Balancing the System:

Working Toward Real Choice for Long-Term Services and Supports in Connecticut

A Report to the General Assembly
January 2016

Report Highlights

Balancing the System

Long-term services and supports (LTSS) will likely affect all of us at some point in our lives. The need for LTSS can occur due to a physical impairment, such as the effects of a stroke, or a cognitive impairment, such as Alzheimer's disease. Whether it's because we need services and supports ourselves, or we are providing care for someone in need, regardless of age, health or wealth, it is unlikely that we will be able to escape this important issue. LTSS needs are being met at home, in the community, in congregate residences and in institutional settings.

This Long-Term Services and Supports Plan (Plan) addresses the needs for LTSS of the citizens of Connecticut. Developed by the Long-Term Care Planning Committee in collaboration with the Long-Term Care Advisory Council, this Plan was produced to educate and provide recommendations to policymakers regarding what steps Connecticut should initiate and continue to take in order to achieve a balanced and person-centered LTSS system over time through 2025.

It is Connecticut's goal to establish a LTSS system that offers individuals the services and supports of their choice in the least restrictive and most enhancing setting. This means providing real choices to Connecticut residents regarding the types of supports that they need and requires a system that is person-focused and driven. To reach this goal, Connecticut must first address the fact that the LTSS system is out of balance in two important areas:

1) The ratio of home and community-based services and institutional care; and
2) The ratio of public and private resources.

If our current system continues unchanged, not only will we experience more and more impoverishment as increasing numbers of Connecticut residents need LTSS, but the Medicaid safety net will start to erode. The financing of our LTSS system must be based on a balanced public/private alliance that stresses personal responsibility for those who can afford it coupled with the necessary obligation of government to provide supports for those who lack the resources to meet their needs.

Facts and Trends

- People of all ages and from all socio-economic, racial and ethnic backgrounds need LTSS.
- Disabilities affect 10.7 percent of all Connecticut residents – 378,244 individuals in 2013.
- It is estimated that 69 percent of 65 year olds will need LTSS as they age: 79 percent for women and 58 percent for men. On average, they will need three years of LTSS.
- Home and community-based services (HCBS) help people with LTSS needs stay in their homes and communities while reducing LTSS spending.
- Medicaid pays the majority of LTSS expenses. In Connecticut, in state fiscal year (SFY) 2015, Medicaid LTSS expenses accounted for 15 percent of the state budget and 40 percent of the Medicaid budget.

Progress in Meeting the Balancing Goals

This Plan advocates that by providing more choices for those with LTSS needs and assuring access to needed services, by 2025 the Connecticut Medicaid program should be serving 75 percent of LTSS clients in home and community-based settings[1], with only 25 percent choosing institutional care[2]. The proportion of Medicaid LTSS clients receiving services in the community has increased from 56 percent in SFY 2012 to 59 percent in SFY 2015. Slowly, but surely, the Connecticut Medicaid program is moving in the right direction and meeting the Long-Term Services and Supports Plan's target of a one percent increase a year.

With regard to public spending on LTSS, between SFY 2003 and SFY 2015 the proportion of Medicaid LTSS expenditures for home and community-based services increased by 14 percent, rising from 31 percent to 45 percent of all Medicaid LTSS expenditures – an average increase of one percent per year. Likewise, there was a 14 percent decrease in the proportion of expenditures for LTSS provided in institutional settings. Overall, total Medicaid LTSS expenditures increased by approximately 51 percent between SFY 2003 and SFY 2015 ($1.914 billion to $2.889 billion).

What's New in Connecticut

Some of the major changes that have been made to the system of LTSS in Connecticut in the last three years are described below. Numerous additional state initiatives are included in the complete LTSS Plan. Although significant progress has been made in improving choice, opportunities for self-direction, community inclusion and access to community-based services, many inequities remain in access to services and many individuals have unmet needs for LTSS. More is needed if Connecticut is to meet its goals for achieving real choice and truly balancing the LTSS system.

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[1] The Medicaid long-term care community services include home health services, hospice, home and community-based waiver programs, and targeted case management for mental health and developmental disabilities.

[2] The Medicaid long-term care institutional services include nursing facilities, hospice, intermediate care facilities for persons with developmental disabilities (ICF/MRs), and chronic disease hospitals.

- **Money Follows the Person Rebalancing Demonstration**: The Money Follows the Person (MFP) Rebalancing Demonstration, which began operation in December 2008, has been a leading force in Connecticut's efforts to rebalance the system of LTSS to reflect consumer needs and choice. The program, located within the Department of Social Services (DSS), serves Medicaid eligible individuals across the age span with physical disabilities, mental illness and intellectual and cognitive disabilities. Under MFP, as of October 30, 2015, over 3,000 individuals have been transitioned from a nursing facility to community living. In April 2015, DSS submitted a five-year MFP Sustainability Plan to the Centers for Medicare and Medicaid Services (CMS) outlining the state's strategy to continue program efforts through 2020.

- **Aging in Place Taskforce**: As mandated by Special Act 12-6, a task force was established in August 2012 to study how the state can encourage "aging in place." The full report of the Task Force to Study Aging in Place can be accessed online at: http://coa.cga.ct.gov/pdfs/AginginPlaceTF/Aging%20In%20Place%20Task%20Force%20FINAL%20report.pdf.

- **Livable Communities**: Public Act 13-109: *An Act Concerning Livable Communities* charged the Commission on Aging with the development of a Livable Communities Initiative. The Commission on Aging must report annually on Connecticut's Liveable Communities Initiative to the Connecticut General Assembly's Committees on Aging, Housing, Human Services and Transportation. Reports can be accessed at http://coa.cga.ct.gov/index.php/reports.

- **Community First Choice:** On July 1, 2015, DSS launched a new Medicaid State Plan service pursuant to 1915(k) of the Social Security Act. This new option, made possible by the Affordable Care Act, will enable Medicaid beneficiaries who require nursing facility or other institutional level of care to self-direct community-based services utilizing individual budgets, with the support of a fiscal intermediary.

- **Various Grants**: The state received a number of grants to support its' rebalancing efforts including:
  1) T**he Aging and Disability Resource Center** grant: In 2012 the Department on Aging received $2,277,438 over three years to collaborate with the Administration for Community Living on the development of national standards for "No-Wrong Door" systems, person-centered training programs and the continued provision of one-on-one in-person and telephonic counseling and person-centered planning services to anyone seeking information and assistance regarding long-term services and supports;
  2) **The Balancing Incentive Program** (BIP) grant**:** Connecticut received $72.8 million in 2012 and an additional $4.2 million in July 2015 to implement the BIP program. Key aspects of the BIP include development and implementation of (1) a pre-screen and a common comprehensive assessment for all persons entering the LTSS system; (2) conflict-free case management across the system; (3) a "no-wrong door" system for

access to LTSS through a web-based platform branded "My Place CT." My Place aims to coordinate seamlessly with both ConneCT and the health insurance exchange; and (4) new LTSS aimed to address gaps that prevent people from moving to or remaining in the community.

3) **Testing Experience and Functional Tools (TEFT)** grant: In 2014, Connecticut received funding of $5 million over 5 years to implement the TEFT grant consisting of 4 components: (1) Consumer experience of care survey; (2) Pilot a functional assessment tool for the Centers for Medicare and Medicaid Services; (3) Demonstrate the use of Personal Health Records; and (4) Develop and test standards for electronic long term services and support systems

Nursing Facilities

- ***Moratorium***

The moratorium on new nursing facility beds was extended indefinitely during the 2015 legislative session.[3] DSS continues to analyze and monitor the need for beds. Several methods are used to reduce unneeded capacity such as de-licensing or reclassifying beds.

- ***Nursing Facility Closures***

According to the Connecticut Annual Nursing Facility Census Survey, there were a total of three nursing facilities in the state that closed since the last LTSS Plan (2013 – 2015)[4]. As of September 30, 2015, there were 230 licensed nursing facilities in the State.

Goals, Recommendations and Action Steps

The goals and recommendations provided in this Plan are put forward to improve the balance of the system of LTSS in Connecticut for individuals of all ages and across all types of disabilities and their families.

In addition to two rebalancing goals, this Plan provides a set of long-term and short-term recommendations. The long-term recommendations provide a high level view of the essential components of a well-balanced and person-centered system of LTSS. These recommendations are reflective of a system of services and supports, and as such, must be viewed as both interrelated and interdependent. The short-term recommendations reflect strategic priorities identified for action over the next three years (2016-2018).

In 2005, a broad philosophical statement was enacted in Connecticut statute to guide policy and budget decisions. It states *"that Connecticut's long-term care plan and policy must provide that individuals with long-term care needs have the option to choose and receive long-term care and support in the least restrictive, appropriate setting*." This simple statement, designed to make real choices for individuals a reality, provides a larger framework for Connecticut upon which the Plan goals and recommendations rest.

[3] Section 391, Public Act 15-5

[4] State of Connecticut Annual Nursing Facility Census, Office of Policy and Management, Policy Development and Planning Division, 2015

Overall, the recommendations in this Plan are primarily focused on initiatives State government can undertake. While the focus of this Plan is on State government, it is important to recognize the vital role that cities, towns, the private sector and individuals and families play in the LTSS system. Government at all levels must work in partnership with individuals, families and the private sector in order to develop a quality and effective system.

Goals

1. Balance the ratio of home and community-based and institutional care:

Develop a system that provides for more choice and opportunities for community integration as alternatives to all institutional settings, and increases the proportion of individuals receiving Medicaid long-term home and community-based care from 60 percent in 2015 to 75 percent by 2025, requiring approximately a 1.5 percent increase in the proportion of individuals receiving Medicaid long-term services and supports in the community every year.

2. Balance the ratio of public and private resources:

Increase the proportion of costs for long-term services and supports covered by private insurance and other dedicated sources of private funds to 25 percent by 2025. Such an increase in private insurance and other sources of private funding would reduce the burden both on Medicaid and on individuals' out-of-pocket expenses. Nationally, private insurance (long-term care and other health insurance) represented 11.9 percent of spending for long-term services and supports in 2012.[5]

Recommendations

Long-Term Recommendations

Optimally, a robust system of LTSS that is able to maximize autonomy, choice and dignity will provide a full range of services and supports. Individuals, regardless of disability or age, should have the options that allow them to live their lives as meaningfully and productively as possible in the settings that best suit their needs and preferences, in the least restrictive environment. As in any system, all the constituent parts are interrelated and interdependent. In order to meet the growing demand for LTSS and the goals set forth in this Plan, investment in the community-based infrastructure is critical. Over the long term, to realize the vision and achieve the goals set out in this plan, actions must be taken on the numerous fronts. This plan asserts 15 strategies that should be part of future LTSS efforts.

[5] "Other dedicated sources of private funds" means private long-term care insurance, other types of private insurance and other private spending for nursing facilities and home health services. It does not include "out-of-pocket" spending or informal care. Source: National Health Policy Forum; *The Basics: National Spending for Long-Term Services and Supports;* George Washington University; March 27, 2014.

Short-Term Recommendations

This report also includes numerous short-term recommendations that provide an action agenda for improving the system of LTSS in Connecticut in the three years spanning 2016 through 2018. Criteria for proposing these targeted priority recommendations are that they will help to ensure the success of the system of LTSS and can be acted upon in the next three years. The recommendations fall into the following overarching categories:

- Programs and services,
- Infrastructure;
- Financing;
- Quality;
- Housing; and
- Workforce.

CONCLUSIONS

Over the next 10 years Connecticut will be challenged to develop a LTSS system that is person focused and directed and provides real choices for individuals with disabilities and their families. Many uncertainties could affect the level of demand for LTSS in Connecticut. Disability rates may decline, medical technologies may reduce the incidence of certain chronic diseases, or new conditions may arise that increase the demand for LTSS. There are no guarantees. However, we do know that Connecticut residents want a system that maximizes the opportunity for all persons, regardless of age or disability, to live in the community as independently as possible. We also know that current levels of Medicaid LTSS expenditures for institutional care and the significant reliance on public funds for LTSS will not allow Connecticut to reach its goal of real LTSS choices and to adequately meet a possibly growing demand for services and supports. The time to take steps to balance the system is now. As outlined in this Plan, the shifting of the ratio of home and community-based and institutional care, coupled with a larger role for private funds in the system, will position Connecticut to be responsive to the potential LTSS needs of our citizens in the short and long-term and will help realize its goal of a system driven by choice and consumer control.