Phase I of Neighborhood’s Integrated Care Initiative Work Shows Promising Results

- Neighborhood conducted almost 40,000 assessments of people eligible for both Medicaid and Medicare
- Helped reduce the number of members living in nursing homes by 11%
- Reduced ER visits by 11%
- Reduced hospitalizations 6% and re-hospitalizations by 9%

Summary
Starting in November 2013, Neighborhood partnered with the state to begin a two-phase program to coordinate the benefits of individuals who qualify for both Medicaid and Medicare (Dual Eligibles) called the Integrated Care Initiative (ICI). These 30,000 residents are among Rhode Island’s most medically complex and economically disadvantaged. Coordinating benefits for this population along with managing their needs requires initial investments in order to realize the eventual goals of a balanced long-term care system, better quality and lower costs. Neighborhood has driven success with Phase I of this initiative, which focused on care integration within Medicaid services only, and is poised to address the full needs of these individuals in a single health plan by incorporating Medicare benefits in Phase II.

Background
Individuals who qualify for both Medicare and Medicaid do so for a variety of reasons. Often they are individuals who qualify for Medicare because they are over the age of 65, but also qualify for Medicaid based upon their economic status. Alternatively, someone could qualify for both programs based on their need for long-term services related to an intellectual/developmental disability (IDD) or a serious and persistent mental illness (SPMI). These individuals represent a small percentage of Rhode Island’s population, but they drive a disproportionate amount of Medicaid costs. This discrepancy is caused by a combination of issues including complex health conditions and socioeconomic factors such as housing, food insecurity, and lack of transportation. An added complication is the difficulty in coordinating and navigating Medicaid and Medicare services. The complexity of each program and lack of communication between the two entities can create fragmented care and a confusing process.

The Centers for Medicare and Medicaid Services (CMS) has acknowledged these issues and, as a provision of the Affordable Care Act, has encouraged states to develop programs to coordinate and manage these benefits. This two-phase ICI
program in Rhode Island, called Rhody Health Options, involves a fixed-amount payment arrangement between the state, Neighborhood, and CMS. The first phase involves coordinating Medicaid-only benefits, particularly focused in long-term care. The second phase coordinates both the Medicaid and Medicare benefits. Neighborhood is the only insurer participating in the state’s program.

The Challenge of Improved Care Services for Dual Eligible Rhode Islanders

Rhode Island’s experience dealing with its dual-eligible residents is not different from the regional or national experience. Rhode Island has roughly 30,000 dual-eligible individuals. Of our Medicaid population, they account for 96% of our elders and 46% of adults with disabilities. On average per member in 2011, these individuals accounted for more than $20,000 in medical expenses annually, representing approximately 38% of total Medicaid spending. Contrast this with spending during that same time for each full benefit Medicaid Adult enrollee who accounted for $5,778 per person.

Rhode Island has long struggled to find the most effective and appropriate settings for its at-risk and medically fragile residents. Too often, people find themselves placed into nursing home facilities even though they have the capability to live in less-restrictive environments. This is the least empowering result for the people involved, and the most expensive outcome for the state. Less than one-quarter of Rhode Island’s dual-eligible population lives in an expensive institutionalized setting like a nursing home, yet these placements still drive almost 94% of Medicaid spending in long-term services and supports. Moreover, many of the folks living in nursing homes (18% according to research conducted by Brown University) have been identified as having “low care needs”. That means those individuals, provided they were given some additional support services, could remain living where they want; typically, in their own homes. Brown’s research also indicates that investment in services such as the Meals on Wheels food delivery program could facilitate an elderly individual’s choice to live independently at home—the most desired and the most cost-effective setting.

Through a number of other initiatives, Rhode Island has strived to “re-balance” the system of these services. This current ICI strategy, however, is the most comprehensive and far-reaching. Using a phased approach, it begins by connecting with members to understand their LTSS needs and wrap some supports around them, and then brings in their medical service utilization.

The combination of these two factors represents an unprecedented opportunity to address the needs of this population.

Member Impact

Linda was in trouble. The 76-year-old woman depended on her sister to help her manage the trials of daily life while recovering from a stroke. When her sister died last year, Linda’s immediate future was unclear. Her options included moving into a long-term care facility or having a home care specialist visit her regularly. But since Linda is a Neighborhood Health Plan of Rhode Island member, there was another option. Members of Neighborhood’s Care Management team paid Linda a visit and determined many of her needs could be met with some additional supports including Adult Day Care. She had never considered this; Neighborhood’s team scheduled the services as well as her attendance at Adult Day. She loved it. Linda is now among the first people in the door when the Center opens in the morning, and she stays most of the day. The coordination of these supports gives Linda the socialization she needs and the ability to live where she wants.
UNITY – Phase I of the Integrated Care Initiative – An Essential First Step

The initial phase of the effort, called UNITY by Neighborhood, has produced positive results despite its prescribed limitations in scope. UNITY focuses only on coordinating the Medicaid benefit. This initial program targets developing resources and establishing contact with members. Neighborhood’s strategy has been to seek out new members and “meet them where they are”, in either the community or in a residential care environment. Our initial contact includes an assessment of the member during which we come to understand the full scope of their needs. Next, we assign an interdisciplinary care team tailored specifically to the person. During the first two years of this program, Neighborhood conducted almost 40,000 assessments. Neighborhood then leverages the member’s team with a customized blend of services and supports that enables members to receive the care that matters most to them, be it housing, food security or even socialization. The convergence of these services around the member helps to support the member in the right setting for them, either remaining in or transferring to the nursing home or community setting.

To date, these activities have driven positive outcomes for these members and enhanced our understanding of their situations. Almost all of our membership (95%) falls below the Federal Poverty Level and 59% do not receive long-term services and supports. Currently, of those individuals appropriate for transfer back to the community from a residential setting, the single largest barrier has been housing. Despite these complexities and barriers, Neighborhood has had some success in transferring or stabilizing members and observed reduced utilization. Further, as enrollment in the program has increased by 27%, the number of members residing in nursing homes has gone down by 11% (see graph). Neighborhood has also noted reductions in medical utilization across the two years in emergency visits (-11%), hospitalizations (-6%), and re-hospitalizations (-9%) for our members both in the community and the nursing home.

This promising start is an incomplete picture, however. The coordination and use of these resources has driven down utilization, yet the financial impact of these decreases remains obscured. This ambiguity exists because these reductions in utilization are to the benefit of hospitals or other medical services that are under Medicare control in Phase I. The benefit realized to the Medicaid-only activities remains difficult to quantify. Despite this partial view, UNITY has begun to build trust with the membership and has established the baseline for the more comprehensive Phase II – INTEGRITY.
INTEGRITY, Phase II of the Integrated Care Initiative – The Comprehensive Solution

A three-way contract between CMS, the Rhode Island Executive Office of Health and Human Services and Neighborhood was recently signed and Phase II of the Integrated Care Initiative is expected to begin this summer. This phase and product, called INTEGRITY, will incorporate the long-term care services, formerly under Medicaid, and the medical and hospital services, formally under Medicare, into one benefit.

Neighborhood has already built up additional capacity and resources dedicated to meet the needs of these members. These resources will be targeted in a similar fashion to UNITY, but will now be used in the context of the much broader range of services. This is a complicated population to manage, but Neighborhood has proven its ability to deliver with similar programs and services over time.

While the duals population has unique needs, Neighborhood has delivered managed care to other complex, previously unmanaged populations for Rhode Island. In delivering managed care, Neighborhood anticipates the “Neighborhood Effect.”

As we have experienced in the past, a formerly unmanaged population will require additional investment at the outset in order to deliver better coordinated services and reduce gaps in care. However, over time as gaps are closed and the population is better managed, we begin to see better outcomes along with controlled and predictable costs. Rhode Island most recently saw this in the delivery of managed care to its adults with disabilities population, a program called Rhody Health Partners.

Conclusion

Neighborhood is excited to support the state’s effort to provide high quality care to some of the neediest Rhode Islanders at a price that taxpayers can afford. The Integrated Care Initiative is the right program for our dual-eligible citizens. This staged process of change, while challenging, has delivered some early and encouraging results during Phase I. Phase II will build on these good efforts and transform the long-term care system, enriching the lives of these citizens through a spectrum of focused resources. It is another essential way Neighborhood continues to partner with the state, the community health centers and others to innovate and transform health care in the Ocean State.

Footnotes:

3. Dual Eligibles' Share of Medicaid Spending kff.org/medicaid/state-indicator/duals-share-of-medicaid-spending/
8. Neighborhood Health Plan of Rhode Island Analysis

Neighborhood Health Plan of Rhode Island ©2016