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New Report Recommends Reform for MassHealth System of Long-Term Services & Supports (LTSS)

Key Policy Actions Include Improving Integration, Supporting Informal Caregivers, Enhancing Direct Care Worker Pay, Benefits and Career Options, and Expanding Supportive Housing

BOSTON (May 10, 2016) – The <u>Blue Cross Blue Shield of Massachusetts Foundation</u> today released a report by Manatt Health that calls for fundamental reforms to Massachusetts' system of long-term services and supports (LTSS), a growing health care priority and looming budget crisis for MassHealth.

The report – a comprehensive assessment developed with extensive input from health care consumers, government officials, LTSS providers, health plans and labor representatives – lays out a new vision for a MassHealth LTSS system that is person-centered, integrated, sustainable, accountable and actionable, and presents options for policymakers to consider when addressing the issue.

"It is imperative that we develop new and better methods of caring for a chronically ill and aging population, one that rightfully cherishes independence, and doing so in a way that is sustainable for the Commonwealth," said Audrey Shelto, President of the Blue Cross Blue Shield of Massachusetts Foundation. "Right now, we are on an unsustainable path and the Foundation is committed to developing ideas to transform LTSS within the context of comprehensive delivery system reform to make more effective use of limited resources."

Some 750,000 Massachusetts residents report having a disability and the number of people age 65 and over in the state will grow by almost half in the next 20 years.

LTSS covers a range of services used by elders and people with disabilities and chronic conditions, including medication management, personal care services, rehabilitation and skilled nursing care. Demographic trends project increased demand, costs and pressure on the workforce, but the current care delivery system is fragmented, hard to navigate, and lacks meaningful quality measures.

MassHealth, the state's Medicaid program, is the largest payer of LTSS, spending about \$4.5 billion on LTSS services in 2015. The amount, which includes federal Medicaid matching funds, represents nearly one-third of all MassHealth spending and accounts for 12 percent of the entire state budget. At the same time, LTSS may help reduce other health care costs, such as by reducing hospital inpatient stays or emergency department use.



"There is a vital need to understand the magnitude of LTSS, as well as the other complicating factors like low wages for caregivers and lack of affordable housing for those with disabilities and seniors," said Philip Johnston, Chairman of the Blue Cross Blue Shield of Massachusetts Foundation. "We embrace the role of researcher and convener as a means of elevating the debate and creating better care, fiscal sustainability, and real reform."

The report, "Massachusetts Long-Term Services and Supports: Achieving a New Vision for MassHealth," outlines the following seven fundamental reforms that will be required to achieve sustainable improvements to LTSS:

- 1. *Drive integration of LTSS at the provider level*. Policy actions include enhancing communication, education and training across physical health, behavioral health and LTSS providers, and aligning provider and program rules across state agencies and provider systems to minimize duplication and confusion.
- 2. Assess and learn from existing programs and data. Policy actions include assessing the multitude of existing LTSS programs to identify models worth expanding, improving or eliminating, and creating a data analytics infrastructure.
- 3. *Identify and implement meaningful quality measures*. Policy actions include requiring providers to report on a manageable set of measures, working with consumers and stakeholders on a set of agreed-upon metrics, and creating an LTSS dashboard available to the public.
- 4. *Improve access to LTSS*. Policy actions include implementing options counseling programs to help consumers make decisions about services, simplifying and standardizing LTSS information, and streamlining financial and clinical eligibility requirements across agencies and programs.
- 5. Support informal caregivers. Policy actions include expanding access to respite services for certain populations, allowing MassHealth to pay spouses as family caregivers, working with employers to provide paid family leave as a benefit, and increasing awareness of, and enhancing tax incentives for, family caregivers.
- 6. Enhance direct-care workforce capacity. Policy actions include building on the state's commitment to increase wages for personal care attendants to \$15 an hour, setting a goal to establish a minimum wage for all direct-service workers in all care settings, and facilitating efforts to professionalize the LTSS workforce through benefits, full-time employment, standardized orientation and skills training.
- 7. Expand access to affordable housing with supports. Policy actions include implementing crossagency and cross-sector initiatives to craft viable housing solutions, analyzing nursing home capacity for potential repurposing as community housing, and assessing affordable and supportive housing models for expansion or replication opportunities.

"We believe the Commonwealth must implement these options for reform, some of which will require new investments or reallocation of existing resources," said Carol Raphael, Senior Advisor at Manatt Health. "Massachusetts has demonstrated its ability to lead in health care system reform and can continue



that legacy of leadership and innovation by taking on comprehensive LTSS reform; the stakes are too high not to act."

The Massachusetts Medicaid Policy Institute, a program of the Blue Cross Blue Shield of Massachusetts Foundation, commissioned the report by Manatt Health and presented it during a forum titled "MassHealth Matters II: Options for Reforming Long-Term Services and Supports." The program included panel discussions with state officials and key thought leaders, before an audience of senior staff from state government, health plans, providers, consumer advocacy organizations, community-based organizations and research entities.

The full report is available online at http://bluecrossfoundation.org/publication/massachusetts-long-term-services-and-supports-achieving-new-vision-masshealth.

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About the Blue Cross Blue Shield of Massachusetts Foundation

The mission of the Blue Cross Blue Shield of Massachusetts Foundation is to expand access to health care for low-income and vulnerable individuals and families in the Commonwealth. The Foundation was founded in 2001 with an initial endowment from Blue Cross Blue Shield of Massachusetts. It operates separately from the company and is governed by its own Board of Directors.

About the Massachusetts Medicaid Policy Institute

The Massachusetts Medicaid Policy Institute (MMPI)—a program of the Blue Cross Blue Shield of Massachusetts Foundation—is an independent and nonpartisan source of information and analysis about the Massachusetts Medicaid program, MassHealth. MMPI's mission is to promote the development of effective Medicaid policy solutions through research and policy analysis.

About Manatt Health

Manatt Health is the interdisciplinary health policy and business strategy advisory division of the law firm of Manatt, Phelps & Phillips, LLP. As an integrated law and consulting firm, Manatt offers a unique combination of legal, policy, and operational expertise drawn from a team of 80 attorneys, policy advisors, business strategists, project managers, and financial analysts with extensive experience working with foundations, federal and state government, providers, health plans, and other industry leaders.