STRATEGIC REBALANCING PLAN: A PLAN TO REBALANCE LONG TERM SERVICES AND SUPPORTS

2020

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CONTENTS

1

Executive Summary

Connecticut's Strategic Rebalancing Plan is the culmination of a multi-year process which aims to increase choice in where people receive long-term services and supports, while supporting cost efficiencies in the Medicaid program. The planning model is part of an initiative by Governor Ned Lamont and the General Assembly to expand long-term care options and help the nursing home industry diversify its business model to meet changing service needs. It represents exemplary collaboration and coordination across multiple state departments, the federal government, home health providers, nursing home administrators, consumers and other stakeholders. The plan is updated annually and reflects Connecticut's proactive approach to address the anticipated, unprecedented demand for Medicaid-funded long-term care through 2040.

In essence, the plan is **using census and demographic data to develop 'supply-and-demand' projections for long-term care needs on a town-by-town basis. This, in turn, will help target services that support quality of life and cost-effectiveness in specific areas of the state -- while providing technical assistance to the nursing home industry in diversifying and focusing its business model to meet coming trends rooted in Connecticut's aging demographic.**

Strategies and tactics for 2020 include:

- Connecting people to information about long-term care services and supports;
- Increasing transitions of long-term nursing home residents to the community;
- Closing service gaps, improving existing services, identifying new services;
- Ensuring quality of care;
- Building capacity in the community workforce to sustain rebalancing goals;
- Focusing on housing and transportation supports;
- Provision of technical assistance to the nursing home industry to align their business model with emerging trends.

As provided under Public Act 11-242 and coordinated by the Department of Social Services (DSS), the plan is designed to rebalance Connecticut's Medicaid long-term services and supports, including, but not limited to, those supports and services provided in home and community-based settings (HCBS) and institutional settings. Given the aging demographic, there is an urgent need for systemic reform. In addition, the 1999 Olmstead vs L.C. U.S. Supreme Court decision required states to provide community choices in lieu of institutional care. On the average, community choices are more desirable and less costly when they can be provided safely and appropriately. 'Rebalancing' to serve people in less costly and preferred community-based alternatives results in greater efficiencies for Medicaid, as more eligible people can be served with hard-pressed public funding. At the same time, the planning process will benefit the

public in general by focusing long-term care services and supports in a manner that best anticipates the degree and nature of needs in specific areas of the state.

Overall, the plan establishes a framework for change to the design of home- and community- based services, housing and transportation, workforce development, discharges from institutions to community, and nursing homes. It also optimizes federal funding opportunities under the Money Follows the Person Rebalancing Demonstration.

While the Plan includes multiple strategies and tactics, none is more important than the overarching strategy of partnership. The state aims to lead change in partnership with local communities and other stakeholders. To support partnerships with towns, local data maps were developed, projecting supply and demand for long-term services and supports through 2040. As community long-term services and supports are developed, the data maps anticipate that more people will choose to remain in the community and that demand for institutional care will decrease.

Connecticut has made great progress in the development and implementation of community long-term service and supports over the past 25 years. The Money Follows the Person Demonstration has proven that long-term residents of institutions can be served in the community at less cost and higher quality of life. Venerable services like the Connecticut Home Care Program for Elders, Medicaid waiver programs, and Community First Choice have made a huge difference in the lives of older adults and younger adults with disabilities.

The pace of change in preference from institutional care to community care continues to increase exponentially, and the need for a strategic plan is imperative. Implemented in partnership with stakeholders, the Strategic Rebalancing Plan guides state efforts to increase choice in where people receive long-term services and supports, while increasing the efficiency of the Medicaid program for taxpayers in general.

2

Introduction

The State of Connecticut (State) is committed to creating a more efficient and effective long-term services and supports (LTSS) system aligned with the principles of choice, autonomy and dignity. The envisioned system will allow Medicaid recipients who need LTSS to choose whether they want to receive these services in a nursing facility (NF) or in a community setting. In order to attain the vision of enhanced qualify of life and increased choice for individuals across all disabilities to live, work and age within their own communities, the concept of a town-based LTSS compendium was developed. Honoring the autonomy and local governance authority of the towns within Connecticut, the individually tailored, town-based approach to LTSS will provide choices ranging from various types of supportive housing options to care provided in a nursing facility; these options will reflect the preferences of the persons they are designed to serve and support a seamless transition from hospital to short-term rehabilitation and back into the community.

Design and implementation of a strategic plan within the time frame anticipated by this plan is imperative given that over the next several years the number of people estimated to need LTSS will increase dramatically due to the aging population. According to the U.S. Administration on Aging's Profile of Older Americans[1], the number of people age 85 and older is projected to more than double from 6.5million in 2017 to 14.4 million in 2040, marking a significant growth in the portion of this population nationally. This trend is equally compelling in Connecticut, where projections indicate a 30% growth in individuals age 80 and older between 2020 and 2040.[2] By 2040, more than 50,488 individuals in Connecticut are expected to need Medicaid LTSS – an increase of more than 4,481 individuals over 2017[3]. Estimating future demand, building sufficient supply with quality assurances, and eliminating policy and procedural barriers that prevent choice are all key to the State's Strategic Rebalancing Plan.

The projected increase in the aging population is especially relevant to the design of benefit and eligibility in the State's Medicaid program. Since 40% of the Medicaid costs

[1] https://acl.gov/sites/default/files/Aging%20and%20Disability%20in%20America/2018OlderAmericansProfile.pdf

[2] https://portal.ct.gov/-/media/Departments-and-Agencies/DSS/Health-and-Home-Care/Medicaid-Long-Term-Care-Demand-Projections/Town-by-Town-appendices-CT-LTC-Demand-Report-Appendices.pdf?la=en

[3] https://portal.ct.gov/dss/Health-And-Home-Care/Medicaid-Long-Term-Care-Demand-Projections/Medicaid-Long-Term-Care-Demand-Projections

are associated with LTSS in Connecticut, it is essential that the Medicaid LTSS cost structures be modified with the aim of not only assuring choice, but also controlling costs. In SFY 2019, Connecticut spent 48% of its Medicaid LTSS dollars on institutional care for individuals who are aging and individuals with disabilities.[4] A 2017 analysis of Medicare claims completed by the Kaiser Family Foundation found that Connecticut had the highest nursing home stay rate per 1,000 enrollees.[5] The State's high utilization of nursing homes for persons receiving LTSS is a statistic that stands in contrast to surveys completed by LTSS users where 75% indicate their preference for services in the community.[6] In addition, the average cost of serving a Medicaid participant in the community is approximately one third[7] of the average cost of serving someone in an institution. Serving people in the community when it is preferred, safe and on average more cost effective, will result in more people served for each LTSS dollar spent. Procedural, capacity and policy barriers driving costs and resulting in unnecessary institutionalization must be addressed. Barriers include:

- Lack of sufficient services, supply, and information about home and community-based services (HCBS),
- Inadequate support for self-direction and person-centered planning,
- Lack of housing,
- Lack of a streamlined process for hospital discharges to the community rather than nursing homes for persons requiring LTSS,
- Lengthy process for accessing Medicaid as a payer, and
- Lack of a sufficient workforce

It is essential that the Strategic plan address the aforementioned barriers in order to advance true choice regarding where persons receive their LTSS as well as more efficient distribution of LTSS dollars. The report that follows details specific strategies that are intended to support this result.

It is also essential for the strategic plan to continually evaluate and estimate the impact that the strategic initiatives have on supply of both HCBS as well as institutional services. The plan aims to evaluate supply and demand trends and projections every 3 years. The current model detailed in Section3 of this report projects a surplus of 6,000 institutional beds, in addition to the 3,000 beds currently vacant, assuming barriers that prevent choice are removed. As demand for institutional care decreases, the plan

[4] https://portal.ct.gov/-/media/OPM/HHS/LTC_Planning_Committee/Long-Term-Care-Planning-Committee-Report---January-2020.pdf?la=en

[5] https://www.kff.org/medicare/state-indicator/skilled-nursing-facilities/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D

[6] Raising Expectations, A State Scorecard on Long-term Services and Supports for Older Adults, People with Physical Disabilities, and Family Caregivers" September 2011, Susan C. Renhard, Enid Kassner, Ari Houser, and Robert Mollica, p. 1. AARP Public Policy Institute

[7] Across the States, Profiles of Long-Term Services and Supports, Executive Summary, State Data, and Rankings, Ninth Edition, 2012, Ari Houser, Wendy Fox-Grage, Kathleen Ujvari, p.14 AARP Public Policy Institute

details a proactive approach to reducing unneeded beds and building community capacity.

Through an ongoing process of deliberate stakeholder briefing, engagement, data and system analysis the State has sought the input and expertise of those interested in building a sustainable LTSS system within the state. Stakeholders participating in the strategic planning process included individuals with LTSS needs, family members, advocates, the Ombudsmen, State staff, providers (community and institutional), Long-Term Support and Service Steering Committee members, academics and others. With an unprecedented level of partnership and collective work toward the common goals, stakeholders will continue to play a key role in the implementation and evaluation of LTSS strategic initiatives.

The plan, guided by the vision of choice, autonomy and dignity for the people we serve, aims to achieve a rebalanced system by: 1) removing barriers that prevent choice in where people receive LTSS at a state policy and systems level; and 2) partnering with nursing homes, communities, and existing community providers to implement change at a local level. **After careful review, the recommendations included in this document were selected to comprise the 2020 objectives of Connecticut's Right-Sizing Plan based on considerations related to the timing, resources and funding necessary to complete each strategy.**

3

Utilization & cost-projection model for Medicaid long-term services and supports

Projecting future demand for Medicaid LTSS and funding appropriate supply is a critical component of Connecticut's Strategic Right-Sizing Plan. Future demand projections are based both on existing trends in distribution of LTSS dollars and preferences between institutional and HCBS settings as well as assumptions about future trends. Future trend assumptions take into consideration the impact of the various strategies and tactics outlined in this plan. As barriers that prevent choice are eliminated, it is assumed that there will be an exponential shift towards HCBS LTSS. This shift is reflected in the model which will identify areas of the state where there is an excess of NF beds, areas where there may not be enough beds, and areas where transitional programs and additional community LTSS are needed. The model will inform the planning process for State and town level rebalancing efforts supporting consumer preferences.

The model was developed by Mercer actuaries through implementation of the following process:

1. Project the population of the State by age and gender.
2. Project the proportion of the State population that is Medicaid eligibility Aged, Blind and Disabled (ABD).
3. Project the proportion of the ABD population that is nursing facility level of care (NFLOC)
4. Project the proportion of the NFLOC population using HCBS services.

The process was conducted at the Labor Market Area Level and projected on the individual towns in the labor markets, then aggregated at the statewide level.

Mercer actuaries utilized population projections developed by the Connecticut State Data Center by age, gender and by town, through 2040. These projections included town-by town, in-migration and out-migration. Mercer assumed, by town, a constant ABD and NFLOC incidence rate by age and gender. As the projection goes toward 2040, the natural aging of the population leads to a higher proportion of the town population expected to be NFLOC.

Steady progress towards rebalancing has occurred since the 2014 utilization and cost projection was reported. The August 2014 report contained statewide HCBS ratio targets through 2025, which were separately determined by demographic category (age, gender, Labor Market Area), based on levels demonstrated to be achievable by the experience in other states. The August 2014 statewide HCBS ratio target for 2025 was 75.1%, which was calculated using the 2013 ABD Medicaid prevalence by

demographic category. Similar methods were used to develop HCBS ratio targets through 2040 using the 2017 ABD Medicaid population prevalence by demographic category. The 2019 projections result in a marginally lower 2025 target of 74.7%. The projected statewide HCBS ratio target for 2040 is 82.3%.

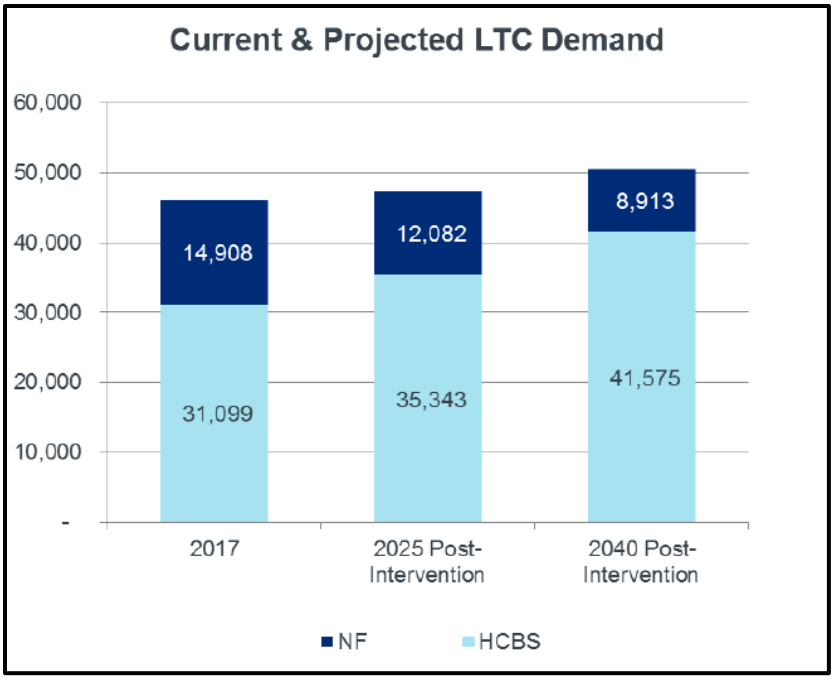
In Mercer's examination of the historical data, Mercer found that beginning in early 2011, there was a significant acceleration in the HCBS/NF mix as a result of the following State-led initiatives:

- Community First Choice;
- Transitions under the Money Follows the Person (MFP) Demonstration;
- Hospital Discharge Planning;
- NF Closure Model;
- Long-Term NF Diversion;
- Pre-Admission Screening Resident Review.

By incorporating the impact of these initiatives into modeling the projected NF/HCBS mix at the statewide level, it is expected to increase proportionately to 82.3% by the year 2040. The final HCBS/NF mix is consistent with HCBS level currently being achieved in other states. The proportionate increases were developed at the age, gender and cohort level. The projections of future HCBS/NF levels presume the State will continue to use current initiatives and will utilize additional initiatives in future years in order to achieve the projected 2040 HCBS levels.

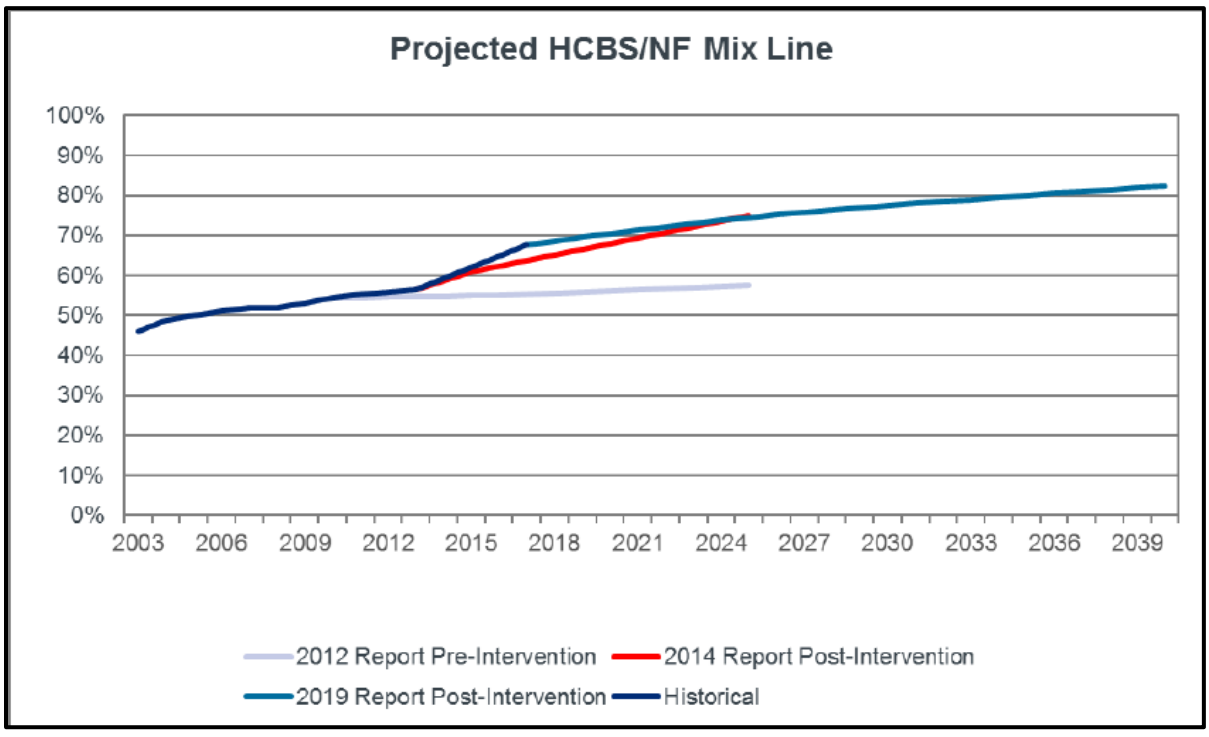
Another element of the modeling includes projecting the demand for NF and HCBS workers as this shift in NF/HCBS mix occurs. The worker supply and demand reported assume a constant proportion by town of NF/HCBS highlighted workgroups throughout the projection. As the population ages and the number of users shifts from NF to HCBS, the worker supply and demand shifts accordingly by town based on the number of people expected to need care under the specific settings.

The accompanying charts highlight the number of LTSS (LTC) users and the corresponding NF/HCBS mix pre and post State-led initiatives.



As reflected in the chart above, Connecticut anticipates a 10% increase in the number of LTC users from the current rate of approximately 46,007 users to a rate of 50,488 users in 2040.

The impact of interventions on the existing trends towards HCBS is reflected in the chart below. As demonstrated in the trend analysis, interventions at the DSS are having a significant impact. As barriers that prevent choice in where people receive LTSS are eliminated, more people are choosing HCBS rather than NF options.



4

Strategies for right-sizing

Home- and community-based services options
Overview

The strategies outlined below represent key steps to improve the home- and community-based system and its ability to support individuals based on their needs, regardless of diagnosis, including individuals with significant support needs and those who are returning to the community from institutional stays. Strategic development of universal options such as Community First Choice maximize opportunities available through the Affordable Care Act[8] that both increase revenue to the State and begin to address the fragmentation that currently exists in Connecticut's HCBS systems.

Initially, strategies relate to ensuring that people have access to information through action steps including implementation of a global communication plan. While the global communication plan will include multiple outreach methods, the new LTSS website (https://www.myplacect.org) will be the primary communication tool. The State plans to build an interactive website using the existing LTSS website as a foundation targeting individuals, caregivers, and providers. My Place CT will incorporate pod casts and new communication methods to reach a broad range of audiences resulting in streamlined access to needed supports.

The State also aims to create parity in service and funding across age and disability. The first step towards parity is full implementation of a standardized universal assessment (UA). Through implementation of a UA, comparative analysis of data across the various LTSS settings, including nursing homes and HCBS will be possible. The UA data will provide a means of comparing utilization and expenditures and support ongoing analysis related to a fair distribution of dollars according to need. Standardizing assessments began in 2012 with the implementation of the first UA. In 2018, the UA was fully implemented across all DSS HCBS programs. Efforts in 2020 will result in a refined budget allocation methodology as well as a plan for implementing the UA across all HCBS.

[8] Patient Protection and **Affordable Care Act**, Pub. L. No. 111-148, §2702, 124 Stat. 119, 318-319 (2010).

Strategy: Connect people to LTSS information and services

- Develop and implement No Wrong Door (NWD) communication plan;
- Continue development and implementation of automated NWD;
- Develop tools to educate public regarding HCBS, spousal assessment, self-direction, etc.;
- Design, develop and implement NWD training for partners.

Metrics:

1. Increase in the number of 'hits' on the website;
2. Increase in the number of physician offices and other target locations, such as libraries and hospitals, with information regarding community LTSS;
3. Increase in the number of callers to No Wrong Door partners who identify the place they heard about services as the LTSS website or other education initiative.

Strategy: Create parity across age and disability resources based on functional support needs rather than diagnosis

- Analyze budget allocation methodology aligned with need groups to determine statewide application;
- Analyze and make recommendations on feasibility of integrated case management system;
- Convene interagency workgroup to develop full implementation plan for UA across all departments.

Metrics:

1. Decrease in the variance in funding levels and services provided across LTSS for people at the same level of need.

Strategy: Close service gaps and improve existing services or identify new services to better serve the needs of all populations.

- Continue comprehensive review of all closed MFP cases to understand reasons for closure and what solutions can be implemented to reduce the frequency of case closure;
- Recommend new services and process based on closed case findings
- Integrate employment into MFP and HCBS;
- Develop and monitor implementation of Connecticut Housing Engagement and Support Services (CHESS).

Metrics:

1. Decrease in the percentage of closed MFP cases;
2. Serve 50 people under CHESS.

Strategy: Develop new models of care to improve LTSS coordination with healthcare systems, including Medicare, and community systems

- Review existing initiatives and authorities;
- Develop proposal for new model in Connecticut in partnership with stakeholders.

Metrics:

1. Draft proposal completed by the end of 2020.

Workforce
Overview

As the State begins to operationalize its efforts to right-size its LTSS services between NFs and HCBS, there are many important issues to consider. Chief among them is assessing the workforce capacity as a result of rebalancing the delivery system. As demand for HCBS increases, the demand for paid and unpaid direct care workers will also increase. Between 2017 and 2030, the population over the age of 80 is expected to increase by 30%, while the working-age population is expected to decrease by 1%. This gap will decrease the supply of informal caregivers as well as the pool of direct care workers. Understanding and leveraging the informal caregiver supply while making the direct care field an attractive option for job seekers is a key component of LTSS right-sizing. As Connecticut aggressively pursues Medicaid rebalancing goals, the need for focused efforts to recruit, train, retain and support paid and unpaid caregivers is essential. Without a focused, coordinated approach, lack of caregivers will stall rebalancing efforts and Connecticut will fail to meet its goals. Retaining direct care staff who are displaced as nursing homes close is key to the strategy.

Strategy: Design and implement workforce initiatives to support workers displaced as a result of rebalancing activities.

- Create training curriculum to raise awareness of the difference between working in a nursing home and working in the community
- Create educational opportunities for certifications

- Partner with Department of Labor and their Workforce Development Centers to address needs of displaced workers.

Metrics:

1. Increase in number of displaced nursing home staff who gain employment in community jobs.

Housing
Overview

Provision of affordable, safe and accessible housing plays a critical role as Connecticut assists Medicaid consumers to either remain in or return to the community. Appropriate housing opportunities for HCBS individuals can vary greatly and are frequently the primary barrier for LTSS individuals to receive HCBS. In order for the State to accomplish its LTSS right-sizing goals, it will be necessary to have an adequate supply of housing so the established rebalancing targets may be accomplished.

Housing options include a person's own home (owned, leased, or shared), supportive housing, shared living arrangement, congregate housing, assisted living services/managed residential communities and residential care homes (rest homes). Finding adequate housing can be more challenging than developing the array of services needed to assist consumers to remain in or return to the community.

Strategy: Create supply map of existing housing including affordability and accessibility.

- Establish Memorandum of agreement with Department of Housing;
- Develop request for proposal for contractor to establish supply map at a local level;
- Monitor deliverables;
- Finalize and release supply map;
- Compare housing supply map to projected demand for accessible housing;
- Identify areas in greatest need for housing development and use information to guide funding decisions.

Strategy: Partner with Department of Housing and the Interagency Council on Affordable Housing to write and submit proposals for the purpose of increasing the number of affordable units in the state.

- Draft scope of services for proposals;

- Ensure timely processing of documents within DSS.

Metrics:

1. Increased number of grants submitted to access housing funds;

Strategy: Develop new housing models.

- Create supportive housing model building on the mental health model;
- Integrate Smart Home technology into housing.

Metrics:

1. Establish 5 Smart Homes;
2. Supportive housing model implemented.

Hospital and Nursing Home Discharges
Overview

Hospital discharge planning activities often drive patients to NFs in order to provide a safe discharge environment and act as an effective mechanism in transitioning consumers along the continuum of care to ensure that they receive the appropriate follow-up care and services they require. For Medicaid participants discharged from a hospital to a nursing home, the risk of long-term institutionalization is significant. Data shows that 62% of all Medicaid participants who enter NFs are still there after six months.[9] Thus, for vulnerable populations, entry into a NF can often lead to permanent institutionalization and loss of community ties and individual freedom of choice. Additionally, health services research indicates NFs could provide viable alternatives to acute inpatient admissions/re-admissions, effectively bypassing emergency departments (EDs) and subsequent inpatient stays through direct NF admissions. From this perspective, NFs can help to ensure that individuals receive the right care in the right place at the right time and can quickly transition back into the community.

Barriers that impact discharges from both nursing facilities and hospitals are addressed in this strategic plan. The primary barriers include lack of streamlined access to community supports, lack of standardized processes for transitions between care settings, and lack of an expedited eligibility process. Key strategies in this plan focus on the establishment of a single point of entry that will result in quick linkages to community LTSS and transitional services and supports under MFP.

[9] https://health.uconn.edu/aging/wp-content/uploads/sites/102/2019/11/2019-Q3-MFP-report.pdf, last accessed December 9, 2011.

Strategy: Create and implement educational campaign for hospital social workers and discharge planners to increase awareness of HCBS as an option.

- Develop communication plan and materials;
- Develop information about HCBS for hospital staff to include in hospital discharge materials;
- Present information to staff at hospitals and the hospital association.

Metrics:

1. Increase in number of people discharged to community in lieu of nursing home placement.

Strategy: Identify and resolve barriers to community transition for those people who are institutionalized.

- Analyze data to determine key barriers;
- Convene workgroup including community partners to determine interventions;
- Create and implement performance outcome payments;
- Continually improve housing plus supports model;
- Partner with Coordinated Access Networks for housing services.

Metrics:

1. Decreased length of time from referral to discharge from nursing home;
2. Decrease in the percentage of closed MFP cases.

Strategy: Develop predictive methodology to identify and transition people at risk of nursing home long-term stay who indicate a preference for living in the community

- Partner with University of Connecticut Center on Aging to develop predictive methodology;
- Develop process for implementing predictive methodology within the nursing home;
- Meet with nursing home administrators to assist with development and implementation of the model;
- Modify web based reporting system to ensure data collection;
- Implement and monitor success of the model.

Metrics:

1. Transition 600 people per year utilizing the model.

Nursing Facility Diversification and Modernization

Overview

The current state LTSS institutional landscape includes 213 NFs with a total of 25,352 beds and an average occupancy rate of 88%. The State has the highest rate of Medicare participants per 1000 members with a stay in a nursing home during the year. Overall, Connecticut is ranked 11th in the country for beds per 1,000 people.[10]

As barriers that prevent Medicaid participants from having a choice to receive services in the community are diminished, demand for the current model of institutional care is projected to decrease. The State plans to use town level data maps referenced in Section 3 to identify high need areas of the state and to guide decision making. Criteria defining high need areas will include, but not be limited to, current nursing home census compared to current and projected demand for institutional care at a local level and current and projected demand for community LTSS compared to supply.

The trend analysis points to a future need for approximately 16,200 nursing home beds by 2040. These nursing homes will continue to provide essential, needed services within the State's quality continuum of LTSS supports. Some nursing homes may be interested in diversifying or modernizing and have asked for State guidance and technical support. In response to that request, the State will engage in the provision technical assistance.

Strategy: Develop technical assistance opportunities for institutional providers interested in developing LTSS community services

- Define scope of technical assistance;
- Develop technical assistance materials;
- Host workshop for institutional providers;
- Develop individual technical assistance plans as needed for interested providers.

Metrics:

1. Participation of 5 administrators in technical assistance.

[10] Kaiser Family Foundation

Conclusions

The strategies identified within this plan for each of the key system elements represent important steps toward building a strong system of LTSS. Collectively, they will result in a redesigned service system that will afford individuals, even those with significant support needs, maximum choice and control over the type and location of their services. The State stands ready to make the very important efforts necessary to reconfigure the infrastructure as well as needed improvements to services and processes used within that framework.

Throughout the implementation of the strategic plan, Connecticut will continue to consider how the data, maps, and adopted strategies will affect supply and demand in the coming years. As the initiative unfolds, this information in conjunction with the experience of providers and local communities will be reviewed and analyzed to understand the interactions between the implemented programs, changes to the market (population, workforce, regulation, etc.) and provider experience. This view of the State's LTSS will continue to evolve as the variables change, but, with regular evaluation, they should provide an appropriate context for determining next steps in the process. Through the continued level of engagement and commitment of the State and the stakeholders, the goals of the initiative are achievable.