

National MLTSS Health Plan Association

July 11, 2017

The Honorable Mitch McConnell
Majority Leader
United States Senate
S-230 Capitol Building
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
S-221 Capitol Building
Washington, DC 20510

Re: An Opportunity for Better Results in Medicaid

Dear Leaders McConnell and Schumer:

As an Association of the health plans that contract with States to manage their Medicaid long-term services and supports (LTSS) for older adults and persons with disabilities, we are writing to urge you to pursue reforms in the Medicaid program that can improve outcomes for LTSS participants as well as achieve substantial savings in the Medicaid and Medicare programs.

Any major change in Medicaid, no matter how well-intentioned, is a scary proposition for the nearly 4 million Americans with functional limitations who depend on Medicaid for the help they need to perform simple activities of daily living (e.g., bathing, dressing, toileting, etc). Today, most of them are able to remain in their own homes and communities because of the assistance they receive from Medicaid. Half of Medicaid's 4 million long-term services and supports (LTSS) recipients are older Americans, but another half are people under age 65 with intellectual, developmental, physical or other lifelong disabilities. The assistance they receive with daily living through Medicaid enables them to remain independent, engaged, and in some cases working.

Reductions in federal Medicaid spending affecting LTSS recipients proposed in the House and Senate health reform bills could lead to a substantial curtailment in the services and supports they depend on, particularly for those who want to remain in their home or community. The American Health Care Act, passed by the House would reduce federal Medicaid spending by as much as 25 percent over the next 10 years. The Senate bill would

make even deeper cuts. While seniors and persons with disabilities receiving LTSS are a small portion of the enrolled Medicaid population (6 percent), they account for a large part of Medicaid's total spending (43 percent). It is difficult to imagine how reductions in Medicaid spending would not affect services for this population.

Medicaid reform does not have to lead only to cuts in eligibility and services. As health plans who contract with state Medicaid agencies to manage LTSS for a fixed per capita amount (or capitation), we know it is possible, through better management and coordination of LTSS, to avoid unnecessary and expensive emergency room (ER) visits, hospital admissions, re-admissions, and institutional stays. Significant investments in managing home and community-based services could yield substantial health care savings. This would not only help moderate the growth in Medicaid spending, but, for the many "dual" beneficiaries whose LTSS comes from Medicaid and health care from Medicare, lower Medicare spending as well.

Federal policy should enable states to combine Medicare health care resources with Medicaid LTSS resources and partner with health plans to improve outcomes and reduce medical expenses for LTSS recipients. Despite the potential for integrated plans to reduce medical costs for these individuals, only 22 states today provide managed LTSS (MLTSS) or integrated care. Serious efforts to reform Medicaid should encourage more states to adopt MLTSS and more-integrated approaches to care across Medicaid and Medicare.

Without addressing the underlying interplay of Medicare and Medicaid, capping and reducing federal Medicaid spending and giving states complete autonomy in how to spend those reduced Medicaid dollars will not yield better results for seniors and persons with disabilities who rely on LTSS. It will only shift the growing financial burden of LTSS for an aging Baby Boom to increasingly cash-strapped states. The Senate should instead take this rare reform opportunity to achieve Medicaid – and Medicare -- savings by advancing more coordinated and integrated services for these individuals.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Lawrence Atkins". The signature is fluid and cursive, with a large initial "G" and "A".

G. Lawrence Atkins
Executive Director