Medi-Cal Explained FACT SHEET

Long-Term Services and Supports in Medi-Cal

Authors: Athena Chapman and Elizabeth Evenson

Introduction

Millions of Californians covered by Medi-Cal are living with disabling conditions or chronic illnesses and require assistance with common activities of daily living, such as bathing, dressing, and eating.[1] In California, a patchwork of programs provide services to help these people. Collectively, these are known as long-term services and supports (LTSS). LTSS benefits are financed using a combination of federal, state, and local funds.

Oversight of LTSS in Medi-Cal

Since the 1950s, California has worked with the federal government to jointly fund and provide oversight of LTSS. The delivery of LTSS has evolved into a fragmented benefit that requires coordination across the California Health and Human Services Agency (CHHS). The delegation of oversight and administration of LTSS benefits to various departments under CHHS has resulted in a delivery system that is complicated for providers, payers, caregivers, and enrollees to navigate.

The Department of Health Care Services (DHCS) administers the Medi-Cal program and retains oversight responsibility for Medi-Cal LTSS benefits even when some functions or administration of a specific LTSS program is delegated to another CHHS department. CHHS also oversees the Olmstead Advisory Committee, established in 2005, and created in response to a 1999 US Supreme Court decision, which found that states must provide community-based alternatives to institutional placement for individuals with disabilities.[2] The role of the Olmstead Advisory Committee is to ensure that people with disabilities and other stakeholders are involved in developing recommendations on policies and actions to improve California's long-term care system.

LTSS Benefits Covered by Medi-Cal

LTSS benefits available to Medi-Cal enrollees include care in an institutional setting, such as a nursing home or assisted living facility, where the enrollee resides full-time and receives care. LTSS can also be provided in community settings, like an individual's home or a community site where medical services are coordinated with social services and supports.

Regardless of the setting, Medi-Cal enrollees who qualify are entitled to receive the following LTSS benefits, as defined in the Medi-Cal Comprehensive Benefits Chart[3]:

- Skilled Nursing Facility Services
- Personal Care Services
- Self-Directed Personal Assistance Services
- Community First Choice Option (In-Home Supportive Services)
- Home and Community-Based Services

Table 1. Medi-Cal LTSS Programs

Program	Responsible Entity	Eligibility Criteria	Enrollment
AIDS Waiver	Department of Public Health	▪ Written diagnosis of HIV/AIDS ▪ Health status appropriate for home care ▪ Meets the nursing facility level of care or higher	1,500* participants were served by 20 providers across 26 counties[4]
Assisted Living Waiver	Department of Health Care Services (DHCS)	▪ Age 21 or older ▪ Qualifies for nursing facility level of care but able to reside in a lower-level care setting	4,685 enrollees across 15 counties[5]
California Community Transitions Program (Money Follows the Person)	DHCS	▪ Has resided in a hospital or nursing facility for at least 90 days ▪ Continues to require the level of care provided in an institution ▪ Desires to leave the institution and live in the community[6]	4,282 enrollees transitioned from 2008 - 2018[7]
Community-Based Adult Services	Department of Aging (CDA)	▪ Meets or exceeds nursing facility level of care or: • Diagnosed brain injury and/or chronic mental disorder • Moderate or severe cognitive disorder • Mild cognitive disorder requiring assistance • Developmental disability[8]	38,304 enrollees across 27 counties[9]
Health Homes Program	DHCS	▪ Meets chronic condition criteria ▪ Meets acuity/complexity criteria	14,300 enrollees across 12 counties[10]
Home and Community-Based Alternatives	DHCS	▪ Qualifies for nursing facility level of care ▪ Lives in a hospital or nursing facility or is at risk of institutionalization within 30 days ▪ Can safely receive required care in the home or setting of choice	4,688 enrollees across 51 participating counties[11]
Home and Community-Based Services for the Developmentally Disabled	Department of Developmental Services	▪ Qualifies for nursing facility level of care ▪ Developmentally disabled ▪ Regional Center consumer†	By December 31, 2022, up to 150,000 individuals are projected to be served by 21 regional centers throughout the state[12]
In-Home Supportive Services	Department of Social Services	▪ Be age 65 and older *or* ▪ Disabled *or* ▪ Blind *and* ▪ Live at home or a residence of their own choosing	630,792 recipients received services from 570,404 providers across the state.[13]
Multipurpose Senior Services Program (MSSP)	CDA	▪ Age 65 and older ▪ Qualifies for nursing facility level of care ▪ Can be served within MSSP's cost limitations	10,464 enrollees across 46 counties where the waiver services are available[14]
Program of All-Inclusive Care for the Elderly	DHCS	▪ Age 55 and older ▪ Resides in a PACE service area ▪ Qualifies for nursing facility level of care ▪ Able to live safely in their home or community at the time of enrollment	Average of 9,816 enrollees per month[15] across 15 counties
Whole Person Care Pilots	DHCS	▪ High-risk/high utilizer‡ as defined by individual pilots	161,231 enrollees[16] across 28 counties[17]

*Most recent publicly available data from 2016

†*Regional centers* are community-based, nonprofit agencies that serve individuals with developmental disabilities

‡*High-risk/high utilizer* groups include enrollees who have prevalence of multiple complex chronic conditions and have frequent and often costly medical needs, and individual waivers and pilots have distinct criteria to distinguish a target population

Additional LTSS benefits that are available through various federal Medicaid waivers include, but are not limited to:

- Case management — services that help enrollees gain access to needed medical, social, educational, and other services
- Community transition services — coordinating and locating affordable housing, securing adaptive equipment, interviewing and hiring a care provider (if needed), creating a plan to return to community-living
- Private duty nursing — one-on-one nursing care for individual enrollees
- Family training — education of family members or other caregivers on how to provide care and resources to support caregivers
- Home health aides — health care workers who provide personal care and light household duties to enrollees in their own home
- Life-sustaining utility reimbursement — reimbursement of utility bills to ensure an enrollee maintains water or power service
- Habilitation services — services and devices that assist an individual in partially or fully acquiring or improving skills and functioning to the maximum extent practical
- Respite care — short-term care of enrollees as relief to the primary caregiver

However, most of these waiver programs are not available statewide, and each program has distinct eligibility criteria and benefits. Therefore, Medi-Cal members with LTSS needs may have inconsistent access to the services made available through the waiver programs. Table 1 (on page 2) provides an overview of the various Medi-Cal LTSS programs, identifies the department responsible for administering the program, outlines the enrollee eligibility criteria, and summarizes the current geographic scope and enrollment.

The LTSS Delivery System

While Medi-Cal has transitioned over the past several years away from fee-for-service (FFS) for physical health care to a mostly managed care model, the role of Medi-Cal Managed Care Plans (MCPs) in LTSS delivery is generally limited to requirements to refer to and coordinate care for enrollees.[18] However, when MCP enrollees require Medi-Cal-covered institutional long-term care, MCPs are responsible for coverage for the month of admission and the following month.

Certain MCPs, including those in the County Organized Health System model and those participating in the Coordinated Care Initiative (CCI), which was part of a demonstration in seven counties,[19] maintain full financial responsibility for the institutional long-term care benefit for the entirety of an enrollee's stay in a facility. Under the CCI, a Managed Long-Term Services and Supports (MLTSS) benefit was established, and the MCPs in those counties were made responsible for integrating and coordinating LTSS for all Medi-Cal enrollees eligible for these services. The CCI was the first time California had implemented an MLTSS benefit on a large scale. However, attempts at true integration of MLTSS were not successful, and most LTSS benefits (including In-Home Supportive Services and the Multipurpose Senior Services Program) remain carved out of the MCP benefit with the requirement that MCPs refer to and coordinate these services.

Under Medi-Cal there are a variety of LTSS provider types, which can include licensed and certified Home Health Agencies, individually licensed Home and Community-Based Services Waiver providers, and nurse aides or personal attendants in the home (such as In-Home Supportive Services workers). There are also unlicensed, and often unpaid, caregivers that provide LTSS to friends and family members to help with unmet needs and additional care that is not otherwise provided to Medi-Cal enrollees. Additionally, the social services and supports that are coordinated under community-based LTSS can be provided by community-based organizations and other local social service providers. This complex network means that Medi-Cal enrollees may encounter various types of providers in any given location, and this may include access to non-traditional provider types (such as Meals on Wheels or social workers). The varying provider types and facilities make quantifying the entire LTSS workforce across Medi-Cal difficult. Available state LTSS data are summarized in the box on page 4.

LTSS Delivery System Snapshot

- Over 535,000 enrolled In-Home Supportive Services providers
- 23 Program of All-Inclusive Care for the Elderly sites
- 262 Community-Based Adult Services/Adult Day Health Care Centers
- 56 Multipurpose Senior Services Program sites
- 21 Regional Centers
- 380 Assisted Living Facilities (total includes 11 mental health facilities and 2 traumatic brain injury facilities)
- 1,140 certified skilled nursing facilities that accept Medi-Cal[20]
- 63 Independent Living Centers*[21]

*Independent Living Centers serve people with any disability in a local community. They are designed and operated by a majority of people with disabilities.

LTSS Expenditures

Medicaid is the primary payer of LTSS in the US. In California, services are paid through a mix of state, federal, and local funding. Skilled nursing facility spending in Medi-Cal is estimated at around $5 billion total funds,[22] covering about 78,000 Medi-Cal enrollees.[23] The Medi-Cal FFS program spending on long-term care by category is provided in Table 2.

As previously discussed, most of these expenditures come from the FFS delivery system and waiver programs that are not part of the Medi-Cal Managed Care benefit, and therefore the costs to the MCPs are not included in this analysis. Advocates have been pursuing better understanding of the utilization and costs of LTSS not only under managed care, but also system-wide. However, obtaining this information has been complicated by benefit carve-outs, retroactive payment adjustments, supplemental provider payments, and lack of specific and consistent data on what services are being provided across the continuum of care. Adding to the complexities of accurately calculating the costs to deliver LTSS is the inability to capture services that are not directly reimbursed by Medi-Cal or MCPs, such as those provided by community-based organizations (CBOs), family members, friends, and other uncompensated caregivers.

Table 2. Distribution of Medi-Cal FFS Spending on Long-Term Care[24]

Type of Long-Term Care*	Expenditure (in fiscal year 2018)
Nursing facilities	$2,449,859,404
ICF-ID	$743,481,449
Mental health facilities	$676,197,984
Home health and personal care	$12,392,705,186
Total	$16,262,244,023

**ICF-ID* means intermediate care facility for the intellectually disabled. *Mental health facilities* include inpatient psychiatric services for individuals aged 21 and under, and other mental health facilities for people aged 65 and older. Home health and personal care includes standard home health services, personal care, home and community-based care for the functionally disabled elderly, and services provided under Home and Community-Based Services Waivers.

What Are the Ongoing LTSS Challenges in Medi-Cal?

- **Improvements to Care Coordination.** Providing LTSS involves the coordination of both medical and social services across several state agencies, the counties, and the federal government. It may also include the enrollee's MCP, local social services and supports, and CBOs. The degree of coordination required varies according to an individual's needs and the LTSS program(s) that serve them.
- **LTSS Networks.** LTSS networks by design include a wide variety of provider types that range from institutional long-term care facilities with complex systems and regulations to small CBOs with little infrastructure and regulation but strong ties to the community and the population being served. To develop a robust network requires access to this continuum of service providers. Integrating the social services model with the medical model and translating it into a formal LTSS network requires thoughtful policy discussions on program design. It also requires the development of a regulatory structure that is flexible enough to acknowledge the role of nontraditional provider types, provides adequate access to both medical and social services, and maintains appropriate oversight of the care being delivered.

- **Ensuring Quality of Care.** There are very few state or national quality indicators that are linked directly to the delivery of LTSS. The Healthcare Effectiveness Data and Information Set (HEDIS), which is widely used to measure quality in health care systems, has recently developed four LTSS quality measures (LTSS Comprehensive Assessment and Update, LTSS Comprehensive Care Plan and Update, LTSS Shared Care Plan with Primary Care Provider, and LTSS Reassessment/Care Plan Update After Inpatient Discharge),[25] but they are not yet widely used. Due to the complexities around care delivery, developing a nationally accepted standard for what and how to report LTSS data, and measuring the quality of any data that could be collected, continues to be a challenge for state and federal regulators.
- **Addressing Disparities and Cultural Competency.** To meet the needs of California's diverse population, cultural barriers and aversions to LTSS delivery must be acknowledged and understood when designing programs. Having access to culturally competent providers that speak the language and understand the local community needs, along with setting realistic expectations for the use of services, can help identify strategies and best practices for culturally appropriate community outreach to reduce barriers to access. Additionally, the government and MCPs have access to data that can identify disparities in service use, access, and outcomes, which could be used to develop and implement policies to address these inequities.

Future Medi-Cal LTSS Initiatives Envisioned Under California Advancing and Innovating Medi-Cal (CalAIM)*

- **In-Lieu-of Services** (ILOS) are flexible wraparound services that address combined medical and social determinants of health needs. These services would serve as a substitute for — or as a way to avoid — unnecessary higher levels of care, such as care in an institution or facility like a nursing home. Examples of in-lieu-of services include home and community-based wraparound services for enrollees to transition to, or reside safely in, their home or community, housing transition and sustaining services, recuperative care, respite care, and sobering centers. Under ILOS, MCPs can be reimbursed for a concrete list of alternative services that increase access to LTSS and are estimated to decrease costs over time.
- **Enhanced Care Management** is a proposed new statewide benefit that would provide clinical and nonclinical services in a whole-person approach to Medi-Cal members with the most complex needs. The benefit would replace the current Health Homes Program and Whole Person Care pilots and be administered by MCPs.
- **Carve-in of the institutional long-term care benefit statewide** would place MCPs at financial risk for the cost of institutional care. At present, only certain plans cover this benefit. The carve-in is intended to create an incentive for all MCPs to maintain care in the community and increase access to community-based LTSS.
- **Dual Eligible Special Needs Plans** (D-SNPs) are specialized Medicare Advantage plans for people who are eligible for both Medi-Cal and Medicare. MCPs would be required to offer the D-SNP as an option for all people enrolled in their Medi-Cal products who are also eligible for Medicare. This is the proposed system to transition enrollees currently in the Cal MediConnect (CMC) program into an integrated system of care when the financial alignment demonstration ends.

*DHCS has delayed implementation of CalAIM due to COVID-19.

Note: See DHCS CalAIM website for more details.

What Are the Emerging LTSS Policy Opportunities in Medi-Cal?

California's policymakers have recognized the challenges in providing high-quality LTSS benefits that are cost-effective and accessible statewide. As part of efforts to reduce program silos and increase access to coordinated care for older adults and those with disabilities, several initiatives are underway:

- **Master Plan for Aging.** California Governor Gavin Newsom has called for the development of a Master Plan for Aging, which is intended to serve as a road map for the state, local communities and counties, private organizations, and philanthropy to collectively build an age- and disability-friendly California. The Master Plan for Aging's LTSS Subcommittee issued a report on May 26, 2020,[26] which examines the current system that serves older adults, people with disabilities, their families, and their caregivers and offers concrete suggestions to build a strong foundation to create a person-centered LTSS

system. The findings from this report will be integrated into the larger Master Plan for Aging road map. There is also an Equity Workgroup, which will advise the Master Plan for Aging Committee on how to ensure that the final Master Plan for Aging is inclusive and reflects the demographics of the aging and disabled population.

- **Future Medi-Cal LTSS Initiatives.** While the ambitious multiyear initiative California Advancing and Innovating Medi-Cal (CalAIM)[27] has been put on hold for 2020, it is expected that many, if not all, of the initiatives will be pursued by DHCS at a future date. See box on page 5 for details on the components specific to the LTSS delivery system and on the DHCS stakeholder website.[28]
- **COVID-19 Impacts to LTSS Programs and Policies.** The COVID-19 pandemic has disproportionately impacted communities of color and individuals in nursing homes and other congregate living facilities. As a result, DHCS and the federal government have implemented several policies that allow for flexibilities[29] so that people are not sent to nursing facilities. It is widely anticipated that some of these changes will become best practices, and advocacy to maintain these benefits has already begun as providers and patients see value in having these options available on an ongoing basis.
- **Expansion of PACE in California.** Over the past several years, changes in state and federal policy have allowed for the expansion of the Program of All-Inclusive Care for the Elderly (PACE). In July 2020 three additional PACE programs were launched in California.[30] Because the PACE model of care provides a comprehensive medical and social service delivery system to help vulnerable adults live safely in the home or community, PACE expansion will continue to increase access to integrated LTSS options in California.

Acknowledgments

Athena Chapman, MPP, is president and Elizabeth Evenson is policy director at Chapman Consulting, which provides strategic planning, meeting facilitation, organizational support, market research, and regulatory and statutory analysis to organizations in the health care field.

www.chapmanconsult.com

Medi-Cal Explained is an ongoing series on Medi-Cal for those who are new to the program, as well as those who need a refresher. To see other publications in this series, visit www.chcf.org/MC-explained.

Endnotes

1. S. Katz, "Assessing Self-Maintenance: Activities of Daily Living, Mobility, and Instrumental Activities of Daily Living," *J Am Geriatr Soc* 31, no. 12 (December 1983): 721-727, doi:10.1111/j.1532-5415.1983.tb03391.x.
2. The Scan Foundation, *Implementing Olmstead in California,* Long-Term Care Fundamentals Technical Brief Series No. 5, January 2011.
3. Department of Health Care Services, *Medi-Cal Provides a Comprehensive Set of Health Benefits That May Be Accessed as Medically Necessary,* January 2020.
4. California Department of Public Health, Office of AIDS, HIV Care Branch, *Medi-Cal Waiver Program Providers,* revised June 2018.
5. Department of Health Care Services, Integrated Systems of Care Division, *Home and Community-Based Alternatives Waiver (HCBA) Monthly Dashboard: August 2019–March 2020,* accessed July 20, 2020.
6. Department of Health Care Services *CCT 2017 - 2019 Contract*.
7. Department of Health Care Services, *Money Follows the Person Rebalancing Demonstration California Community Transitions Operational Protocol 1.5,* updated February 2017.
8. Centers for Medicare & Medicaid Services, *Special Terms and Conditions: California Medi-Cal 2020 Demonstration,* page 23, accessed July 20, 2020.
9. California Department of Aging Community-Based Adult Services (CBAS) Program Statistical Fact Sheet, February 2020.
10. Julia Smith et al., *California's Health Homes Program: Lessons Learned and Promising Practices,* Harbage Consulting and Department of Health Care Services, February 2020.
11. Department of Health Care Services, Integrated Systems of Care Division, *Home and Community-Based Alternatives Waiver (HCBA) Monthly Dashboard: August 2019–March 2020,* accessed July 20, 2020.
12. Approved 1915(c) HCBS Waiver Amendment, April 1, 2020.
13. California Department of Social Services, *In-Home Supportive Services (IHSS) Program Data* (downloadable Excel file), July 2020.
14. California Department of Aging, *Multipurpose Senior Services Program (MSSP) Program Statistical Fact Sheet,* last refresh March 2020.
15. Department of Health Care Services, *Medi-Cal May 2020 Local Assistance Estimate for Fiscal Years 2019-20 and 2020-21*, last refresh May 11, 2020.
16. Department of Health Care Services, *Whole Person Care (WPC) Monthly Cumulative Unique Enrollees Report by Lead Entity,* January 2019 to December 2019, accessed July 20, 2020.
17. Department of Health Care Services, *California Whole Person Care Pilot Applications,* updated February 2019.
18. Department of Health Care Services, *All Plan Letter 17-012: Care Coordination Requirements for Managed Long-Term Services and Supports,* July 11, 2017.
19. Department of Health Care Services, "Coordinated Care Initiative Overview," last modified June 16, 2020.
20. Medicare.gov, "Nursing Home Compare" (search results for nursing homes in California that accept Medicaid), accessed July 20, 2020.
21. California State Independent Living Council, "California Independent Living Centers," accessed July 20, 2020.
22. Legislative Analyst's Office, *The 2020-21 Budget: Analysis of the Medi-Cal Budget,* February 14, 2020.
23. Department of Health Care Services, *2019-20 Freestanding Nursing Facility Level B Cost Build Up* (downloadable Excel file), accessed July 20, 2020.
24. Kaiser Family Foundation, "Distribution of Fee-for-Service Medicaid Spending on Long Term Care," accessed July 20, 2020.
25. National Committee for Quality Assurance, *HEDIS 2019 Technical Specifications for Long-Term Services and Supports Measures* (Washington, DC: NCQA, 2018), 20–39 (epub).
26. California Health and Human Services Agency, *Master Plan for Aging's Long Term Services and Supports Subcommittee Stakeholder Report,* May 2020.
27. Department of Health Care Services, "California Advancing and Innovating Med-Cal," last modified April 30, 2020.
28. Department of Health Care Services, "California Advancing and Innovating Med-Cal," last modified April 30, 2020.
29. Department of Health Care Services, "DHCS COVID-19 Response," last modified June 1, 2020.
30. Department of Health Care Services, *Stakeholder Communication Update,* June 2020.