October 7, 2016

Connecticut Health Care Cabinet

Re: AARP Comments to Bailit Health Care Reform Proposal

Dear Cabinet Members:

On behalf of approximately 612,000 AARP members in Connecticut, we appreciate the opportunity to comment on a health care reform proposal as developed by Bailit Health Care, in particular on the potential impact that some aspects of the proposal might have on Medicaid beneficiaries.

AARP recognizes that for many Americans, and especially for low income consumers, health care is uncoordinated, quality is uneven, and difficult to access. All consumers stand to benefit if innovative approaches are found to improve the quality and affordability of care. Providers, purchasers, government, and consumers all have a role to play. Design of the delivery system, health benefits, and provider reimbursement can potentially contribute to improving health care quality and efficiency while eliminating waste and inappropriate care. To achieve cost containment over the long term, government and the private sector will need to invest in an infrastructure to support quality improvement and cost containment through solid evidence, tools to broadly assess performance, adoption of effective health information technology, and aligning payment incentives with quality and reduced costs. Incentives to providers should focus on quality outcomes, and not incentivize rationing of care.

Any efforts at coordination and integration in Connecticut should primarily ensure that all care is person-focused. Person-centered care is customized, individualized care that encompasses compassion, empathy, and responsiveness to the individual's expressed preferences. The individual is a full partner in all decisions, and steps are taken to ensure that her (and her caregiver's) needs, desires, circumstances, and values are addressed and honored.

We also believe that any effort to implement any new health care delivery and payment model should build itself on programs and services that have proved to be successful in improving health outcomes for consumers. One such example is the existing Medicaid PCMH care coordination value-based payment program that already covers about 40% of Medicaid enrollees and does not involve downside risk. We believe Connecticut should seriously consider applying the PCMH program to other payers.

AARP also strongly supports the Bailit plan's recommendation to integrate Long Term Services and Supports (LTSS) into its care model. We believe expanding access to LTSS has demonstrated greater satisfaction for consumers to be able to live independently in the community as well as realizing cost savings. In a 2013 report, "State Studies Find Home and Community-Based Services to Be Cost Effective", AARP collected state studies that evaluated the cost effectiveness of Home and Community Based Services (HCBS), the studies consistently showed lower average costs per individual for HCBS compared to institutional care. In California, for example, spending on nursing home care per person was three times higher than for HCBS—$32,406 for nursing facility care

versus $9,129 for HCBS in 2008. In Nevada, the monthly average number of older adults who opted for HCBS waivers grew 58 percent from 2001 to 2007, while the nursing home caseload decreased 8.5 percent.

However, we do have two very serious concerns with the Bailit report. The first of these concerns is the significant payment changes that would be introduced into the Medicaid program. Specifically, the main payment reform element of this plan is the implementation of a model of “downside risk” where providers would assume financial risk.

While AARP supports the prospect of cost savings and a more efficient health care delivery system, we also believe an inherent danger of such a provider risk model would be the incentive some providers will have to curtail, delay or even withhold the medical and support services Medicaid beneficiaries rely on. These possible outcomes give us grave concern that health care consumers, in particular vulnerable, at-risk Medicaid recipients will be harmed by not receiving the care and services they need. We agree that identifying savings in the delivery of health care is a laudable goal, however reaching that goal should not come at the expense of withholding or reducing treatment and services. We urge you to consider delaying the implementation of this plan until more data is collected on how this model will provide and maintain adequate consumer protections.

Of equally great concern with the Bailit plan is a recommendation to establish a cap on the Medicaid program’s cost growth. Under the Bailit plan, such a cap could not be implemented without imposing financial risk on providers. As noted above, such a “downside risk” model would very likely mean that some providers would have to curtail, delay or even withhold medical and support services. The potential for harm to Medicaid beneficiaries under a provider risk model cannot be underestimated.

AARP believes that Connecticut, as all state governments, should maintain the guarantee that all who qualify for Medicaid will be covered and that the entitlement nature of Medicaid funding is not threatened or compromised. A global cap or block grant method of Medicaid funding raises the danger of placing hard limitations on the availability of funding regardless of changes in enrollment, service costs, or service utilization. We urge you and other Connecticut State officials to proceed with caution in moving forward with this proposed model.

We are open to meeting with you to discuss our concerns in more detail and look forward to working collaboratively with you on a proposal that meets the laudable goals of improved health care delivery, better outcomes, and robust consumer protections for Medicaid beneficiaries.

Sincerely,

Nora Duncan
AARP
Connecticut State Director