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DELTA SIGMA INSIGHT

ARE YOU READY FOR THE NEXT STEP?

ABOUT DELTASIGMA

- ▲ **HEALTHCARE CONSULTING PRACTICE**
- ▲ **FORMER NON-PROFIT HEALTH PLAN CEOS**
- ▲ **BUSINESS, DIVERSIFICATION AND MARKETING PLANS**
- ▲ **SIGNIFICANT MEDICAID AND MEDICARE ADVANTAGE EXPERIENCE**
- ▲ **RFP STRATEGY AND RESPONSE**
- ▲ **PARTNERSHIP STRATEGY**
- ▲ **INNOVATIVE COMMUNICATION PROGRAMS**
- ▲ **INTERIM AND CRISIS MANAGEMENT SERVICES**

MEDICAID LONG-TERM CARE

An enormous movement in Medicaid managed care is quietly taking place. The chances are your company is not prepared for this shift, even though it probably should be. As state's look for ways to control their budgets, they are beginning to turn to one of their largest and previously politically untouchable expenses, Medicaid long-term care (LTC). Though relatively small in numbers—often comprising less than 20 percent of a state's Medicaid population—Medicaid long-term care often consumes well over half of the total cost of Medicaid. Historically, states have been hesitant to move these Medicaid eligibles into managed care programs because of powerful lobbies and a fear of the impact on these frail populations.

Over seven percent of the total Medicaid population qualifies for Medicaid long-term care services. Surprisingly, while over half of the qualified individuals are age 65 and older, 45 percent are disabled children and adults. The Kaiser Family Foundation reports that the individuals include children with intellectual disabilities, such as mental retardation, and developmental disabilities, such as autism; young adults with spinal cord and traumatic brain injuries, and serious mental illness; and older people with Alzheimer's disease, and severely disabling chronic diseases such as diabetes and pulmonary disease.

While most Medicaid MCOs have concentrated their services on the TANF population, United Healthcare and AMERIGROUP are quietly and skillfully cornering the managed LTC market with programs operating in many states, including Arizona, New Mexico, Hawaii, and Texas. Tennessee recently passed legislation requiring the inclusion of Medicaid LTC into their managed care program. The current Medicaid managed care MCOs, including United Healthcare and AMERIGROUP, must now demonstrate their capability to serve long-term care populations with non-medical services, including nursing facility, home improvements and self-directed home care.

Is your company ready to provide coverage for a group of people who have difficulty with activities of daily living (ADLs) such as bathing, dressing, and mobility; who need help ranging from a few hours of home or community based services or 24-hour care in a nursing facility; and, who have significant acute healthcare issues? Companies serving these populations must have highly developed care management programs for in-facility care, severe mental illness and chronic diseases such as COPD, diabetes, and CHF, as well as programs designed for end-of-life care. Care management and member service staff-to-member ratios are significantly lower than for TANF populations and the network requirements include contracting with a host of non-traditional providers, many of which will be new to the concepts of managed care. Both capitation and risk are much higher necessitating the use of actuaries and reinsurers with specialized expertise in Medicaid LTC. Plans that have experience with a dual-eligible Medicare Advantage Special Needs Plan (SNP) will generally have an easier transition to LTC than those without.

DeltaSigma has significant experience working with managed Medicaid LTC programs and can help your company in its development and acquisition of LTC programs in your state. We have led LTC program development activities in Texas and Arizona and were responsible for implementing one of the first dual-eligible Medicare Advantage SNPs in the country. If we can assist your plan with an initial assessment of your current capabilities and those required for a successful Managed LTC program or any other aspect of LTC preparation or management, including the selection of outside vendors who can complement your company's capabilities, please contact us.

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