

Grantee Name: San Diego Health & Human Services, AIS, LTCI

Grant Number: 00-02-25777

Time Period Covered: January 1, 2003 through June 30, 2003

## **Final Report Development Grant 2002/2003**

### **SUMMARY**

State grant funds were approved for hiring three contractors (lead, health plan and actuary consultants) to develop the LTCIP Health Plan Pilots Strategy, a fully integrated long term care strategy that involves assessing financial feasibility and the interest, readiness and capability of Healthy San Diego (HSD) health plans in participating in a small pilot with its voluntarily enrolled aged, blind and disabled beneficiaries. Contracts were awarded to Dr. Mark Meiners, National Director, Robert Wood Johnson Medicare/Medicaid Integration Program, private consultants, Charles Birmingham and Karin Kalk, and David Ogden of Milliman USA.

The consultant team's deliverable is a final report that includes recommendations for developing operating and financing models that best support the LTCIP vision of an integrated system of health, social and supportive services for elderly and disabled individuals based on the Healthy San Diego expansion (HSD Plus) delivery model. The due date for the consultant team's final report (originally June 30, 2003) was pushed back to July 31, 2003 to allow time for the consultants to collect and analyze additional data and to make modifications and changes to its final report. Due to this extension, LTCIP staff received State Office of Long Term Care (OLTC) approval to submit an Interim Final Report for this grant period, which was forwarded on June 25, 2003. Given this extension, this FY 2002-03 Development Grant Final Report reflects LTCIP consultant team activity through July 31, 2003 and includes the consultant team's final report (see attached document, "San Diego Long Term Care Integration Preliminary Feasibility Analysis).

The consultant team held kick-off meetings in April with the LTCIP Planning Committee, OLTC, and Health Plan Workgroup. The USC/UCLA Long Term Care Integration Data Center also presented to the consultant team on high cost long term care users. Throughout this grant period, the team worked closely with the Center to obtain the necessary claims data for actuarial analysis regarding San Diego's aged, blind and disabled Medicare and/or Medi-Cal beneficiaries. The consultant team also interviewed key staff from five HSD health plans, as well as Evercare, to determine unique operating network requirements for building infrastructure and to assess their cost and utilization data. Additionally, the team held periodic meetings and weekly conference calls to discuss findings from the interviews, data analyses and other details related the project.

The consultant team's final report was completed in July and includes data summaries, integrated care scenarios and recommendations for decision-making on populations and services to be included in integrated care programs; the potential "phasing in" of populations and services; potential capitation methodologies for the integration of acute and long term care services for the aged and disabled; and potential capitation service allocations and risk sharing approaches. This report will be used to prepare the Scope

(Attach additional pages as required.)

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of Work for the final actuarial RFP and will provide valuable insight and assistance in developing a local administrative action plan for LTCIP.

Representatives from all HSD health plans were invited to attend a meeting with the consultant team on July 17, 2003 to discuss the final report; all health plans were represented, excluding Blue Cross and UCSD. Follow-up meetings have been scheduled with four HSD health plans (Sharp, Community Health Group, Universal Care and HealthNet) interested in continuing discussions and planning next steps for the Health Plans Pilots Strategy. (UCSD is currently in negotiation with Community Health Group (CHG) for CHG to assume responsibility for UCSD's health plan members as of January 2004.)

During this grant period, LTCIP also continued stakeholder participation and involvement in planning and development activity. Continued regular meetings during the year have provided additional information on:

- Oregon's LTC and mandatory Medicaid Managed Care link;
- Texas StarPlus' success in increasing home and community-based services by 30%;
- Local managed fee-for-service models at Sharp Senior Health Center and the Inland Health Cooperative (based on "mobile docs");
- The High Cost User Presentation by USC California LTC Integration Center staff; and
- Introduction to and discussion with the consultant team on developing a proposed model for LTCIP within Healthy San Diego, resulting in stakeholders requesting to be involved in the process.

The Stakeholders Workgroup for Persons with Developmental Disabilities also continued to meet during this time and made recommendations to the Planning Committee to include persons with developmental disabilities in LTCIP pilots and to plan in conjunction with stakeholders when pilots are funded.

As directed by the Board of Supervisors, LTCIP also continued to plan and develop other strategies for long term care integration during this grant period, in addition to the fully integrated Health Plan Pilots Strategy. Stakeholders from the other two strategy sub-groups suggested by Dr. Meiners (Network of Care & Physician Strategy) voted to apply for foundation funding to further plan and develop these strategies.

An application to the California Endowment has been submitted to support the Physician Strategy. This strategy will provide voluntary patient management by primary care physicians across health and social services, including Medicare and Medi-Cal benefits, within the existing fee-for-service model. The model seeks to improve access to a full continuum of care, emphasizing prevention and stabilization at home, through better utilization of existing public and private resources. Physicians, consumers, caregivers and social and support service providers will be invited to participate in focus group meetings to identify community stakeholders willing to participate in this demonstration, to better understand the unique perspectives of each stakeholder group, and to help identify the resources needed to improve care across health funding

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sources and community-based support services. LTCIP staff is awaiting a response from the California Endowment.

LTCIP staff worked with the California Department of Aging and Del Norte County to complete a federal grant proposal for developing and implementing Aging and Disability Resource Centers in San Diego and Del Norte counties. Grant goals and several of the proposed interventions support the LTCIP Network of Care Strategy, which involves evaluating, improving and expanding Network of Care access, capabilities, and user-friendliness for long term care consumers, caregivers, health and social service providers and Aging & Independence Services (AIS) Call Center staff. The grant was submitted to the Administration on Aging on July 28, 2003; award announcements will be made in September.

In addition to facilitating and participating in LTCIP meetings, LTCIP staff continued with on-going research review and education regarding long term care integration. In March, staff presented to the California Legislative Committee on the need for long term care integration. Staff also attended the joint conference of the National Council on Aging and the American Society on Aging in Chicago as well as the Elders in Managed Care conference in Berkeley, CA.

LTCIP Planning Committee and Advisory Workgroup members as well as the Board of Supervisors voted to support the application and award of a second State Development Grant from the OLTC. LTCIP staff submitted an application for a FY 2003-04 Development Grant on April 11, 2003. In June, the OLTC awarded San Diego LTCIP its second Development Grant for the purpose of developing a detailed Administrative Action Plan (AAP) that, when implemented, will prepare San Diego to phase into a fully integrated LTC Integration model.

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Goal Number: 1	Goal: <b>Continue stakeholder participation in the planning and development of Long Term Care Integration (LTCI)</b>
Describe the key activities achieved during the reporting period. Be specific about what has been achieved.	
<p>A. Workgroups continue to provide input and decision-making regarding populations and programs to be included for final actuarial analysis.</p> <p>B. Stakeholders continue to be involved in consensus building toward full LTC Integration under Healthy San Diego expansion (HSD Plus) and other long-term care integration strategies.</p>	
Explain how each activity meets and supports the goal/objective. Explain how each activity leads to achieving that goal/objective. Be specific.	
<p>A. Allows for final parameters to be set for actuarial to frame cost analysis of integrated acute and LTCI.</p> <p>B. On-going stakeholder input to the decision-making process is critical to the continued progress and success in the planning and development of LTCI in San Diego.</p>	
Describe the measurable outcomes completed during the reporting period. Be specific.	
<ul style="list-style-type: none"><li>▪ FY 2002-03 State Development Grant funds were used to hire three expert consultants (lead, health plan and actuary) to develop the Health Plan Pilots Strategy, a fully integrated long term care strategy that involves assessing financial feasibility and the interest, readiness and capability of Healthy San Diego health plans in participating in a small pilot (see goal #2 for more detail).</li><li>▪ LTCIP Planning Committee and Advisory Workgroup members as well as the Board of Supervisors voted to support the application and award of a second State (FY 2003-04) Development Grant from the Office of Long Term Care for the purpose of developing a local administrative action plan for the fully integrated strategy.</li><li>▪ The County and LTCIP stakeholders support AB43 and its flexibility in allowing the state to contract with a LTC agency to do smaller, voluntary pilots.</li><li>▪ The Planning Committee, Health Plan Workgroup, Community Network Development Workgroup (CND) and the Stakeholders Group for Persons with Developmental Disabilities met to provide input and make recommendations regarding populations and programs to be included in LTCIP. Stakeholders also met with the consultant team to offer feedback and suggestions for the planning and development of the fully integrated strategy and were provided updates of LTCIP activity at monthly Planning Committee meetings. In addition, stakeholders continued to be educated on local, state and national developments related to long term care integration with presentations and updates on legislative activities and various long term care integration service delivery and care</li></ul>	

(Attach additional pages as required.)

management models.

- A majority of the LTCIP stakeholders voted to apply for foundation funding to further plan and develop the other long term care integration strategies suggested by Dr. Meiners. The Options Workgroups, its three strategy sub-group and the CND workgroup have suspended meetings until funding is procured and their involvement becomes necessary to flesh specifics of each option as funded.
- LTCIP staff has identified and applied for foundation funding for the Network of Care and Physician Strategies.

Evaluate each key activity and measurable outcome. Explain how these activities and outcomes are leading to achieving the proposed goals/objectives of the development grant.

- Consultant team activity (see goal #2).
- An application for a second Development Grant (FY 2003-04) was submitted on April 11, 2003 for the purpose of developing a local administrative action plan. The State Office of Long Term Care recently announced the award of a second Development Grant to the San Diego Long Term Care Integration Project.
- The Stakeholders Workgroup for Persons with Developmental Disabilities made recommendations to the Planning Committee to include persons with developmental disabilities in LTCIP pilots and to plan in conjunction with stakeholders when pilots are funded.
- California Endowment funds have been sought for the Physician Strategy, which will provide voluntary patient management by primary care physicians across health and social services, including Medicare and Medi-Cal benefits, within the existing fee-for-service model. Federal grant funding is being sought for the Network of Care Strategy through an Administration on Aging/Centers for Medicare and Medicaid grant for developing and implementing community-based Aging and Disability Resource Centers.

Explain what you have learned from the activity and how this will lead you to the full continuum of LTCI.

Stakeholders are still committed to the vision of full long term care integration. Because of the challenges that face such radical system change, San Diego is also engaged in parallel planning to develop smaller, incremental long term care integration strategies that, if implemented, will help San Diego progress toward this vision.

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Goal Number: 2	Goal: <b>Hire expert consultants for tasks related to the development of the Scope of Work to be included in the Final Actuarial Request for Proposal.</b>
Describe the key activities achieved during the reporting period. Be specific about what has been achieved.	
State grant funds were approved for hiring three contractors (lead, health plan and actuary consultant) to develop the Health Plan Pilots Strategy, a fully integrated long term care strategy that involves assessing financial feasibility and the interest, readiness and capability of Healthy San Diego health plans in participating in a small pilot involving voluntarily enrolled aged, blind and disabled beneficiaries. The product of the three consultants' contracts (due July 30, 2003) is a report that details recommendations for the final actuarial RFP. The final report recommends potential data summaries that best allow decision-making on populations and services to be included in integrated care programs; makes recommendations regarding the potential "phasing in" of populations and services; recommends potential capitation methodologies for the integration of acute and long term care services for the aged and disabled; and makes recommendations for potential capitation service allocations and risk sharing approaches.	
Explain how each activity meets and supports the goal/objective. Explain how each activity leads to achieving that goal/objective. Be specific.	
Consultant team activity will reduce the expenditures required for the actuarial study and will allow the County to have a rough start in developing an administrative action plan that includes potential phasing in of populations and services based on consultant recommendations.	
Describe the measurable outcomes completed during the reporting period. Be specific.	
The LTCIP consultant team interviewed five HSD plans as well as Evercare to further assess financial feasibility, current infrastructure and resources needed to plan and develop a fully integrated pilot in San Diego County. The consultants also analyzed Medicare and Medi-Cal claims data (1996 through 2000) from the USC/UCLA Long Term Care Integration Data Center for aged, blind and disabled beneficiaries living in San Diego County. The consultant team completed a final report, which includes recommendations for developing financing and operating models that will best serve to ensure the success of Healthy San Diego health plans in implementing LTCIP on a pilot basis that is replicable, scalable and can lead to improved LTC in San Diego.	
Evaluate each key activity and measurable outcome. Explain how these activities and outcomes are leading to achieving the proposed goals/objectives of the development grant.	

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The recommendations included in the final project deliverable will be used to prepare the Scope of Work for the final actuarial RFP and a local administrative action plan, which will help San Diego continue to progress towards full long term care integration.

Explain what you have learned from the activity and how this will lead you to the full continuum of LTCI.

LTCIP has made great progress due to the work and of the consultant team and the ongoing contributions and participation of project stakeholders. Consultant team activity has helped LTCIP better understand the most feasible place to start to develop a care management model across the health and social service continuum that will allow for integration of Medicare and Medi-Cal funding and services at full implementation under the Healthy San Diego model.

### **BUDGET NARRATIVE**

LTCIP staff received approval from both the State and the County for a spending plan regarding the State's \$150,000 Development Grant. LTCIP used the grant funds in the 3<sup>rd</sup> and 4<sup>th</sup> quarters to hire a lead consultant, health plan consultant and actuarial consultant with experience in helping other large counties and states progress towards the integration of health and social services for aged and disabled individuals eligible to Medicaid and/or Medicare. Fiscal attachments for this consultant work are included with this Final Report.

As displayed on the attached Monthly Expenditure Reports for this period, LTCIP staff also continued to track time and expenditures for County only activity and State Development Grant matching fund activity.