help determine what services a person is eligible for, thus creating a potentially serious discrepancy across agencies.

- BIP is a federal program that provides grants to 21 states to increase access to non-institutional LTSS. Massachusetts is using its $110 million BIP program, implemented in 2014, to focus on increasing coordination and collaboration among the disability, behavioral health, and aging networks. Massachusetts is working on three key initiatives:

NO WRONG DOOR SYSTEM (NWD)

Develop a system that accommodates consumers and informs them of a full range of care options and decision supports to choose a home and community based LTSS program no matter where they present (e.g., state agency, key websites).

CORE STANDARDIZED ASSESSMENT INSTRUMENT

Work across agencies to build consensus on core assessment domains, evaluate current assessment tools, and suggest changes to ensure all necessary data is collected by each department.

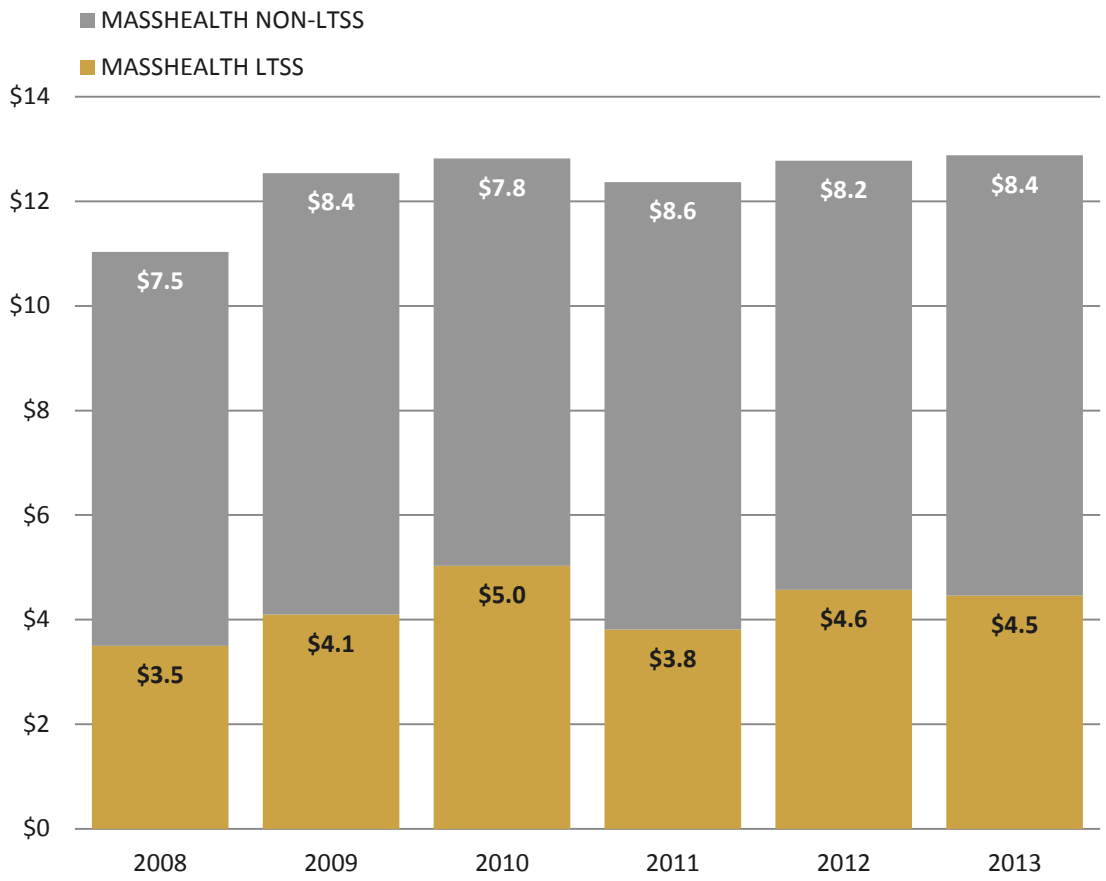
CONFLICT-FREE CASE MANAGEMENT SERVICES

Evaluate case management protocol to strengthen practices aimed at conflict-free case management (i.e., service plan design based upon need and not available funding, the absence of financial relationships between referring entities and providers of services, and the absence of familial relations between case managers developing care plan and the care recipients or their caregivers).

SOURCE: Massachusetts Balancing Incentive Program Application, January 2014.

MASSHEALTH SPENDING ON LTSS

MASSHEALTH SPENDING FY2008–2013, ($ BILLIONS)



NOTE: MassHealth LTSS spending includes spending on HCBS Waiver services.
SOURCE: Eiken, S. et al., "Medicaid Expenditures for Long-Term Services and Supports (LTSS) in FY 2013," Truven Health Analytics, 2015.

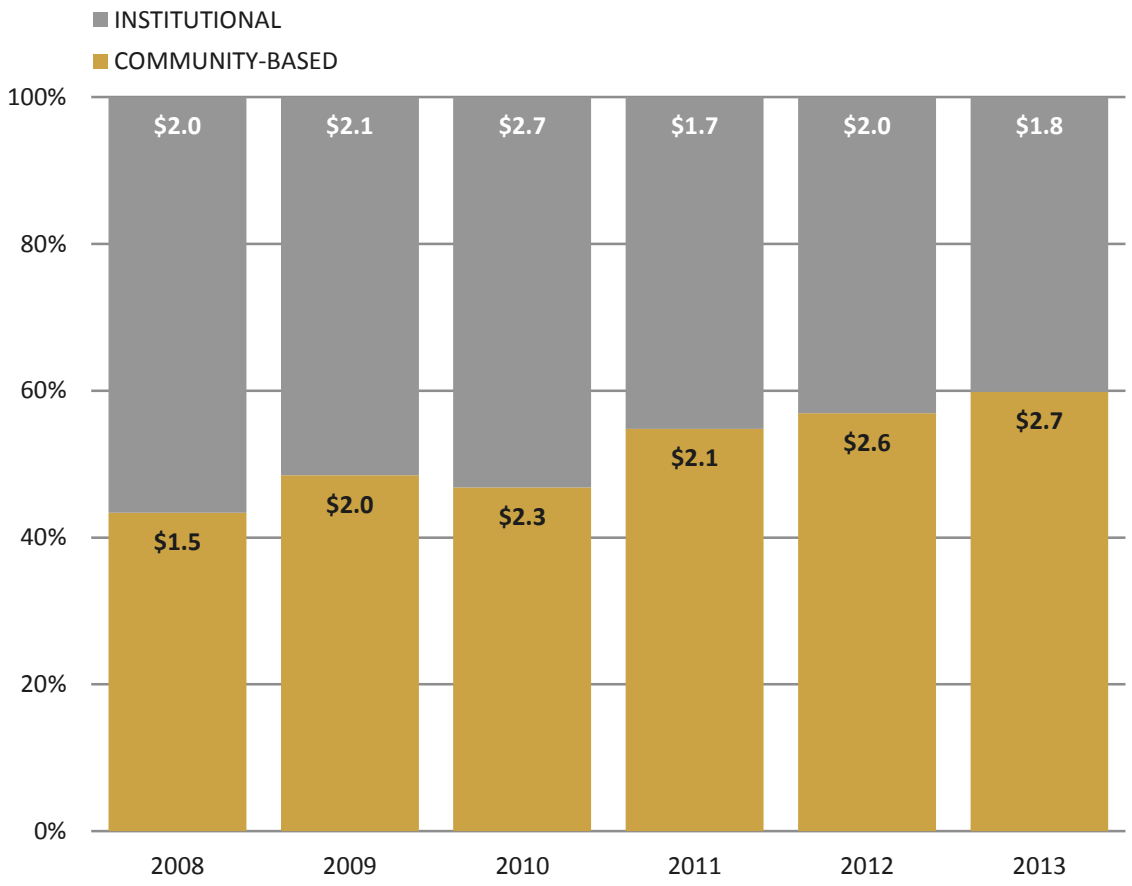
In 2013, LTSS spending accounted for about 35% of all MassHealth spending, and spending is expected to grow dramatically. According to 2013 Congressional Budget Office projections, the average annual growth rate for national Medicaid LTSS spending is expected to be 3.5 times that of total Medicaid spending.

In 2015, MassHealth launched several Payment and Care Delivery Reform workgroups to restructure the MassHealth program to improve quality and efficacy of services and financial sustainability. The workgroups, including a LTSS reform workgroup, will discuss new care delivery and payment models to better coordinate or integrate patient-centered care for individuals with disabilities and those who use LTSS.

With the exception of one nursing home pay-for-performance initiative, Massachusetts' LTSS system, which continues to rely on fee-for-service payments, lacks robust incentive payment or cost containment programs, posing a threat to the financial viability of the MassHealth program.

MASSHEALTH LTSS COMMUNITY AND INSTITUTIONAL SPENDING

MASSHEALTH LTSS SPENDING BY SETTING FY2008 – 2013, ($ BILLIONS)



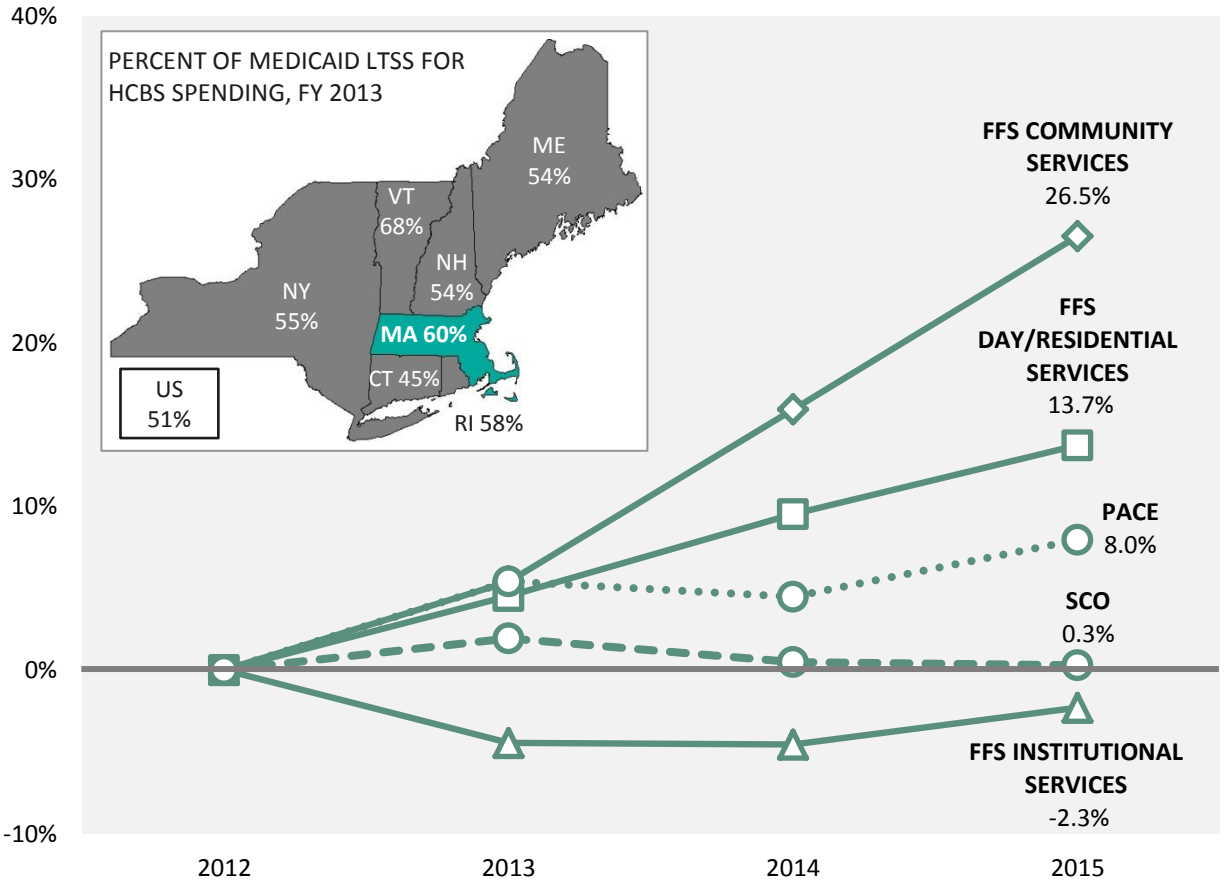
NOTE: Community-based spending includes HCBS Waiver spending.
SOURCE: Eiken, S. et al., "Medicaid Expenditures for Long-Term Services and Supports (LTSS) in FY 2013," Truven Health Analytics, 2015; Massachusetts Balancing Incentive Program Application, January 2014.

In 2008, MassHealth spending on community-based LTSS accounted for only 43% of MassHealth LTSS. As the state has aggressively focused on rebalancing efforts, the percent of LTSS spending on community-based LTSS grew to nearly 60% in 2013. Preliminary analysis of MassHealth spending data indicates that the percent of LTSS spending on community-based LTSS has risen to 65% in 2015.

Massachusetts is participating in a number of rebalancing programs to advance its Community First LTSS policy, including the Money Follows the Person (MFP) demonstration program. MFP aims to successfully transition people in institutional settings to the community. In Massachusetts, MFP is expected to transition nearly 2,200 individuals from institutional to community settings by providing new services including: case management, transitional assistance, assistive technology, mobility training, and housing supports. As of October 2015, MFP has transitioned nearly two-thirds of the target population.

MASSHEALTH LTSS COMMUNITY AND INSTITUTIONAL SPENDING GROWTH

PER PERSON GROWTH IN MASSHEALTH LTSS SPENDING, BY PROGRAM, FY2012 – 2015



NOTE: Per person growth in MassHealth LTSS spending does not include HCBS Waiver spending.
SOURCE: MassHealth Office of Long-Term Services and Supports Management Report, 2015;
Eiken, S. et al., "Medicaid Expenditures for Long-Term Services and Supports (LTSS) in FY 2013," Truven Health Analytics, 2015; JEN Associates, 2013.

Over the last decade, MassHealth has made a concerted effort to rebalance LTSS and shift spending from institutional to home and community-based care.

Between 2012 and 2015, per enrollee costs for MassHealth LTSS fee-for-service (FFS) community services increased 26.5% to $8,200 per person and FFS day/residential services increased 13.7% to $15,400 per person. Over the same period, spending on FFS institutional services dropped 2.3% to $31,200 per person.

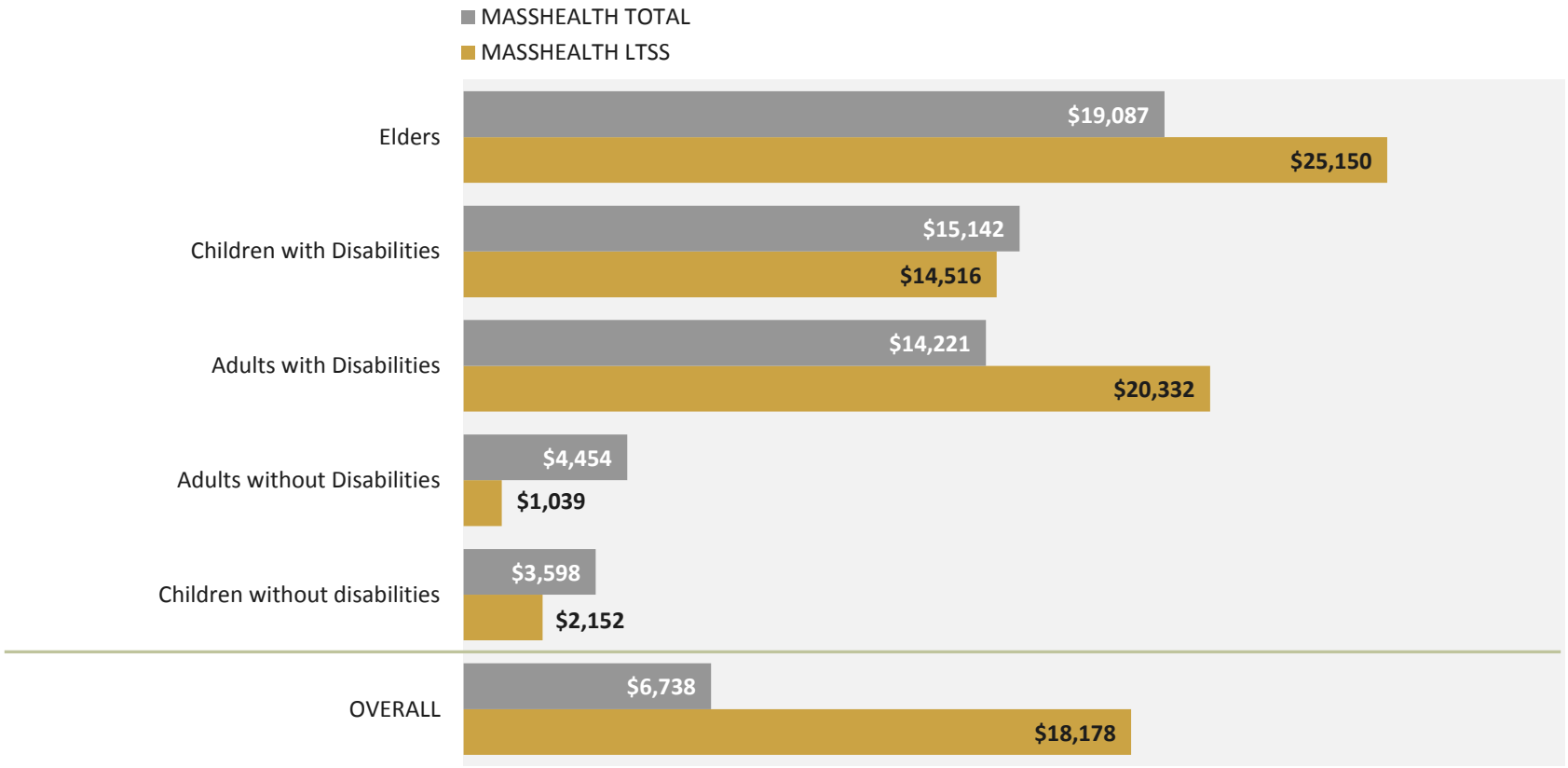
Massachusetts remains a leader both regionally and across the nation in providing home and community based services, ranking 9th overall in percent of Medicaid spending for home and community-based care.

Implemented in 2004, SCO has served as a model for integrated care programs in other states. Enrollment in SCO for at least 18 months can reduce the risk of a long-stay nursing facility entry by 16%.

WHAT DOES MASSHEALTH SPEND ON LTSS PER PERSON?

MassHealth LTSS spending per person is nearly three times higher than total MassHealth spending per person.

MASSHEALTH SPENDING PER PERSON BY GROUP, 2015

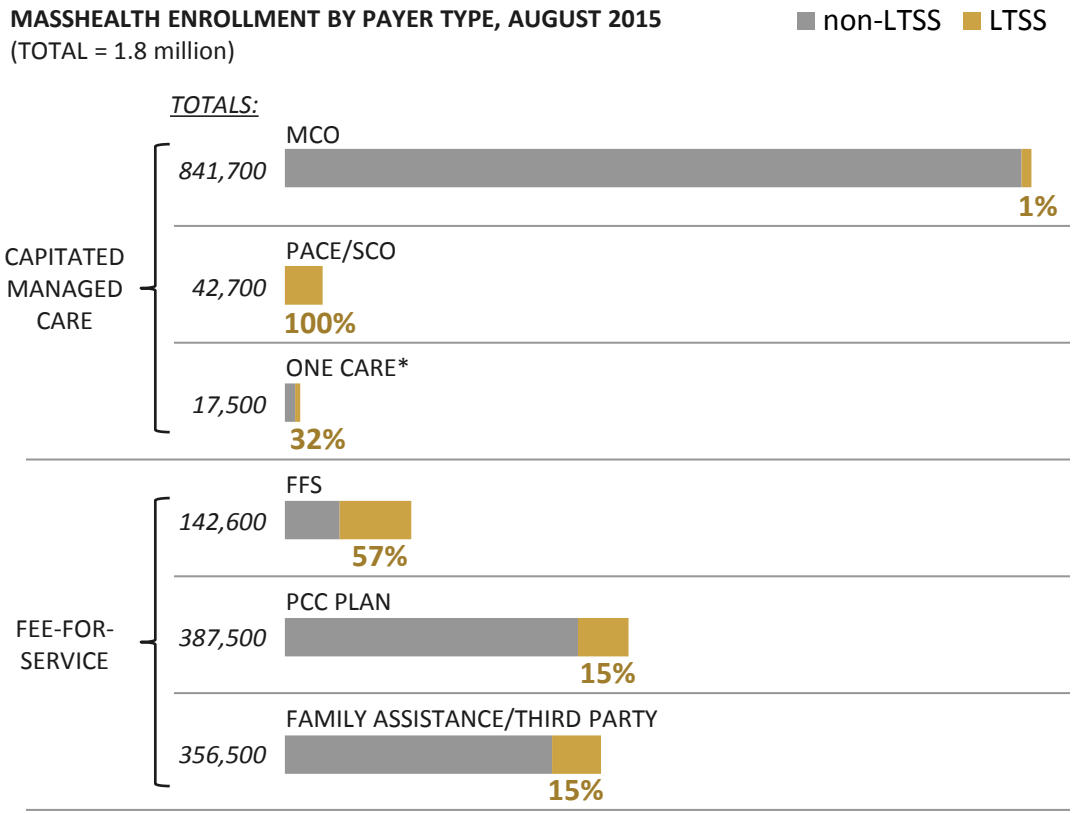


SOURCE: MassHealth, 2015; MassHealth Office of Long-Term Services and Supports, Management Report, 2015.

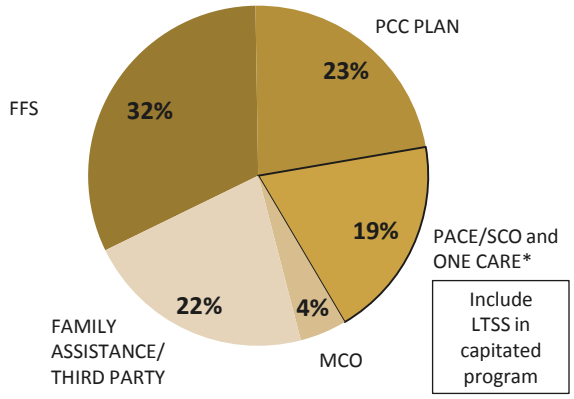
HOW DO MASSHEALTH ENROLLEES WHO USE LTSS RECEIVE CARE?

Of the approximately 251,000 MassHealth enrollees who use LTSS, over 80% access LTSS in a fee-for-service (FFS) delivery system.

MASSHEALTH ENROLLMENT BY PAYER TYPE, AUGUST 2015
(TOTAL = 1.8 million)



MASSHEALTH LTSS UTILIZERS, 2015
(TOTAL = 251,000)



NOTE: LTSS utilizers may contain some duplication in member counts as people transition across programs. *One Care LTSS was estimated separately based on data from October 2015, and is not currently reported together with other MassHealth programs. In September 2015, roughly 4,700 One Care enrollees returned to the FFS system as one of the plans withdrew from the program.
SOURCE: MassHealth Snapshot Report, August 2015; MassHealth Office of Long-Term Services and Supports, Management Report, 2015; One Care Implementation Council's October 16, 2015, MassHealth Presentation.

ELIGIBILITY FOR COMMUNITY MASSHEALTH LTSS PROGRAMS VARIES BY POPULATION

	POPULATION	MONTHLY INCOME LIMIT	ASSET LIMIT
MassHealth*	People with Disabilities, 0-64	*No Limit*	*No Limit*
	Individual 65+	$981 (100% FPL)	$2,000
	Couple 65+	$1,328 (100% FPL)	$3,000
PACE*	Individual 55+	$2,199 (300% FBR; 224% FPL)	$2,000
SCO*	Individual 65+	Enrolled in MassHealth	
One Care*	People with Disabilities, 21-64	Enrolled in MassHealth	
HCBS Waivers* (Limits apply to Adult waivers)	Varies by waiver	$2,199 (300% FBR; 224% FPL)	$2,000

* Other clinical criteria and restrictions may apply for eligibility.

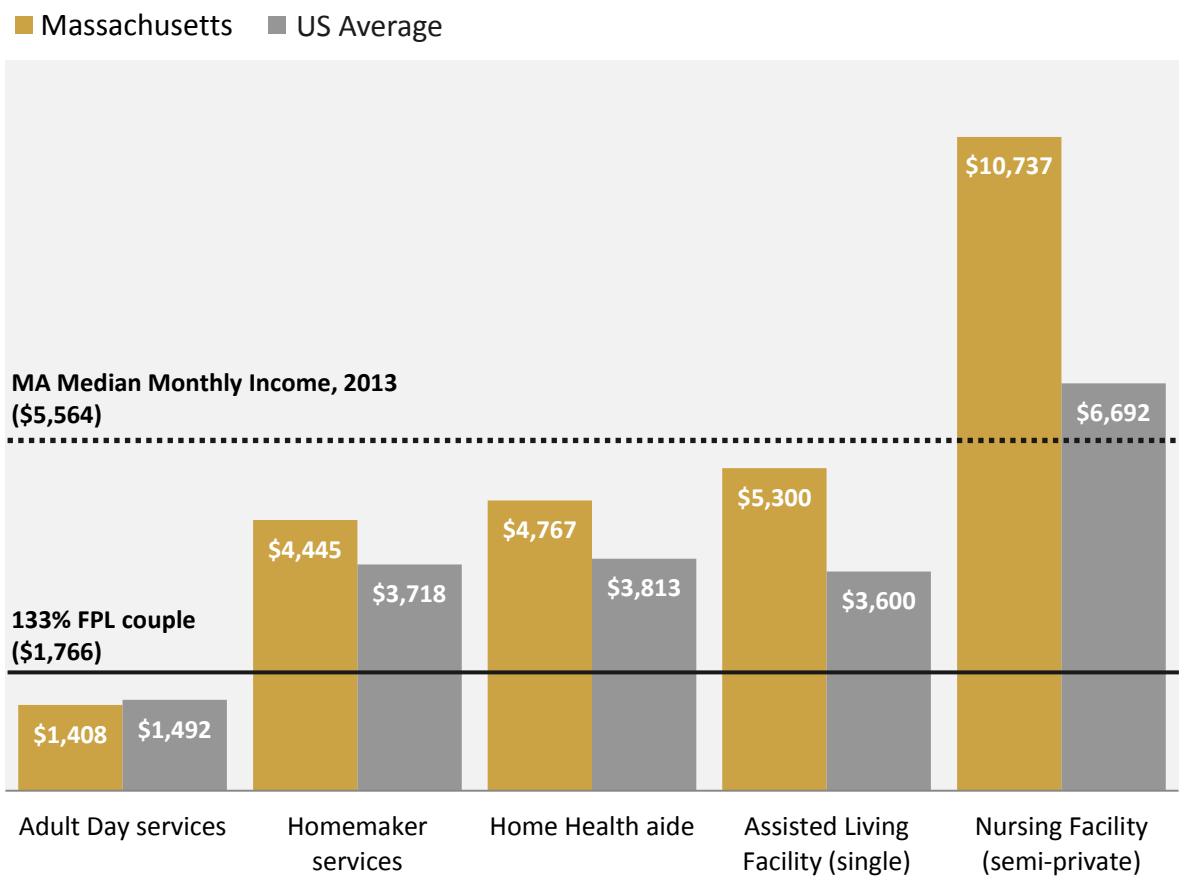
NOTE: Individuals ages 65+ residing in nursing facilities may be subject to higher income and asset limits, and may have to contribute more to pay for the costs of LTSS. FBR = Federal Benefit Rate.
SOURCE: Code of Massachusetts Regulations (CMR) for MassHealth.

While many programs are available, people with similar functional needs or disabilities may experience disparate access to programs based on their income or assets, age or type of disability. For example, elders can only access community-based LTSS if their income is below 100% of the federal poverty level (FPL), unless they are clinically eligible for a home and community-based services (HCBS) waiver or Medicaid state plan personal care services, while others can access the program at 133% FPL or higher.

Clinical and functional requirements may further restrict access to services, even for those who do qualify for MassHealth. For example, self-directed personal care services are available only for certain people who need hands-on or physical assistance with at least two of seven specified activities of daily living (ADLs).

MASSACHUSETTS' LTSS COSTS RELATIVE TO THE NATIONAL AVERAGE

MEDIAN COSTS FOR LTSS BY SETTING (DOLLARS PER MONTH)



SOURCE: Genworth, Cost of Care Survey, 2015; Census Bureau, 2013; Kaiser Family Foundation, 2015; Harvard T.H. Chan School of Public Health and Massachusetts Medicaid Policy Institute, 2015.

LTSS can be very costly and cause individuals to "spend down" assets quickly. In fact, over half of all individuals nationally who spent down assets and qualified for Medicaid did so paying for LTSS.

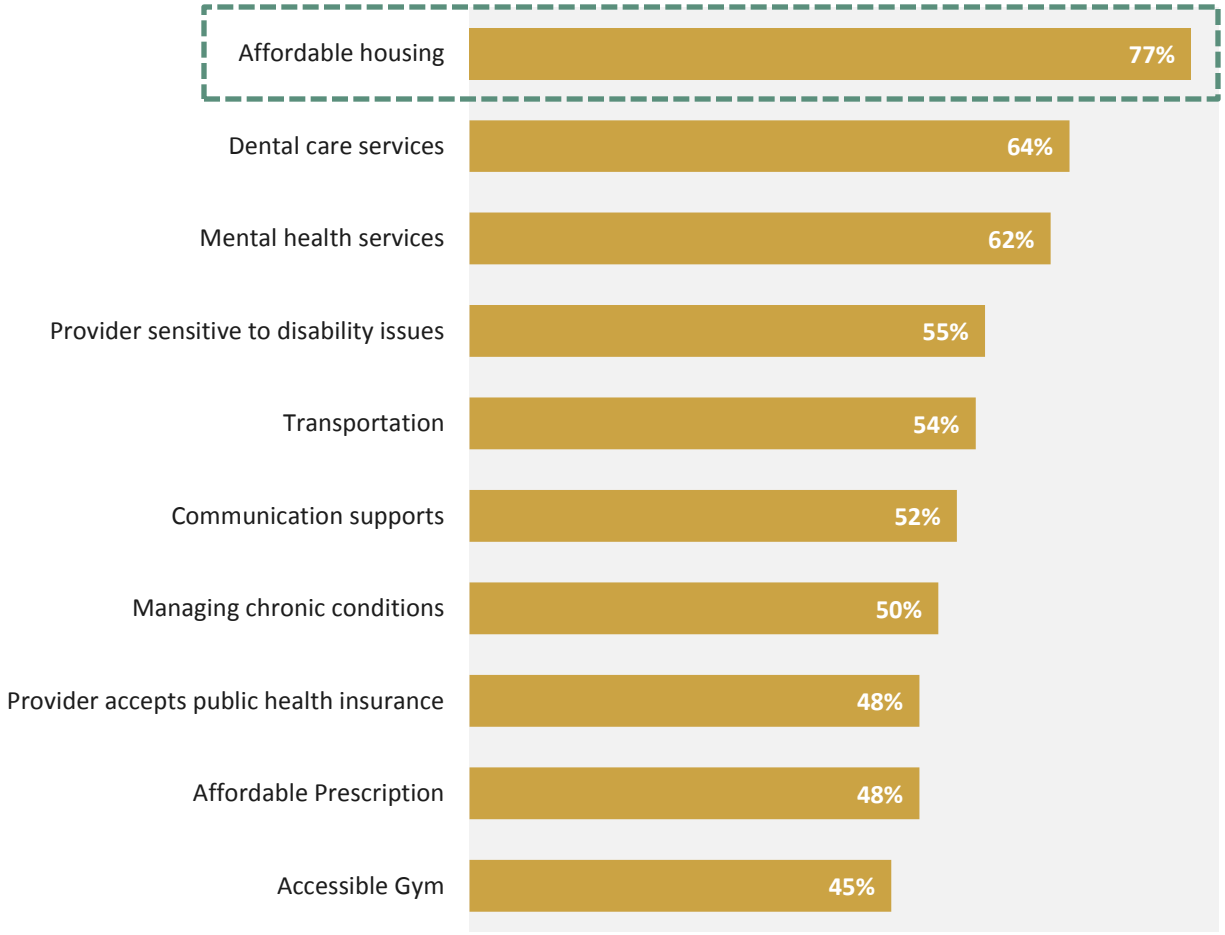
Costs for nearly all LTSS in Massachusetts are significantly higher than the national average.

In Massachusetts, 22% of all people 65+ are not confident they will be able to pay for their future care and 11% of elders in poorer health reported spending all or most of their personal savings to cover large medical bills.

Furthermore, few viable coverage options exist, as private long-term care insurance is expensive and provides limited benefits. In Massachusetts, only 15% of those 65+ reported having long-term care insurance even though 73% had heard of it.

UNMET NEED FOR INDIVIDUALS WITH DISABILITIES IN MASSACHUSETTS

TOP NEEDS POSING A "PROBLEM" FOR INDIVIDUALS WITH DISABILITIES IN MASSACHUSETTS, 2013



SOURCE: Survey of Health Needs of People with Disabilities in Massachusetts, 2013; SLF Illinois; MRT Supportive Housing Olmstead Housing Subsidy Program Grant Announcement, October 2015.

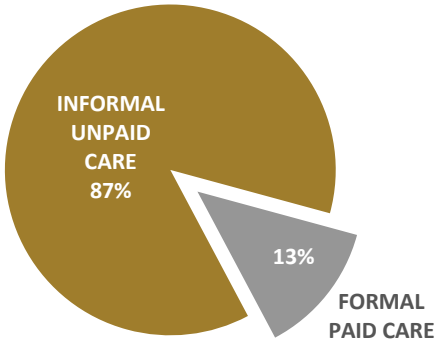
A 2013 survey conducted by the Department of Public Health and University of Massachusetts Medical School found that 85% of respondents with disabilities identified finding affordable housing as a significant health-related need.

New York recently announced the Medicaid Redesign Team (MRT) Supportive Housing program to create a rental subsidy and transitional housing support service program for high-need Medicaid Beneficiaries. One grant of up to $10 million for a two-year program will be awarded.

Illinois developed the Supportive Living Program as an alternative to nursing home care for low-income elders and people with disabilities under Medicaid. The program combines apartment-style housing with personal care and other services, encouraging residents to live independently and take part in decision-making.

INFORMAL CARE IN MASSACHUSETTS

NATIONAL RATIO OF THE NUMBER OF CAREGIVERS, 2012



SUPPORT FOR FAMILY CAREGIVERS IN MASSACHUSETTS, 2014

	RANK (OUT OF 50)
Overall Support for Family Caregivers	41
Legal and system supports for family caregivers (composite indicator, scale 0-14.5)	22
Number of health maintenance tasks able to be delegated to LTSS workers (out of 16 tasks)	40
Family caregivers without much worry or stress, with enough time, well-rested	44

In 2015, a RAND study estimated that informal care for elders was more than $500 billion nationwide, which is larger than the entire current federal Medicaid budget.

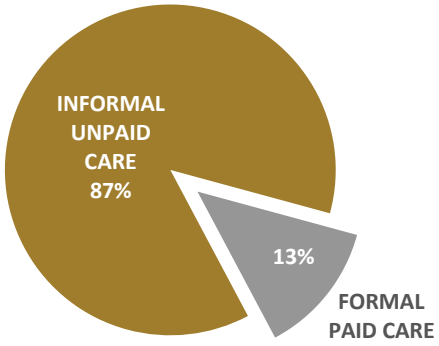
Research has demonstrated the significant physical, financial and emotional demands of providing informal care that inevitably impact family caregivers. However, Massachusetts ranks near the bottom for supporting family caregivers.

Since 2000, the state of **Washington** has operated the Family Care Support Program (FCSP), which provides unpaid family caregivers dedicated services and resources. In 2009, as part of FCSP, the state established the Tailored Caregiver Assessment and Referral (TCARE) program designed to assess the stress, depression and burdens of unpaid family caregivers and recommend strategies and services that can best help those caregivers who are most burdened with their caregiving responsibilities.

SOURCE: SCAN Foundation, 2012; AARP/SCAN Foundation/Commonwealth Fund Long Term Scorecard, 2014; Washington Department of Social and Health Services, 2013.

VALUE OF INFORMAL CARE IN MASSACHUSETTS

NATIONAL RATIO OF THE NUMBER OF CAREGIVERS, 2012



MASSACHUSETTS INFORMAL CAREGIVERS, 2013

Nearly 850,000 individuals, roughly 13% of all residents, provided informal care in Massachusetts in 2013.

		RANK (OUT OF 51)
Economic value of unpaid care, per 1,000 residents	$1.7 million	41
Number of informal caregivers, per 1,000 residents	126	22

In 2013, family caregivers in Massachusetts provided 786 million hours of care, valued at almost $15 an hour. In total, it is estimated that the total economic value of care was worth $11.6 billion. Only two states provided a greater economic value of unpaid care per capita than Massachusetts.

However, Massachusetts ranked in the middle for the number of informal caregivers per capita compared to other states.

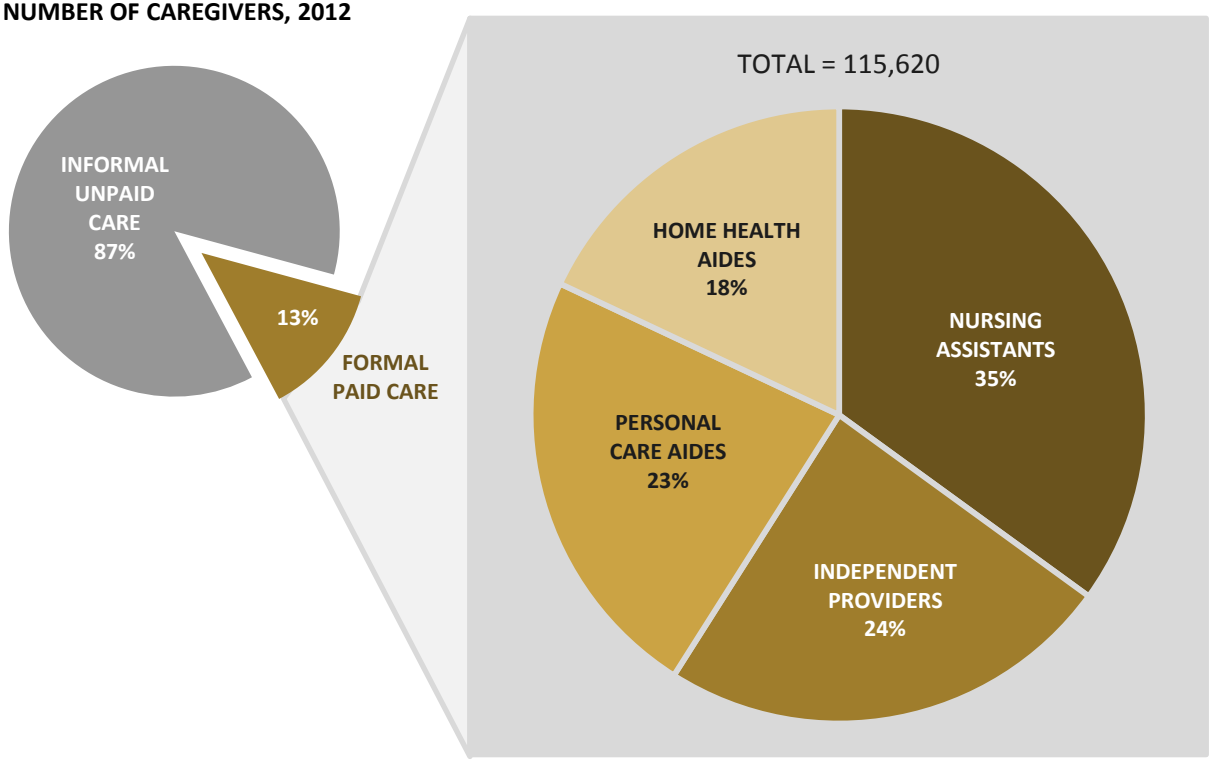
Informal caregivers in the Commonwealth are providing a significant level of care, but Massachusetts may not be providing enough supports to sustain this vital part of the LTSS workforce.

SOURCE: SCAN Foundation, 2012; AARP "Valuing the Invaluable," 2015.

FORMAL PAID CARE IN MASSACHUSETTS

DISTRIBUTION OF LTSS DIRECT SERVICE WORKERS IN MASSACHUSETTS, 2014

NATIONAL RATIO OF THE NUMBER OF CAREGIVERS, 2012



Personal care aides (PCAs) and home health aides (HHAs) are among the fastest growing jobs in the nation, estimated to increase by about 70 percent in the next five years. Despite this anticipated growth, annual wages for PCAs and HHAs in Massachusetts are low, at less than $27,000. In 2014, PCAs and HHAs were the lowest paid out of all 30 of the fastest–growing jobs.

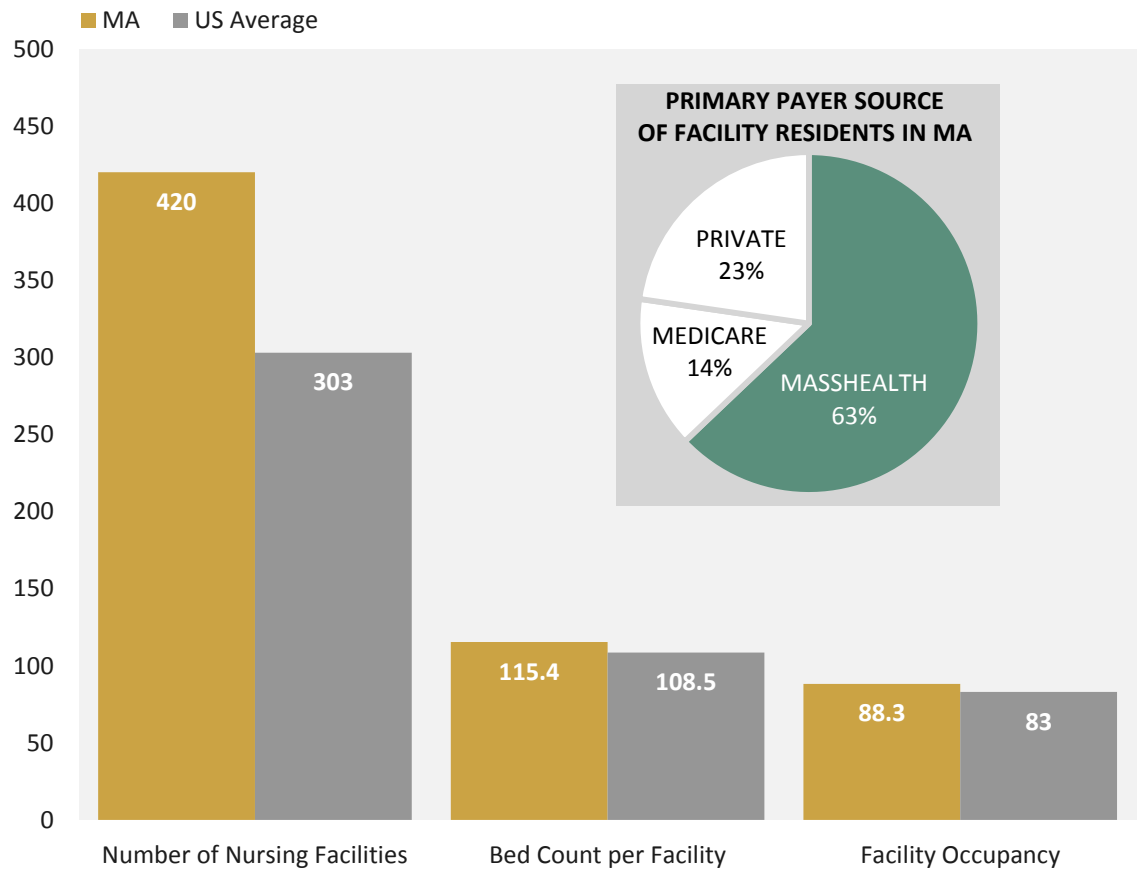
According to a 2009 survey, a third of PCAs in Massachusetts worked more than one job, and 6% reported working two or more jobs.

In June 2015, Massachusetts approved a new contract that aims to stabilize and support the personal care workforce by increasing hourly wages to $15 by 2018. A 30 cent per hour raise went into effect on July 1, pushing hourly wages to $13.68, with plans to restart contract talks in 2016.

SOURCE: Paraprofessional Healthcare Institute (PHI) analysis of the U.S. Bureau of Labor Statistics (BLS) data for Massachusetts, 2014; SCAN Foundation, 2012; "Massachusetts Personal Care Attendant Workforce Council, March 2010; Fortune, September 15, 2014.

NURSING HOME CAPACITY AND USE

NURSING FACILITY BED COUNT, OCCUPANCY AND PRIMARY PAYER SOURCE OF RESIDENTS, 2011



SOURCE: Kaiser Family Foundation, 2013; University of Massachusetts LTSS Policy Lab, 2015.

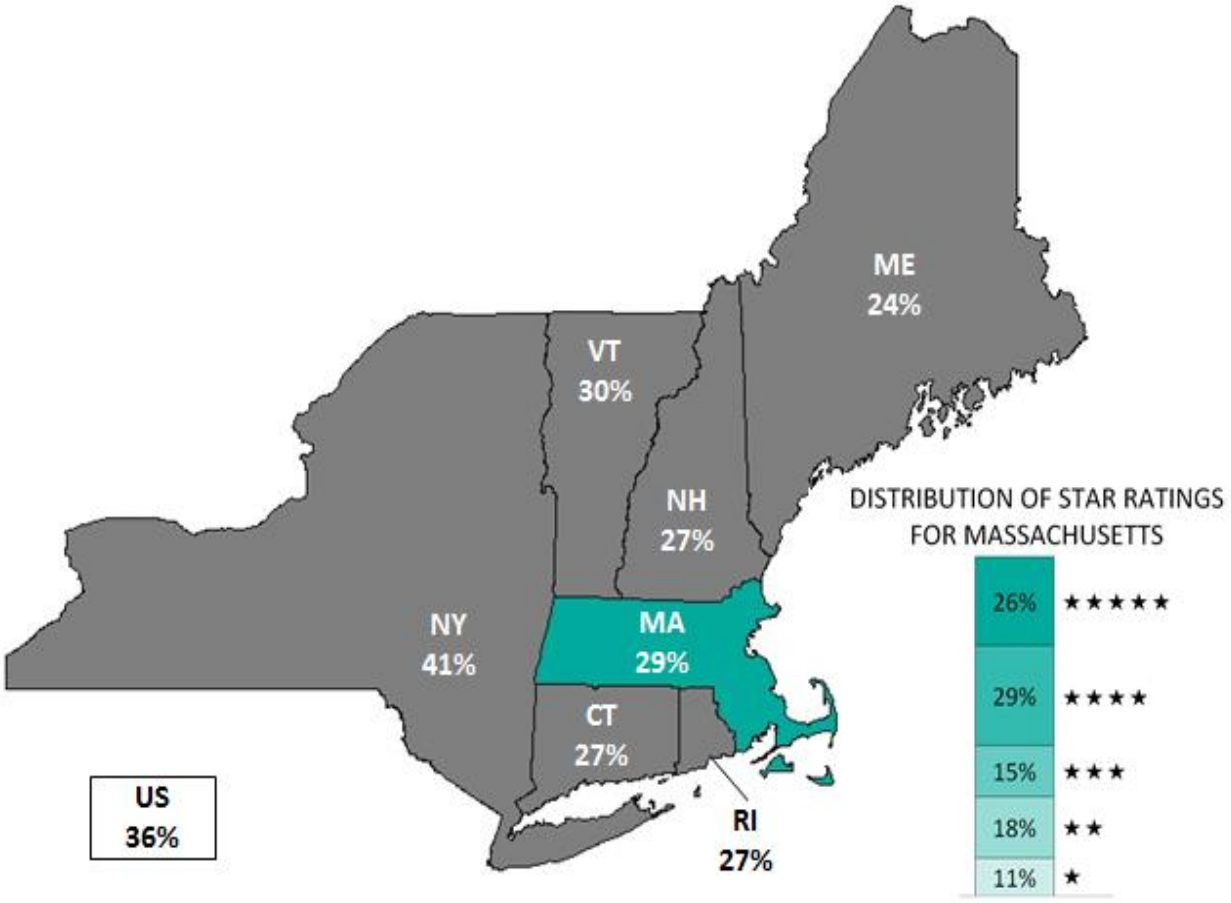
The number of nursing facilities in Massachusetts exceeds the national per state average. MassHealth pays for a majority of care in these facilities.

In SFY 2014, Massachusetts spent approximately $1.4 billion on care delivered through nursing homes. Decreasing the Massachusetts nursing facility bed rate to the national average is estimated to reduce LTSS costs by $774 million over the next five years.

In Massachusetts, 71 percent of nursing facilities are for-profit entities and more than half of all nursing facilities are chain-owned.

FEDERAL NURSING HOME QUALITY RATINGS

PERCENTAGE OF NURSING HOMES RECEIVING A "POOR" OVERALL RATING (≤ 2 STARS), 2015



SOURCE: Kaiser Family Foundation analysis of Nursing Home Compare data released by the Centers for Medicare and Medicaid Services (CMS), 2015.

The federal Five-Star Quality Rating System, which helps consumers and their families compare nursing homes, uses a complex methodology involving three main domains: state inspections, staffing ratios, and 11 quality measures, such as the percent of residents reporting severe pain or experiencing falls.

Though Massachusetts performs better than the national average, nearly a third of its nursing homes may be underperforming.

LTSS quality ratings are in nascent stages. Creating consensus around meaningful, quality metrics across LTSS care settings continues to remain challenging given the variation in the types of information captured by various providers using different payment structures and different assessment tools.

Experts recommend that LTSS quality metrics include clinical and non-clinical measures, be standardized but allow for variation, and connect to current efforts in population health.

COMMUNITY-BASED LTSS QUALITY INITIATIVES

MassHealth recently enhanced the quality measures used in four of its HCBS waivers to reflect a greater emphasis on individuals' health and welfare

- MassHealth plans to standardize the metrics across all of its waivers to the extent it makes sense to do so.

Massachusetts also uses Quality of Life consumer experience surveys in several programs

- Such surveys exist for Money Follows the Person and One Care, which also uses an adapted Mental Health Recovery Measure Survey.
- Nationally, the Centers for Medicare and Medicaid Services (CMS) is piloting a HCBS Experience Survey, with the goal of incorporating the survey into the Consumer Assessment of Healthcare Providers and Systems (CAHPS).

There remains a lack of robust and widely-accepted community-based LTSS quality metrics in Massachusetts and nationally

- Measures that do exist focus on provider processes and consumer experiences and satisfaction, rather than outcomes measures.

LOOKING AHEAD: OPPORTUNITIES AND CONSIDERATIONS

Massachusetts can significantly advance the promise and goals of its person-centered *Community First Olmstead Plan* and be a national leader in LTSS by focusing on the following opportunity areas:

1. **System Integration and Navigation**
   Continue to better align and integrate its LTSS system, which is fragmented across several agencies, delivery systems, and programs, making it difficult for people to receive clear information and efficiently access LTSS.

2. **Access to Community-Based LTSS**
   Close remaining gaps in access to community-based LTSS by exploring additional Medicaid state plan and waiver options and dedicating sufficient resources to fully implementing the Balancing Incentive Program (BIP).

3. **Sustainable Delivery System and Funding Reforms**
   Clearly define and articulate the role of community and institutional LTSS, major drivers of MassHealth program costs, with respect to the state's broader MassHealth delivery system and payment reform efforts.

4. **Social Determinants of Health**
   Explore care delivery and reimbursement opportunities that integrate social determinants of health, such as affordable and accessible housing and medical transportation, with physical health, behavioral health, and LTSS.

5. **Workforce Capacity to Meet the Growing Demand**
   Dedicate focused attention and resources on providing supports to Massachusetts' nearly one million informal caregivers, and sufficient wages to its direct service workers in both community and institutional settings.

6. **LTSS Quality Improvement**
   Develop and utilize standardized LTSS quality metrics, as feasible, across state plan and HCBS waiver programs that measure care quality, safety and outcomes to help people remain independent and high-functioning in their homes and communities.