



Testimony
on
Long Term Care
presented by
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before the
**Joint Committee
Senate Aging and Youth**
with the
House Committee Aging and Older Adult Services

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Chairman Vulakovich and distinguished members of the committee, I am Patti Darnley, President and CEO of Gateway Health. I appreciate the opportunity to be here with you this morning to discuss managed long term care services and supports (MLTSS).

Gateway HealthSM is a Managed Care Organization that has served the Commonwealth's most vulnerable citizens for over 20 years. Our mission embraces quality, innovation, and financial soundness. We are the second largest participating plan in the Department of Public Welfare's (DPW) statewide Physical Health(PH) *HealthChoices* Program delivering quality care to more than 260,000 PA Medicaid beneficiaries in 40 counties. Gateway Health'sSM robust provider network encompasses more than 9,000 physicians and 105 hospitals.

We also serve over 46,000 Pennsylvanians in 32 counties who are qualified for Medicare Advantage Special Needs Plans (SNPs). These individuals are those who are either dually eligible for Medicare and Medicaid or they have chronic conditions such as diabetes, cardiovascular disorders or congestive heart failure. A large number of our SNP members have physical as well as behavioral health challenges.

Gateway HealthSM is fully accredited by the National Committee for Quality Assurance (NCQA[®]) which is the central entity that measures and tracks the quality of care delivered by the nation's health plans. We have maintained our accreditation and controlled costs is through our model of care, known as Prospective Care ManagementSM or PCM[®]. This approach addresses the whole person. We identify and assess the Behavioral, Environmental, Economic, Medical, Social, and Spiritual (BEEMSSSM) needs of our members in order to intervene and lower barriers to their care. We understand that individual health status is heavily influenced by various social and economic factors that can adversely impact the health and vitality of our members and their communities. This helps us to tailor effective care management approaches that improve health outcomes and delivers the most cost effective use of taxpayer dollars.

It is for these reasons we are most interested in working with the Commonwealth as a partner to managing one of the largest cost drivers to the state's budget, the cost of LTC services and supports. In Pennsylvania the elderly and disabled represent only 41% of our Medicaid population but account for 78% of Medicaid expenditures. The current system does not fully utilize or incent community-based alternatives to institutional care. Nursing facility care is more than twice as expensive as home and community based services (HCBS) and most Pennsylvanians would prefer to receive services in their homes and communities. Furthermore, the rapidly escalating costs associated with the appropriate LTC of our elderly and disabled can no longer be sustained in our state fiscal budget under the current model.

The demand for LTC services and supports has accelerated, and as a result, the Governor's Administration has convened a LTC Commission to examine the current

model and develop recommendations. I am honored to be involved in the Commission's efforts by serving as an adviser for the workgroup on quality measures.

While Pennsylvania continues to examine LTC issues and develop recommendations, 26 states will have implemented managed LTC programs that will collectively serve over 1 million enrollees by the end of this year.

Outside of Pennsylvania Gateway HealthSM is building a fully integrated MLTSS Program that will be operational in January 2015. Gateway will provide physical health, behavioral health, and LTSS services to individuals that require institutional care to at-risk dual eligibles. Our LTSS model builds on Gateway's successful Prospective Care Management (PCM) approach, is member-centric and includes self-directed services that give members choice and control.

Gateway Health along with the Commonwealth's other Medicaid PH-MCOs engaged in the state *HealthChoices* Medicaid program have joined together to develop a "roadmap" for the state to adopt a managed long term care services and supports model that builds on the existing Health Choices high quality, accessible coordinated care program.

We support the following recommendations from the PA MCO Coalition's roadmap:

- Amending *HealthChoices* contracts to require at-risk MCOs to be responsible for the full range of long-term institutional, community based, pharmaceutical, and acute care.
- Improving quality and use of community based services through diversion/transition from institutional settings.
- Improved accountability, with MCOs having clinical, financial and administrative responsibility for all aspects of delivery and financing.
- Develop standardized quality metrics that MCO's would be required to report and would be publicly available to consumers.
- Mandate that MCO's develop a continuous quality improvement program that would focus on reducing acute admissions and increase use of community based services through diversion/transition from institutional settings.
- A Medicaid-only model, to ensure the most rapid results. This model could save nearly a billion dollars over five-years. A Medicaid-only model could be a first step to a more integrated solution.
- Mandatory enrollment of older adults and people with physical disabilities who are in need of long-term care.

A Managed LTC model will place Pennsylvania on the cutting edge of Medicaid program design, providing critical benefits for consumers and taxpayers such as: increased quality; increased emphasis on nursing home diversion and community based care; and Medicaid cost savings for taxpayers. As our population rapidly ages, we cannot afford to wait.

We encourage the members of this Joint Committee to work with MCOs in the state to initially address cost and care delivery challenges for Pennsylvanians who are eligible for long term care services and supports. For the most frail or disabled and dually-eligible citizens who receive services from a disparate and misaligned system of payers and providers, it is imperative to explore how to better deliver long-term care in a way that also reduces cost pressures to the state and its taxpayers. In the long run, all dual-eligibles should be part of an integrated care system, including medical, behavioral and long-term care services, to address many of the cost and quality issues resulting from poor coordination. We acknowledge that achieving this goal is complex. A robust stakeholder process, amendments to the State Medicaid Plan, and approval by CMS all take time.

A pragmatic first step would be to pilot the principles of the “roadmap” recommendations of Managed Long Term Care to a select geographic region. Doing so is currently within the power of the Commonwealth and would require limited federal approvals.

Western Pennsylvania is an ideal region for such a pilot because a high concentration Medicaid and Medicare-eligible beneficiaries are enrolled in a managed care plans. Allegheny County has the highest concentration of Medicare-eligible residents in the Commonwealth and 62% of them have chosen a Medicare managed care plan to coordinate their health care. As for Medicaid, over 72% of this region’s Medicaid beneficiaries are enrolled in a Medicaid PH-MCO.

Furthermore, stakeholders serving these individuals have strong working relationships and are amenable to coordinating efforts in support of a pilot project. We would welcome the Area Agency on Aging to work closely with the HealthChoices PH-MCOs, Medicare Advantage Special Needs Plans, and providers, which will maximize the agency’s experience in managing long-term care and identify ways to better coordinate these efforts with the providers. A pilot initiative offers a tremendous opportunity to generate sufficient data to develop a policy path moving forward for consumer-focused long-term services and supports. Provider and payer participants in a southwest PA regional pilot would have the experience and established working relationships to operationalize quickly, seamlessly and responsibly.

It is with these key factors in mind that we ask DPW to amend PH-MCO *HealthChoices* contracts to include capitation for Managed long-term services and supports for participants receiving these services in southwest PA. By doing so, DPW and its contracted PH-MCO partners will take a realistic first step toward closely coordinating and wrapping medical services around long-term care, to address many of the issues facing the financing and delivery of long-term care in the Commonwealth.

Thank you for your consideration and support. We look forward to working with you and your colleagues in both chambers to continue to serve our most vulnerable citizens in the most responsible manner.