



LONG-TERM SERVICES AND SUPPORTS IN NEW HAMPSHIRE: MEDICAID FUNDING FOR OLDER ADULTS AND ADULTS WITH PHYSICAL DISABILITIES

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NHFPI REPORT EXAMINING KEY MEDICAID SERVICES IN NEW HAMPSHIRE

- *Long-Term Services and Supports in New Hampshire: A Review of the State's Medicaid Funding for Older Adults and Adults with Physical Disabilities*
- Published online at www.nhfpi.org
- Designed to serve as an overview of Medicaid-funded long-term services and supports in New Hampshire, examine investments in both home and community-based services and institutional care, and enhance understanding of the challenges facing these Medicaid services
- Focused on older adults and adults with physical disabilities; some findings may also be relevant to services for individuals with developmental disabilities or acquired brain disorders

LONG-TERM SERVICES AND SUPPORTS (LTSS) AND MEDICAID FUNDING IN NEW HAMPSHIRE

TWO KEY FORMS OF MEDICAID LTSS

Institutional Care from Nursing Facilities

- Funded through “traditional” Medicaid
- Provides 24-hour care for key purposes, including monitoring, restorative nursing or rehabilitative care, certain medication administration requirements, or assistance with certain daily activities

Home and Community-Based Services (HCBS)

- For older adults and adults with physical disabilities, provided through a Medicaid waiver program named Choices for Independence (CFI)
- Provided to eligible adults who are also clinically in need of care at the level provided in a nursing facility
- Other Medicaid waivers for individuals with intellectual or developmental disabilities and acquired brain disorders

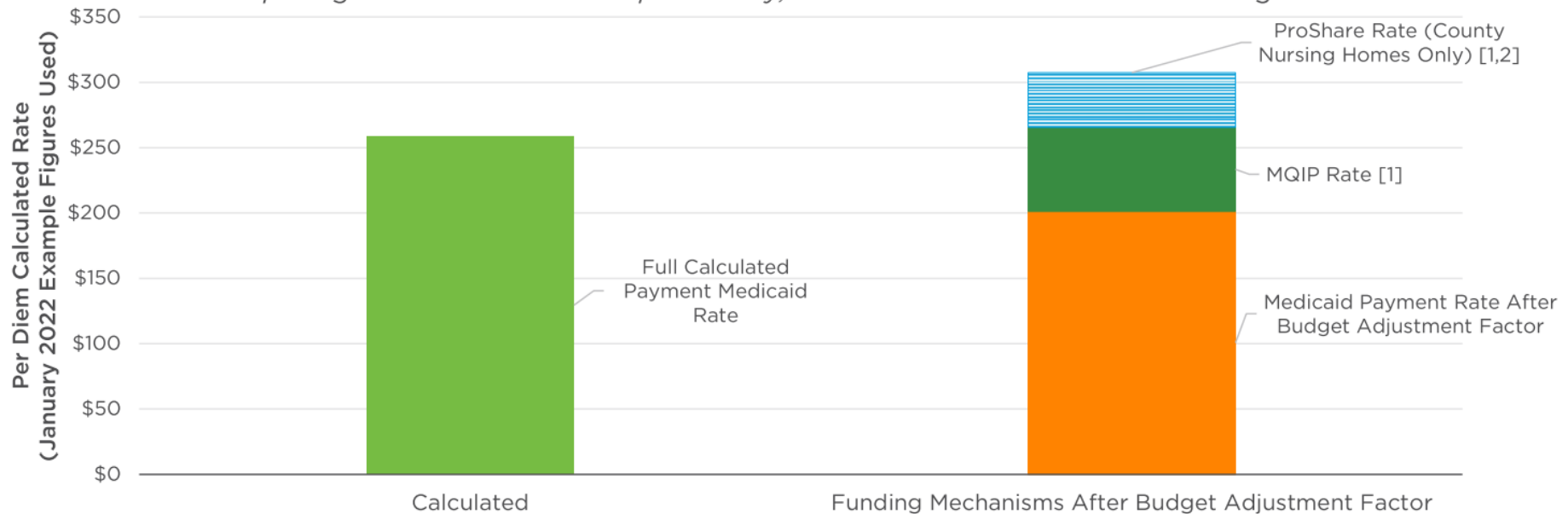
FUNDING FOR NURSING FACILITIES

- Funding calculated based on cost reports, accounting for patient enrollment and acuity
- Key cost components, including certain facility and capital costs, accounted for in per diem reimbursements specifically for each facility, with regular updates to patient acuity data
- U.S. Centers for Medicare and Medicaid Services (CMS) calculates the CMS Market Basket for Skilled Nursing Facility input costs, used for inflation adjustment estimates
- Appropriations reduced by a budget adjustment factor, 23.62 percent reduction from calculated costs in State rule
- Budget adjustment factor offset by other payments, including Medicaid Quality Incentive Payment (MQIP) and, for county nursing homes, Proportionate Share Payments (ProShare)
- Both MQIP and ProShare paid in part by nursing facilities, with matching federal Medicaid funds increasing total amounts paid

EXAMPLE OF NH MEDICAID FUNDING STRUCTURE FOR NURSING FACILITIES

NEW HAMPSHIRE CALCULATED AND ACTUAL STATE FUNDING MECHANISMS FOR NURSING FACILITIES

Example Figures for Illustrative Purposes Only, Includes Funds Sourced from Nursing Facilities



Funding Calculations and Combined Mechanisms

Notes: [1] MQIP and ProShare are funded in part by nursing facilities that support matching federal Medicaid funds.

[2] ProShare rates based in part on certified costs, rather than a per diem rate. This graphical representation is based on a historical relationship between total MQIP and ProShare funding and available MQIP per diem rates.

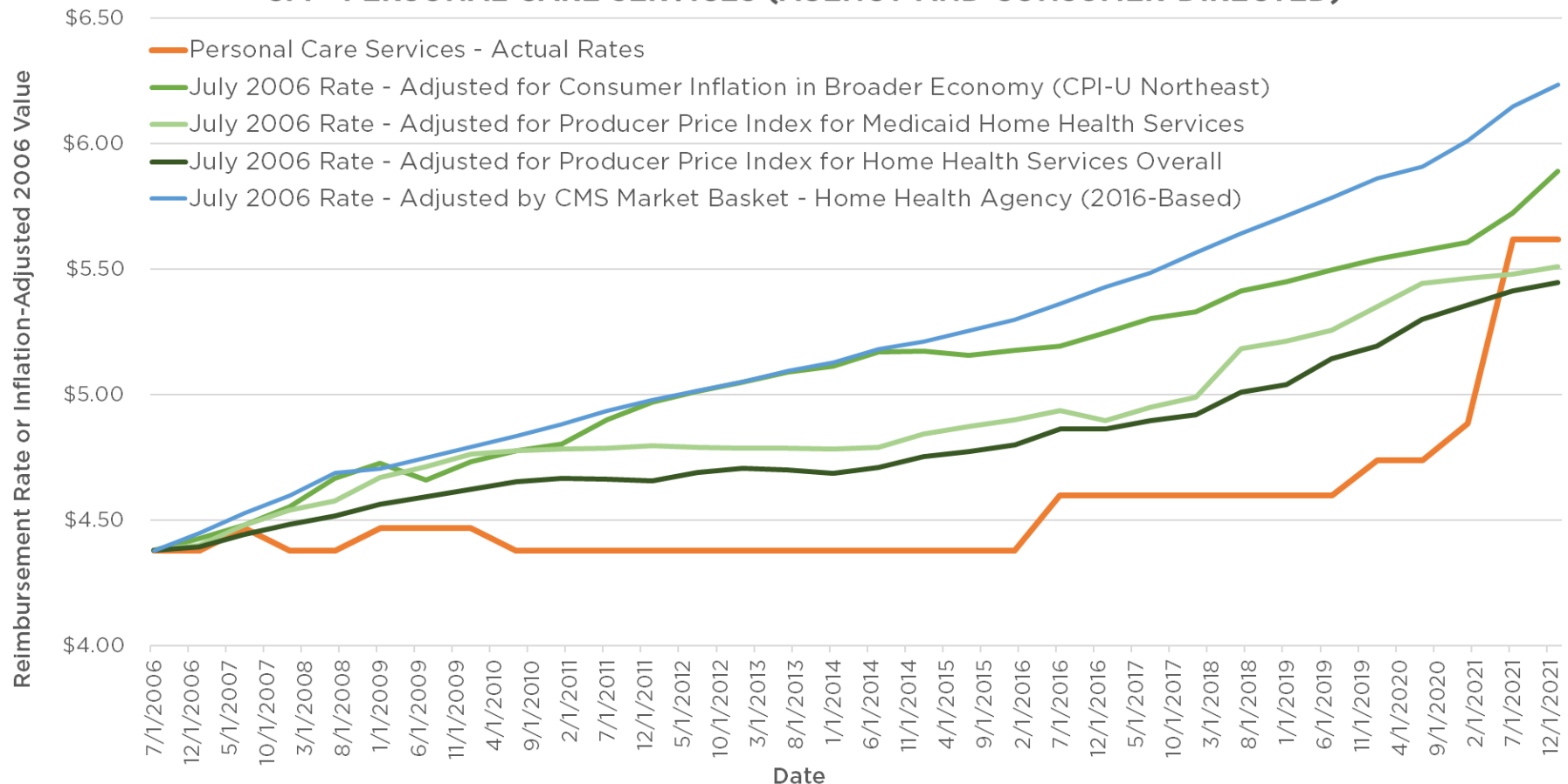
Source: New Hampshire Department of Health and Human Services

CHOICES FOR INDEPENDENCE (CFI) MEDICAID WAIVER FUNDING STRUCTURE

- Based on set, fee-for-service reimbursement rates for certain eligible services delivered by providers
- Reimbursement rates dependent on State Budget funding, typically set for longer periods to fixed dollar amounts rather than automatically updated
- No cost reporting structure similar to the reporting required from nursing facilities to inform reimbursements
- Of the ten most commonly authorized CFI services funded in State Fiscal Year 2018, nine fell behind the CMS Market Basket for Home Health Agencies inflation measure when compared to July 2006 to January 2022, or to July 2010 to January 2022 for two of the ten measures

SOME CFI REIMBURSEMENT RATES BOOSTED SIGNIFICANTLY IN MOST RECENT BUDGET

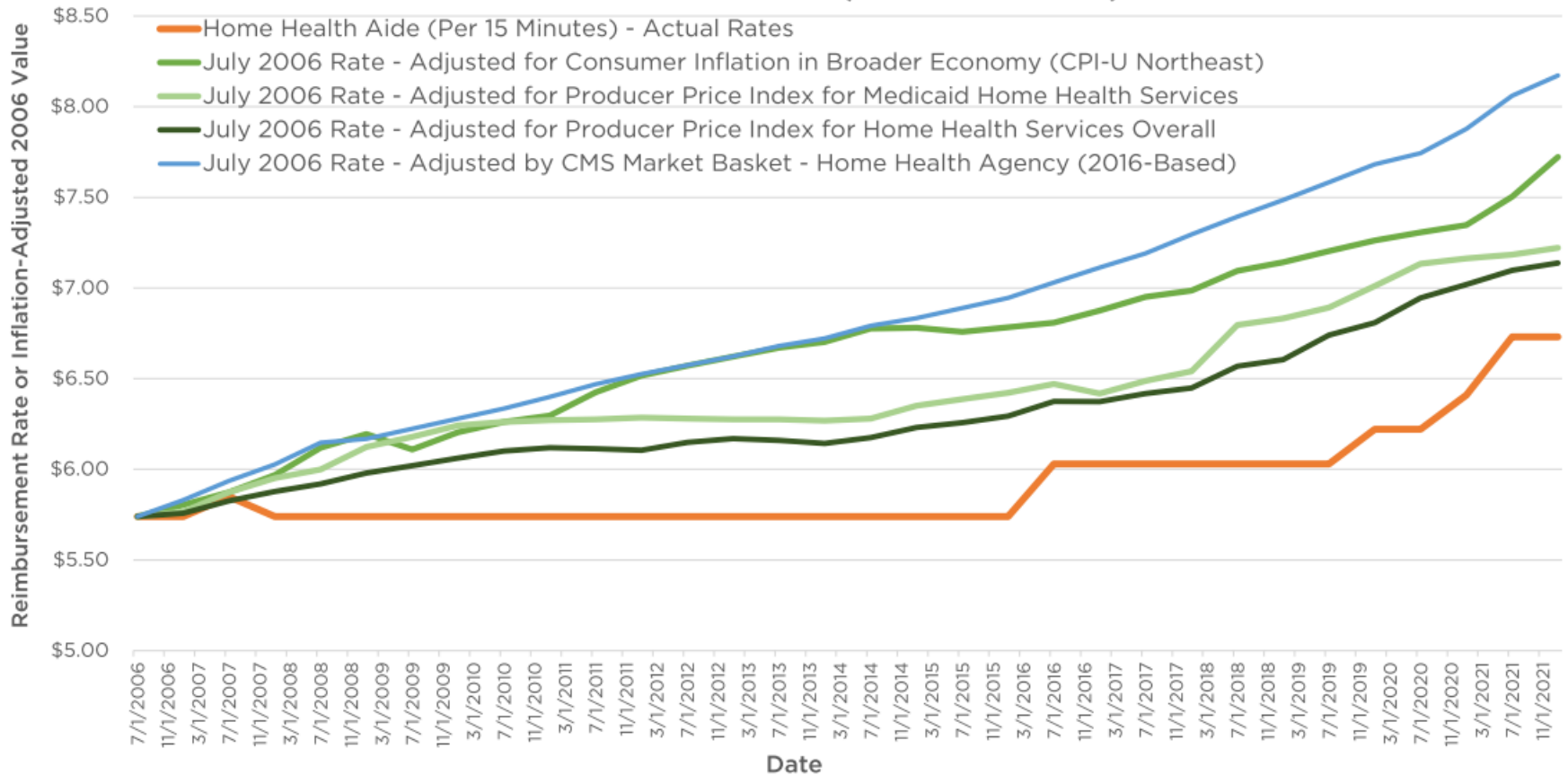
NEW HAMPSHIRE MEDICAID REIMBURSEMENT RATES RELATIVE TO INFLATION CFI - PERSONAL CARE SERVICES (AGENCY AND CONSUMER-DIRECTED)



Sources: New Hampshire Department of Health and Human Services;
U.S. Bureau of Labor Statistics; U.S. Centers for Medicare and Medicaid Services

OTHER CFI REIMBURSEMENT RATES HAVE FALLEN SIGNIFICANTLY BEHIND INFLATION

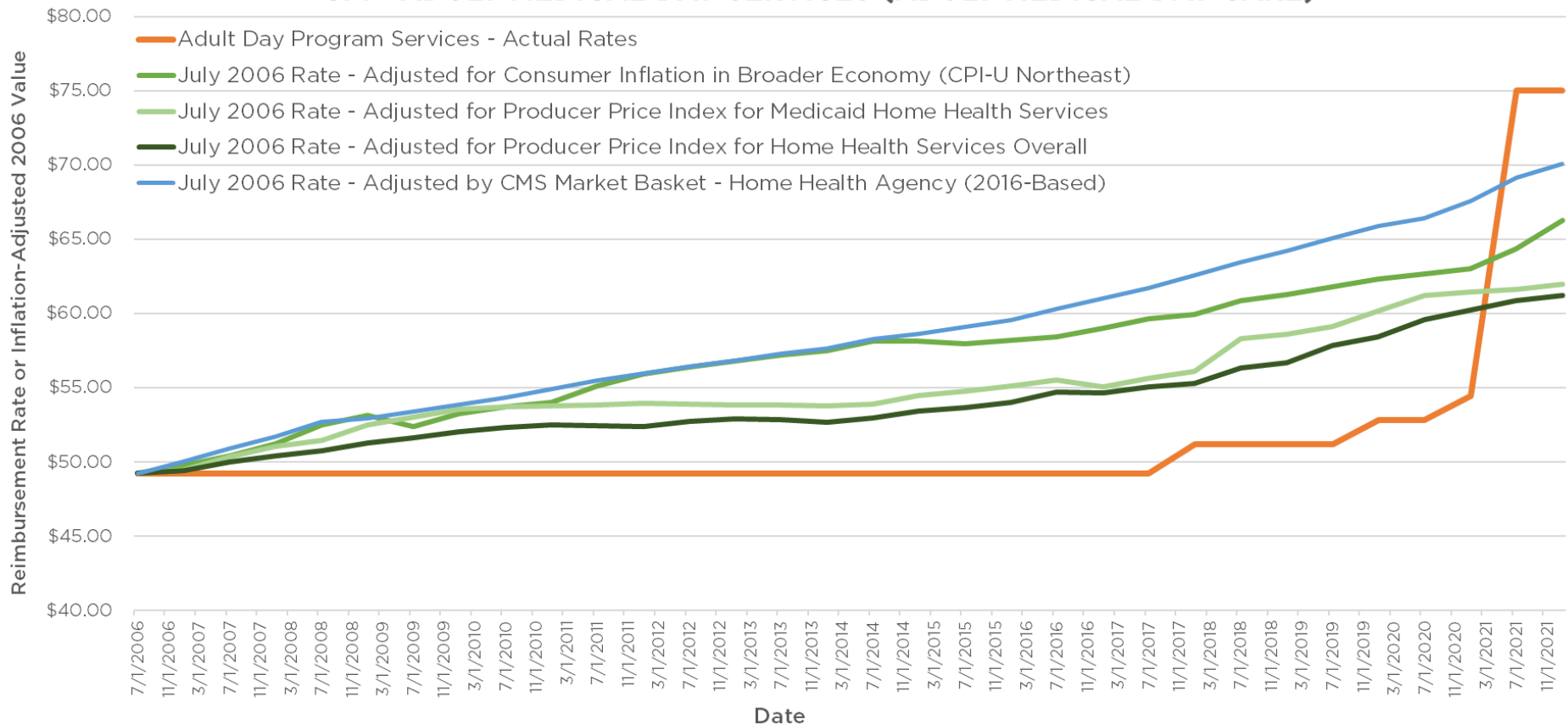
NEW HAMPSHIRE MEDICAID REIMBURSEMENT RATES RELATIVE TO INFLATION CFI - HOME HEALTH AIDE (15 MINUTE UNITS)



Sources: New Hampshire Department of Health and Human Services;
U.S. Bureau of Labor Statistics; U.S. Centers for Medicare and Medicaid Services

RECENT ADULT MEDICAL DAY RATE BOOST REACHED INFLATION BENCHMARKS

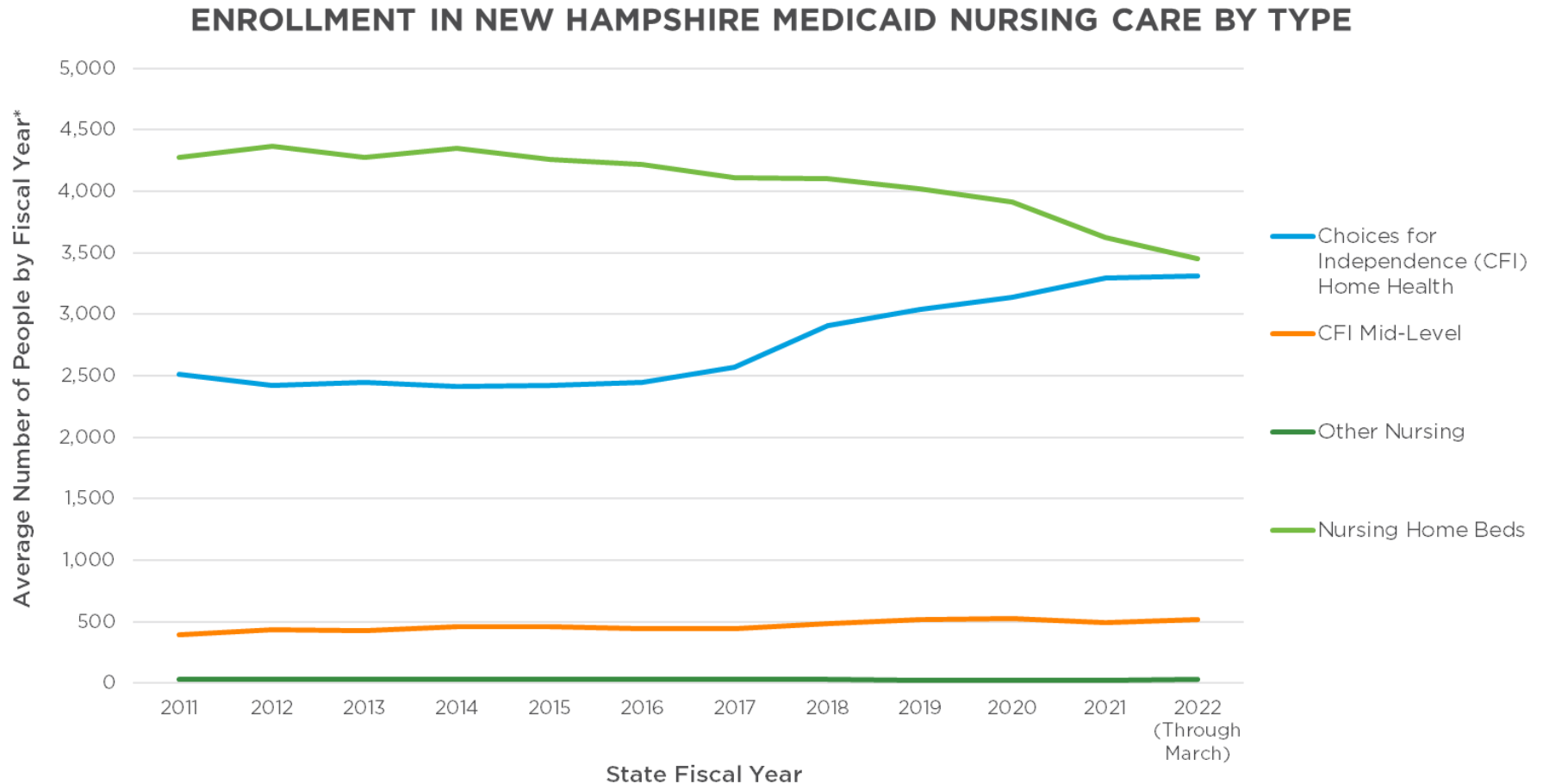
NEW HAMPSHIRE MEDICAID REIMBURSEMENT RATES RELATIVE TO INFLATION CFI - ADULT MEDICAL DAY SERVICES (ADULT MEDICAL DAY CARE)



Sources: New Hampshire Department of Health and Human Services;
U.S. Bureau of Labor Statistics; U.S. Centers for Medicare and Medicaid Services

MEDICAID LTSS ENROLLMENT AND APPLICATION PROCESSES

NURSING FACILITY ENROLLMENT DECLINES, CFI ENROLLMENT INCREASES OVER TIME



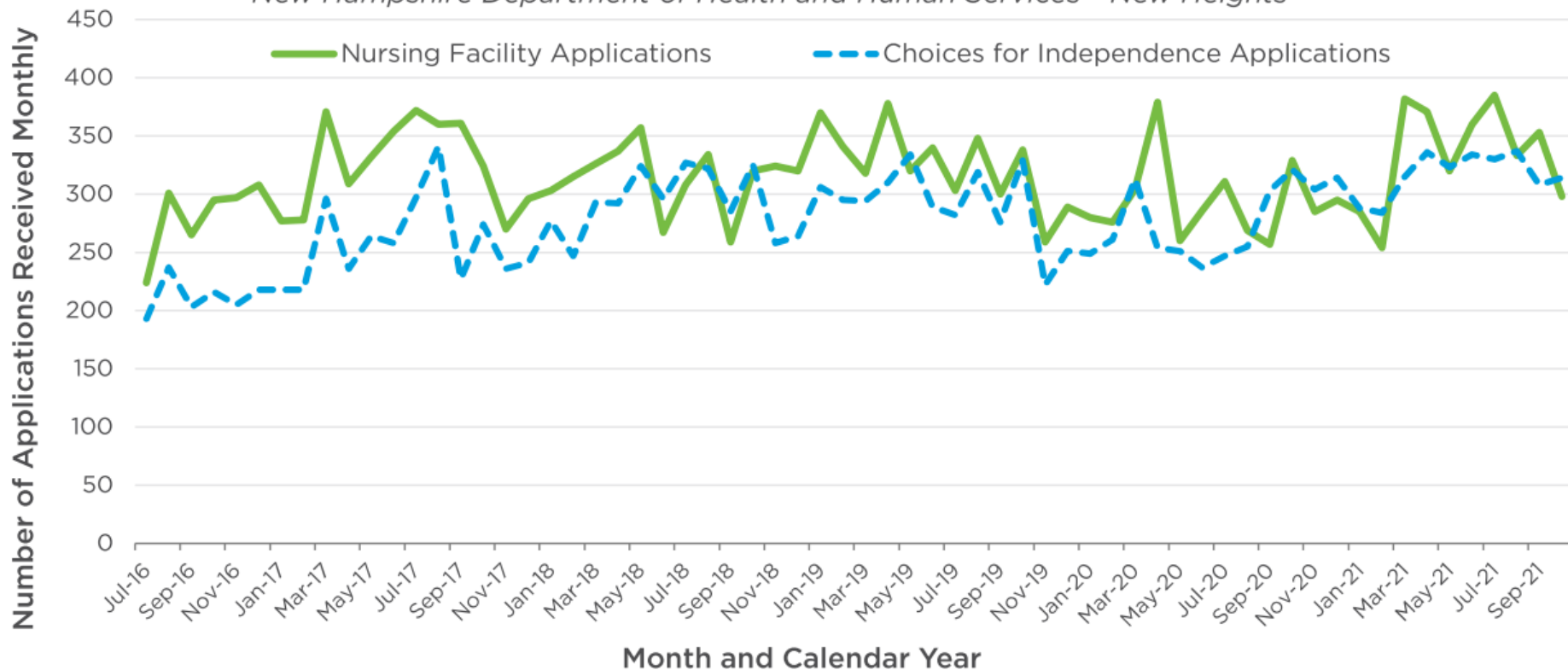
*Note: Annual average based on the 12-month of average of rolling three-month averages.

Source: New Hampshire Department of Health and Human Services Operating Statistics Dashboard, April 22, 2022

APPLICATIONS FOR LTSS NURSING FACILITY AND CFI HAVE REMAINED FAIRLY STEADY

LONG-TERM SUPPORTS AND SERVICES APPLICATIONS RECEIVED

New Hampshire Department of Health and Human Services - New Heights

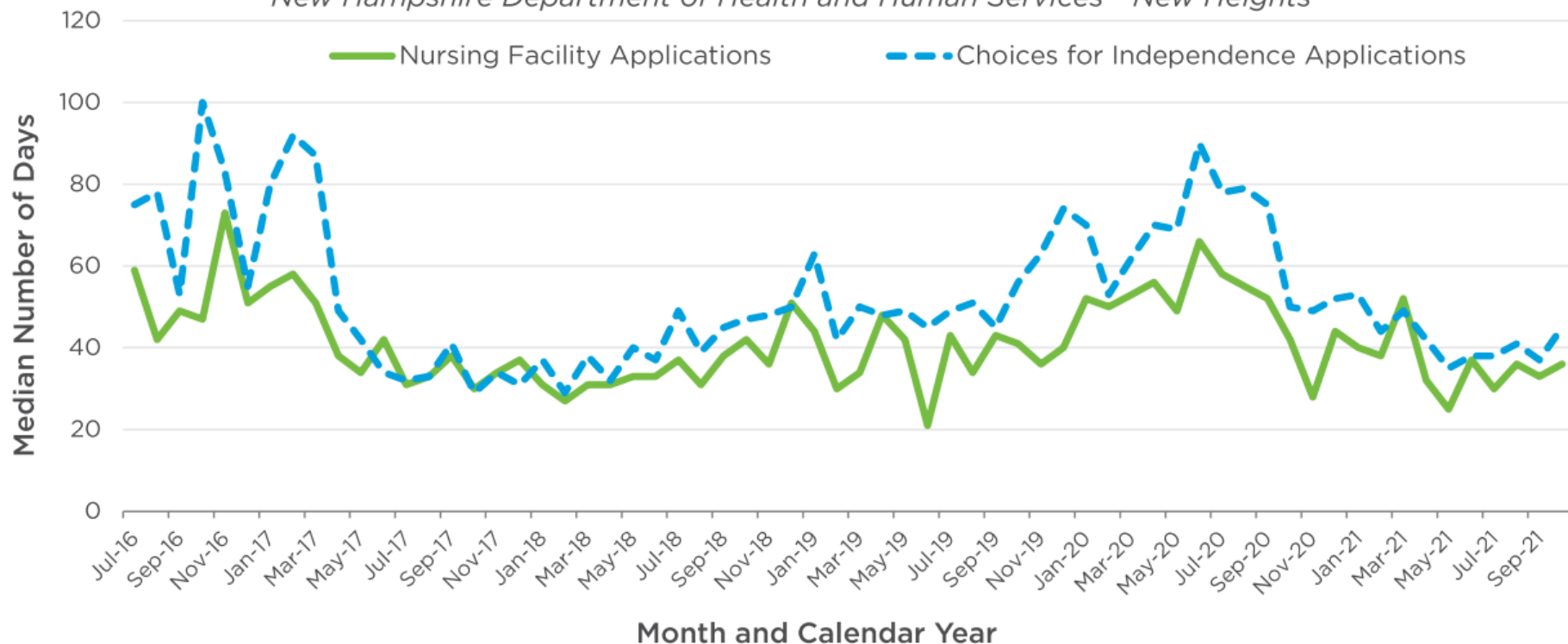


Source: New Hampshire Department of Health and Human Services

MEDICAID LTSS APPLICATION PROCESSING TIMES CAN BE SIGNIFICANT

APPLICATIONS CYCLE PROCESSING TIME MEDIAN DAYS FROM APPLICATION RECEIPT TO OUTCOME

New Hampshire Department of Health and Human Services - New Heights



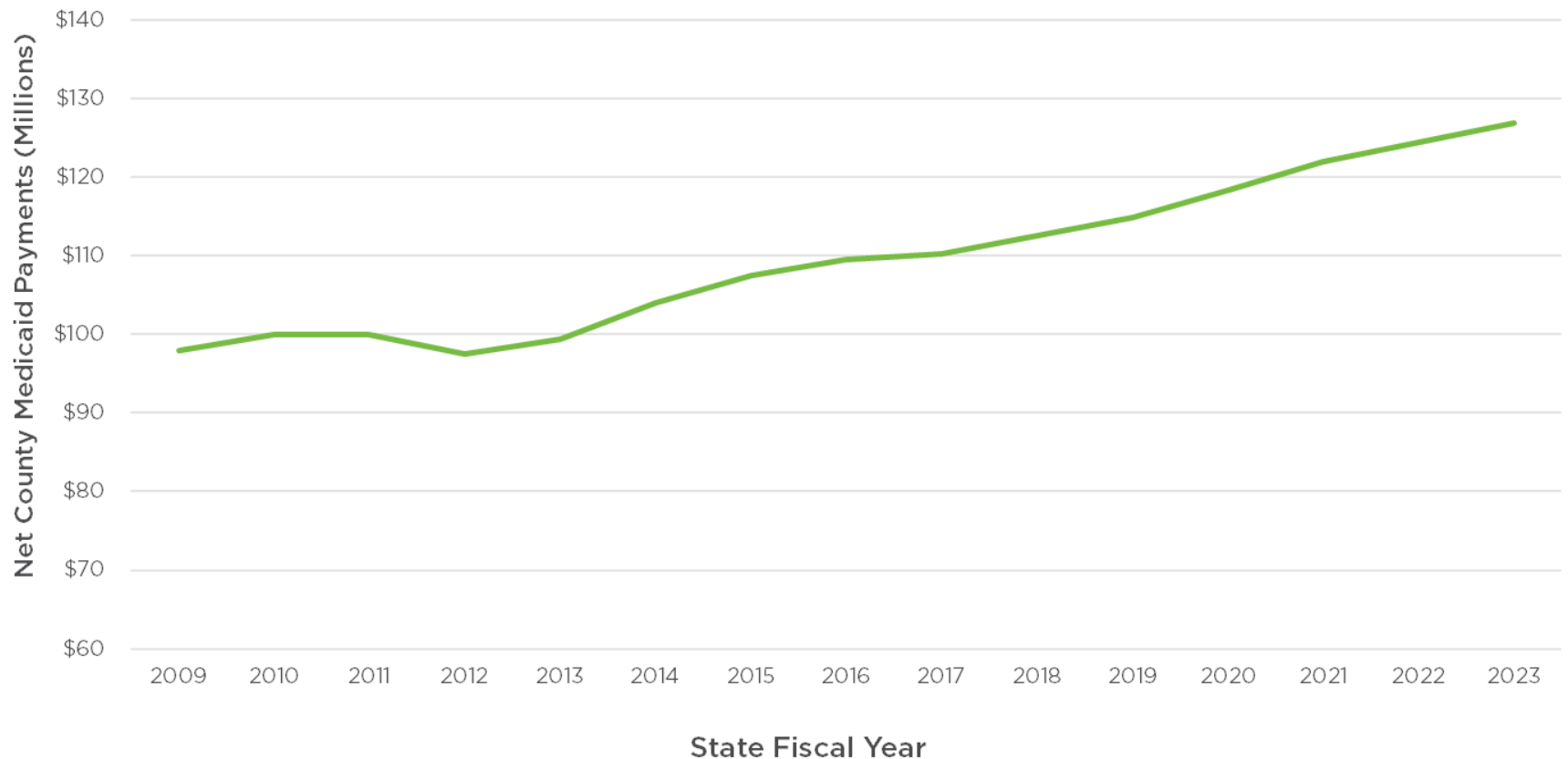
Source: New Hampshire Department of Health and Human Services

MEDICAID LTSS PUBLIC APPROPRIATIONS OVER TIME

NURSING FACILITIES AND COUNTIES CONTRIBUTE TO STATE BUDGET FUNDING

MEDICAID PAYMENTS FROM COUNTIES FOR LONG-TERM CARE SERVICES

*Payments to the State of New Hampshire, Including Nursing Home, CFI, and ProShare Payments**

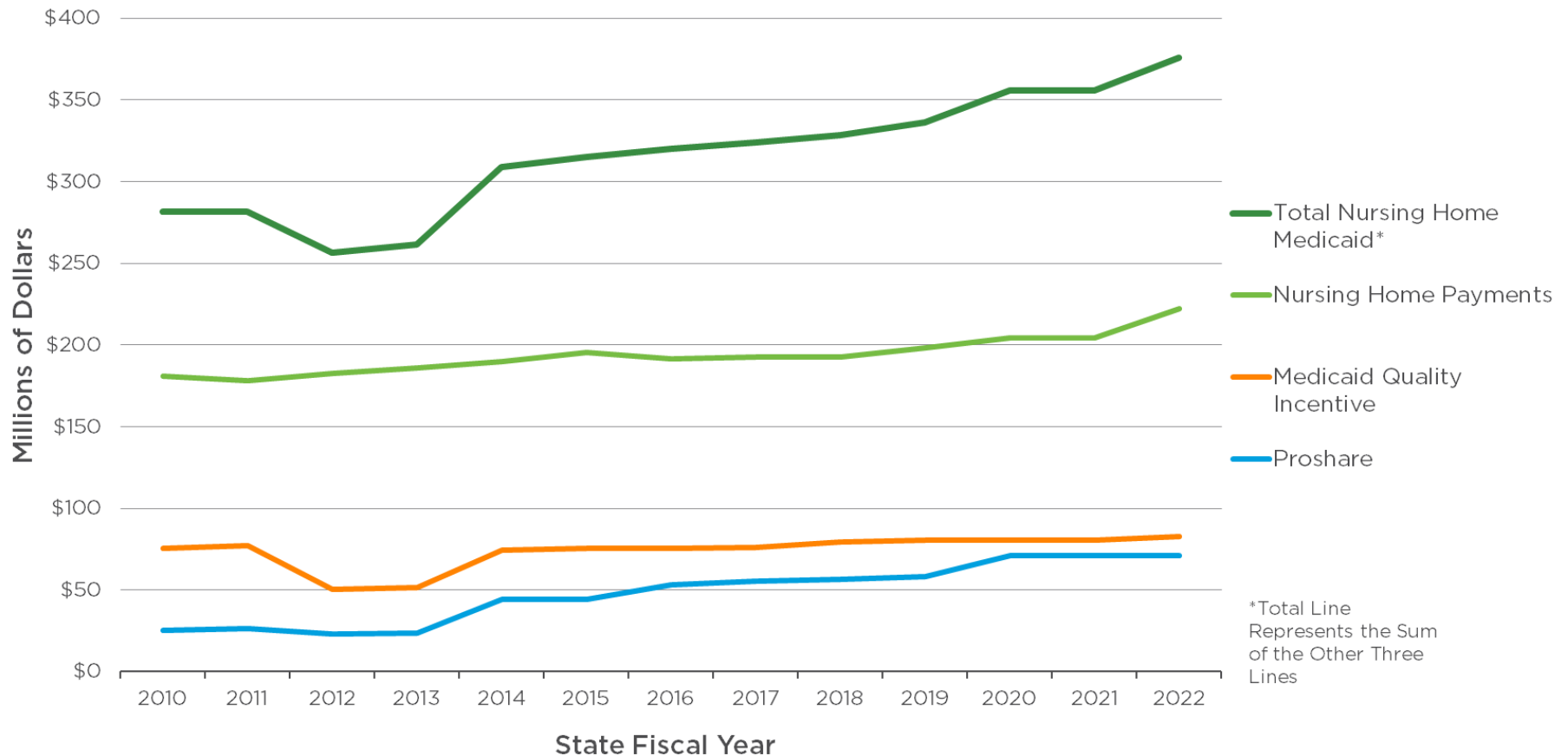


*Note: MQIP payments not included.

Sources: New Hampshire Department of Health and Human Services; New Hampshire State Budgets and Trailer Bills

FUNDING INCREASES TO NURSING FACILITIES, PARTICULARLY PROSHARE

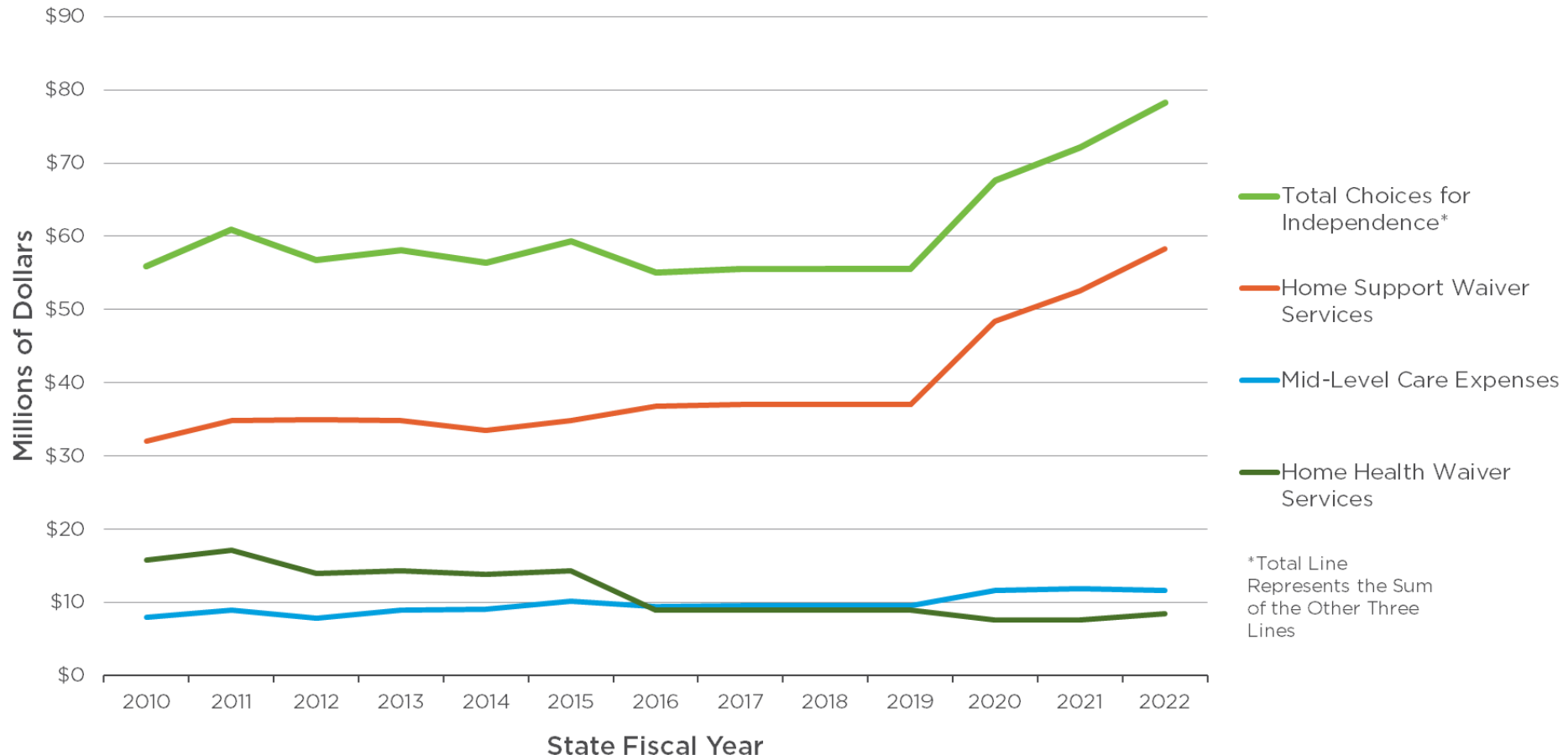
NEW HAMPSHIRE STATE BUDGET APPROPRIATIONS FOR NURSING FACILITIES



Source: New Hampshire State Budget appropriations, primary operating budgets, SFYs 2010-2022

CFI FUNDING TOTALS LOWER, RECENT INCREASES AFTER FLAT-FUNDED YEARS

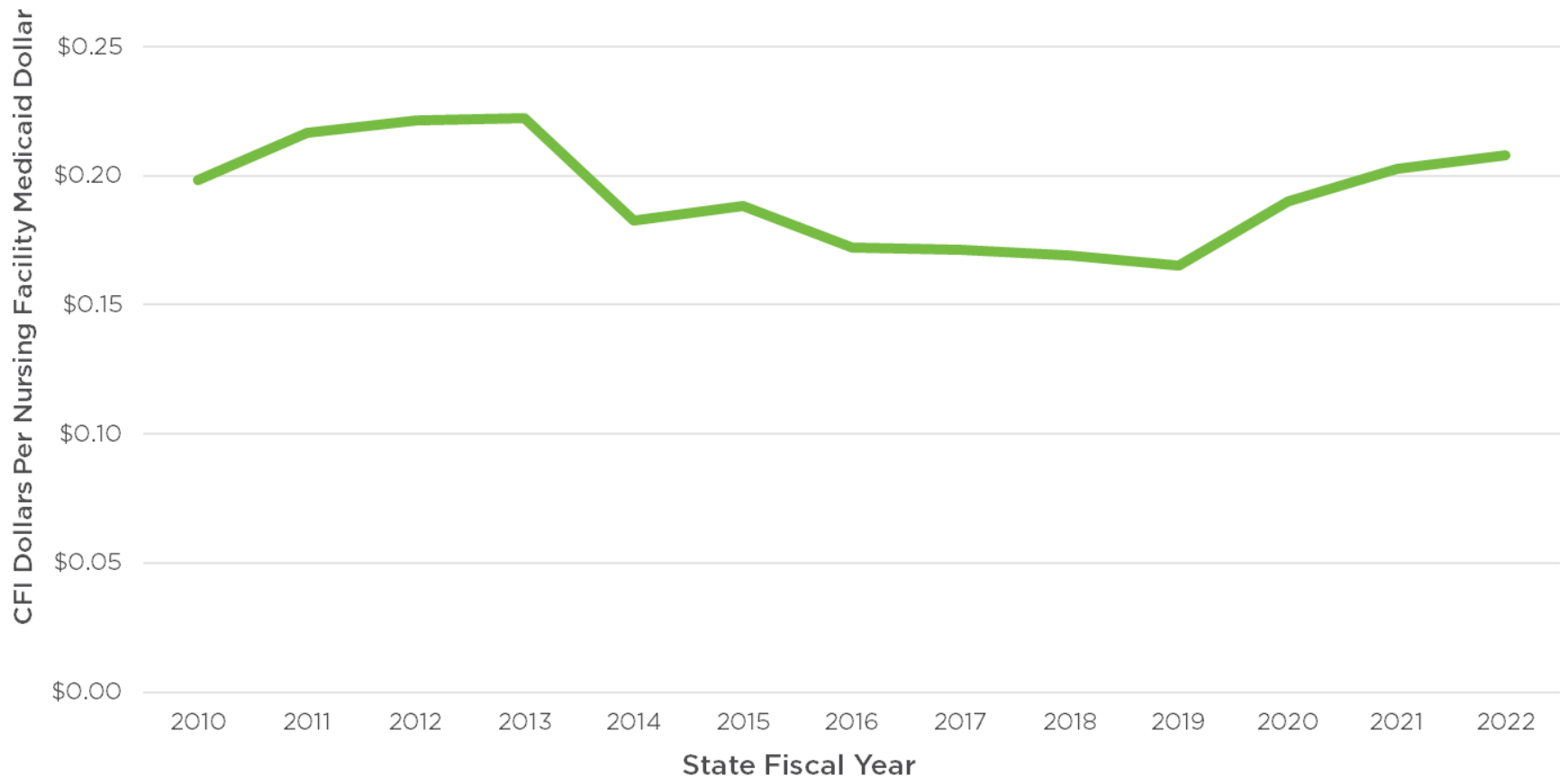
NEW HAMPSHIRE STATE BUDGET APPROPRIATIONS FOR CFI WAIVER SERVICES



Source: New Hampshire State Budget appropriations, primary operating budgets, SFYs 2010-2022

CFI FUNDING ABOUT ONE-FIFTH OF FUNDING FOR NURSING FACILITIES IN TOTAL

FUNDING FOR CFI MEDICAID WAIVER SERVICES RELATIVE TO MEDICAID NURSING FACILITY SERVICES IN STATE BUDGET APPROPRIATIONS

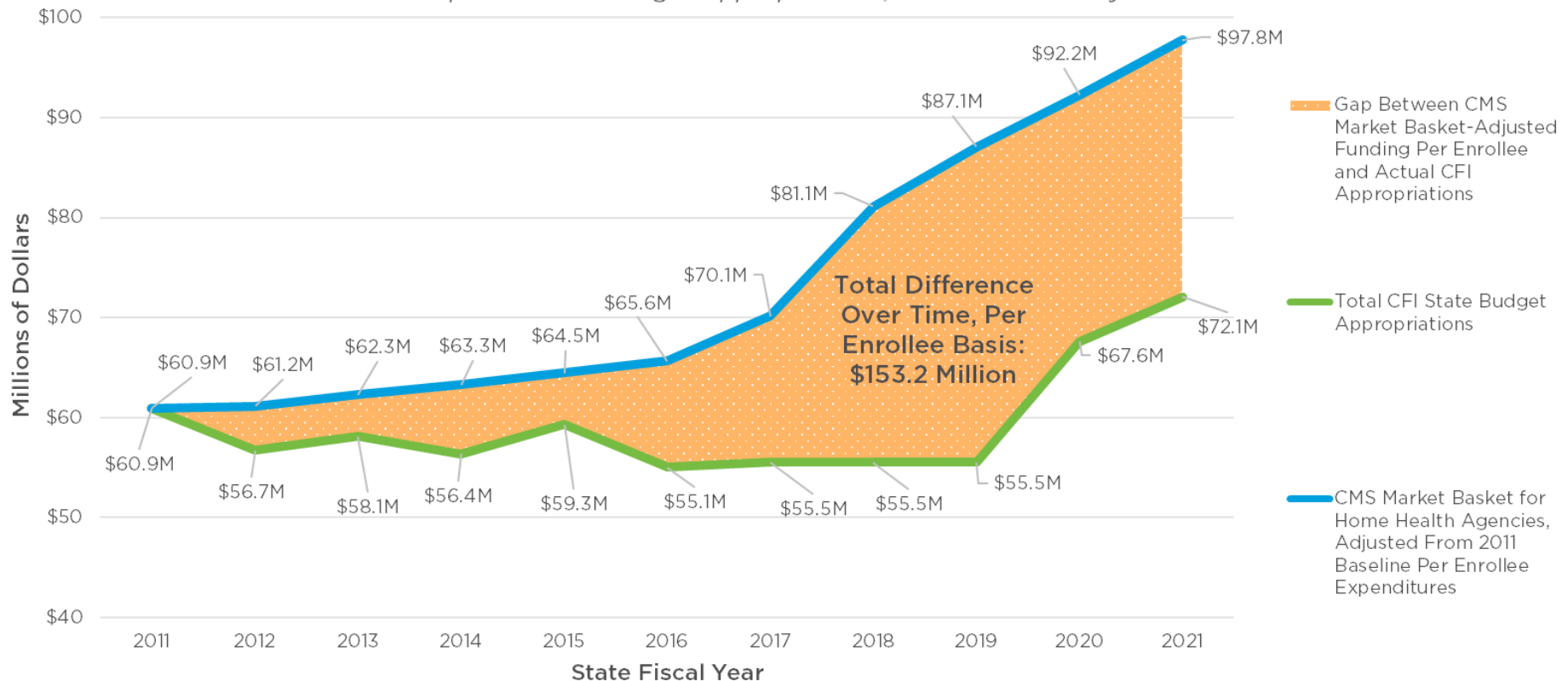


Source: New Hampshire Office of Legislative Budget Assistant

ADJUSTING FOR INFLATION AND ENROLLMENT, CFI FUNDING FALLS SHORT

TOTAL FUNDING FOR CHOICES FOR INDEPENDENCE RELATIVE TO FEDERAL INFLATION MEASURE ON A PER ENROLLEE EXPENDITURE BASIS SINCE 2011

Total New Hampshire State Budget Appropriations, Not Net of County Contributions

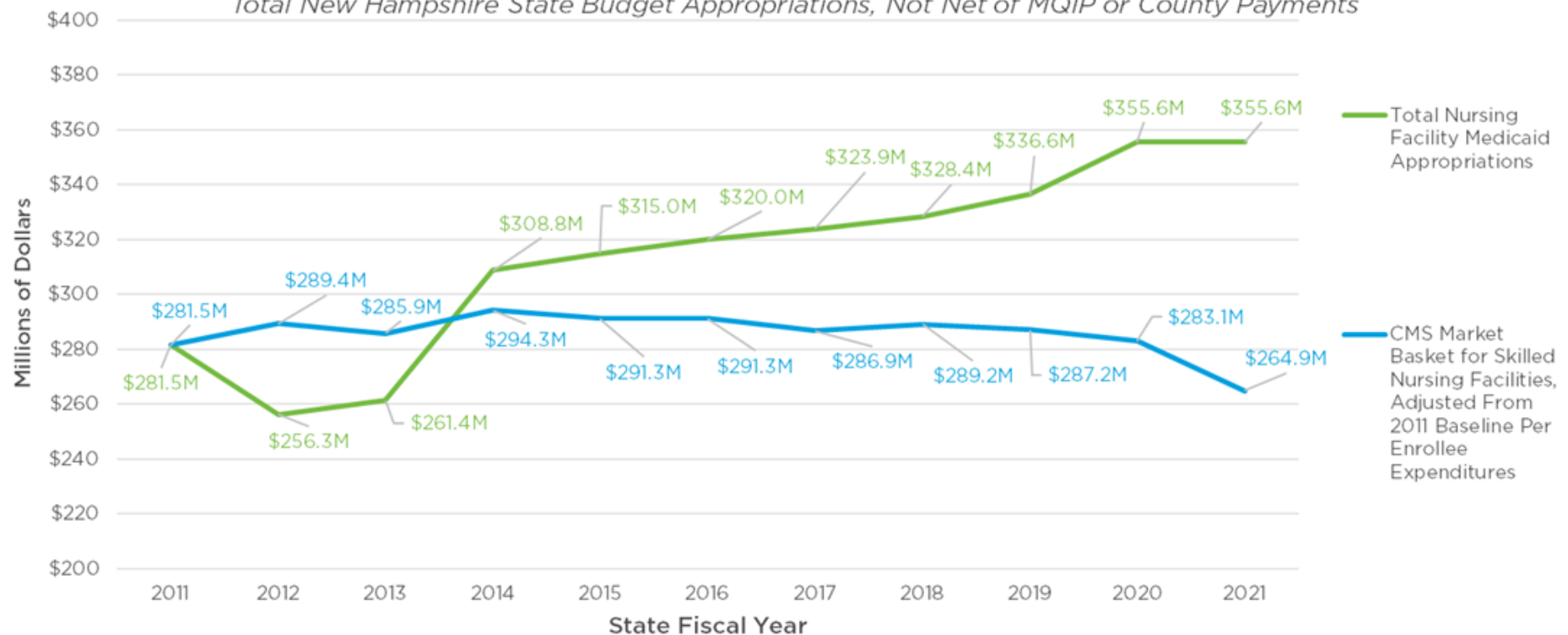


Sources: New Hampshire Office of Legislative Budget Assistant; U.S. Centers for Medicare and Medicaid Services

NURSING FACILITY COST REPORTING LIKELY IMPROVED FUNDING RELATIVE TO COST

FUNDING FOR NURSING FACILITY MEDICAID SERVICES, ACTUAL AND RELATIVE TO FEDERAL INFLATION MEASURE ON A PER ENROLLEE EXPENDITURE BASIS

Total New Hampshire State Budget Appropriations, Not Net of MQIP or County Payments

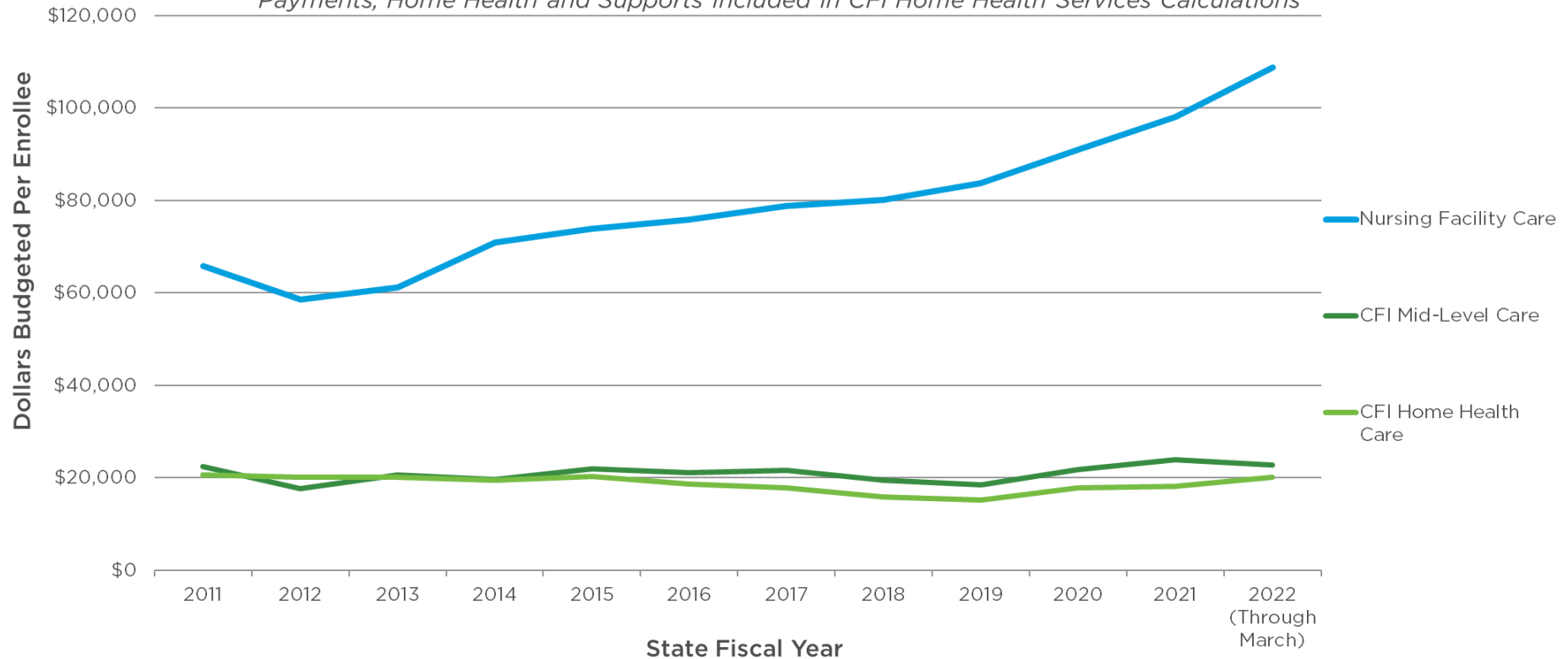


Sources: New Hampshire Office of Legislative Budget Assistant; New Hampshire Department of Health and Human Services; U.S. Centers for Medicare and Medicaid Services

STATE BUDGET APPROPRIATIONS PER ENROLLEE LOWER FOR CFI SERVICES

NEW HAMPSHIRE BUDGETED APPROPRIATIONS FOR MEDICAID SERVICE TYPES PER CAPITA, BASED ON ACTUAL AVERAGE FISCAL YEAR ENROLLMENT

Nursing Facility Payments Include Nursing Home, Medicaid Quality Incentive, and ProShare Payments, Home Health and Supports Included in CFI Home Health Services Calculations



Note: "Other Nursing Services" excluded. The annual average enrollment in "Other Nursing Services" in SFY 2021 was 22 people.
Sources: New Hampshire Department of Health and Human Services Operating Statistics Dashboard; Office of Legislative Budget Assistant

NATIONAL TRENDS IN MEDICAID LTSS EXPENDITURES

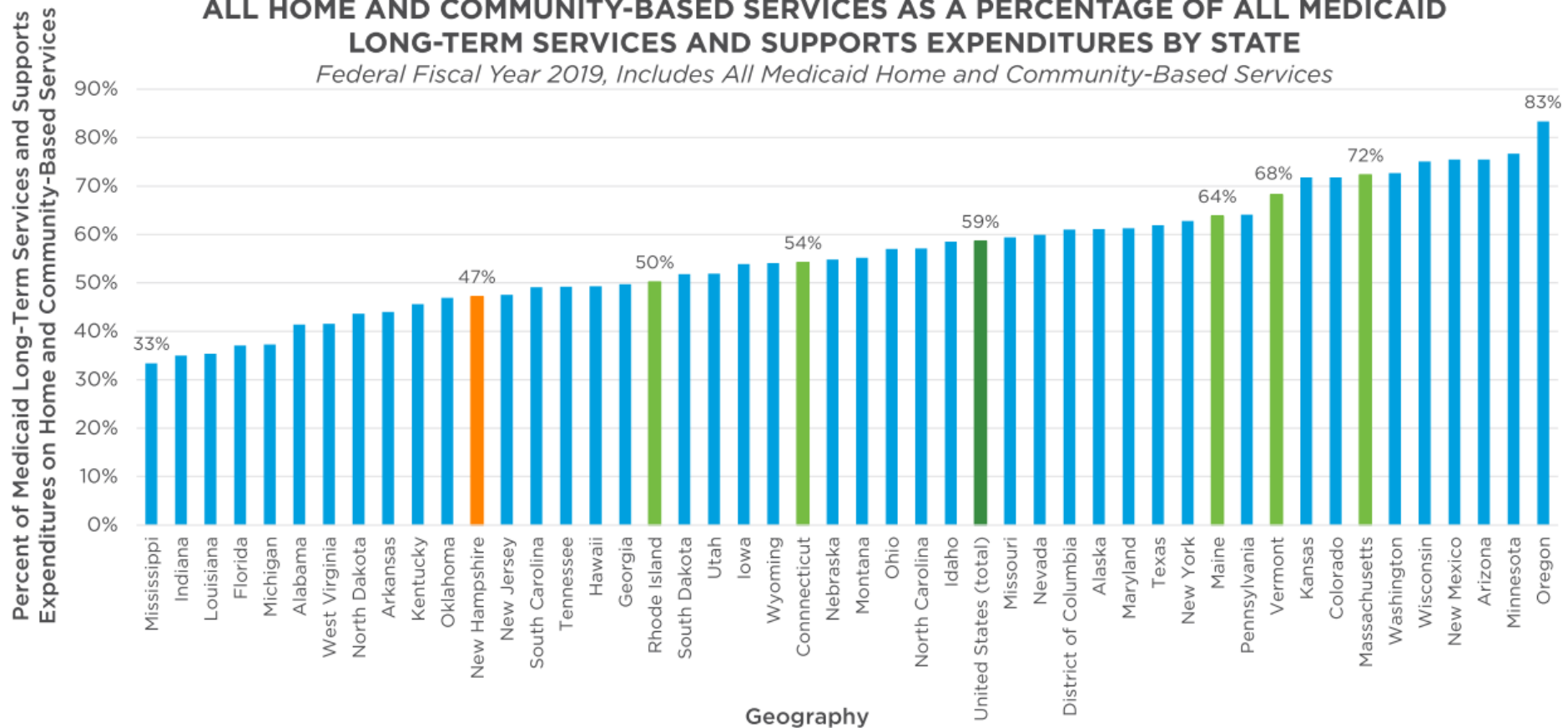
NEW HAMPSHIRE DEVOTES RELATIVELY LESS MEDICAID LTSS FUNDING TO HCBS

- Nationally, Medicaid HCBS expenditures, including all HCBS services such as services for individuals with developmental disabilities and acquired brain disorders, have risen as a percentage of Medicaid LTSS expenditures over three decades
- Analysis of Federal Fiscal Years 2013 to 2016 expenditures showed growth in key HCBS waiver spending of 5.9 percent annually, while annual rate was 5.1 percent in New Hampshire
- Over same period, annual compound growth rate for waivers nationally serving older adults and people with physical disabilities was 5.5 percent, but was -0.5 percent for CFI in NH
- New Hampshire had lowest Medicaid HCBS spending as a percentage of LTSS expenditures for older people and adults with physical disabilities of any state except Kentucky in 2016

NH SPENDS A SMALLER SHARE OF MEDICAID LTSS ON HCBS THAN NEIGHBORS

ALL HOME AND COMMUNITY-BASED SERVICES AS A PERCENTAGE OF ALL MEDICAID LONG-TERM SERVICES AND SUPPORTS EXPENDITURES BY STATE

Federal Fiscal Year 2019, Includes All Medicaid Home and Community-Based Services



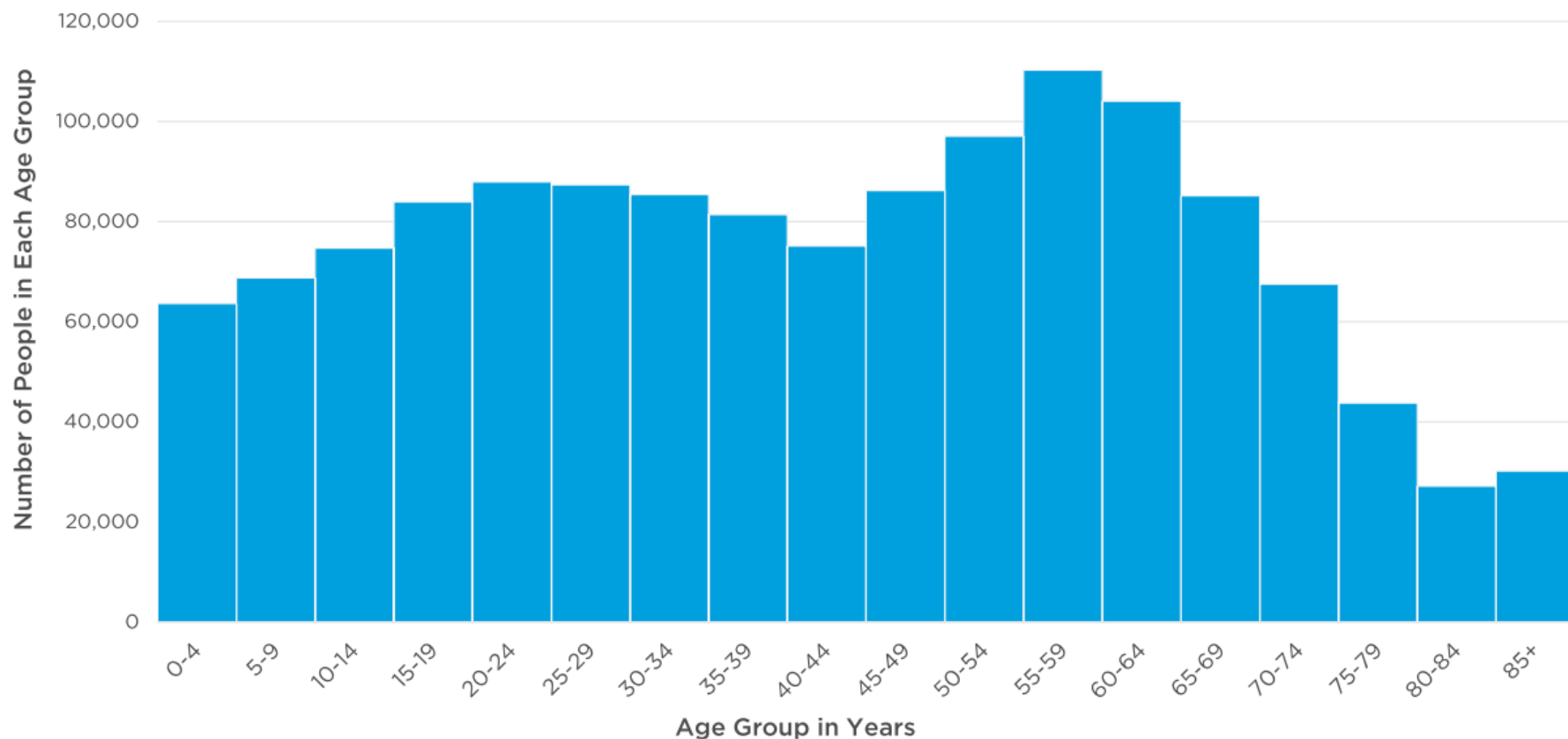
Note: Data not available for all states. States not shown here had no data available for federal fiscal year 2019.

Source: Centers for Medicare and Medicaid Services, Medicaid Long Term Services and Supports Annual Expenditures Report, December 9, 2021

CURRENT AND FUTURE NEED FOR LTSS IN NEW HAMPSHIRE

DEMOGRAPHICS SUGGEST MORE PEOPLE ENTERING TRADITIONAL RETIREMENT AGES

NEW HAMPSHIRE POPULATION BY AGE, 2019

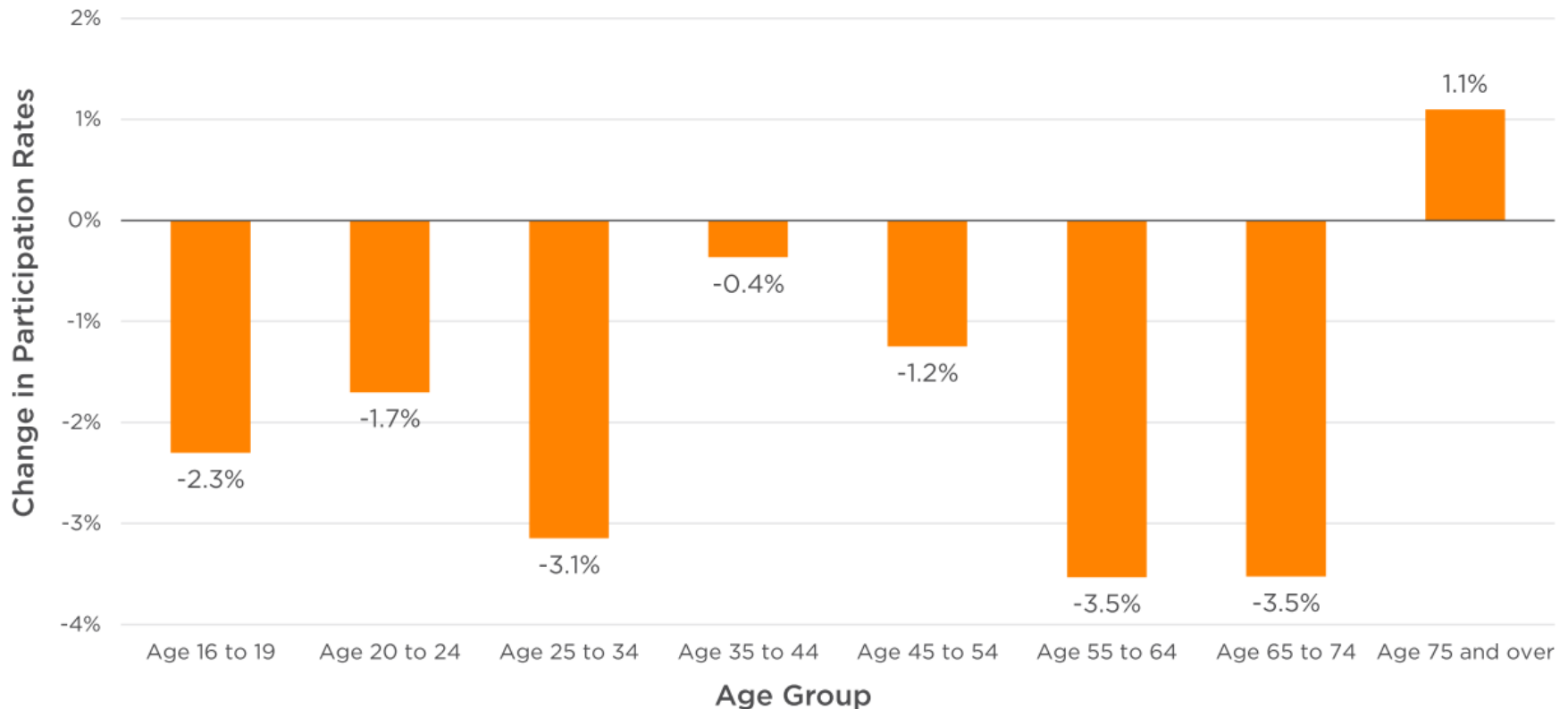


Source: U.S. Census Bureau Population Estimates Program, July 1, 2019 Estimates

PANDEMIC IMPACTS HAVE PROMPTED SOME WORKERS TO LEAVE THE LABOR FORCE

CHANGE IN LABOR FORCE PARTICIPATION RATES BY AGE

New Hampshire, Change from 2019 to 2021

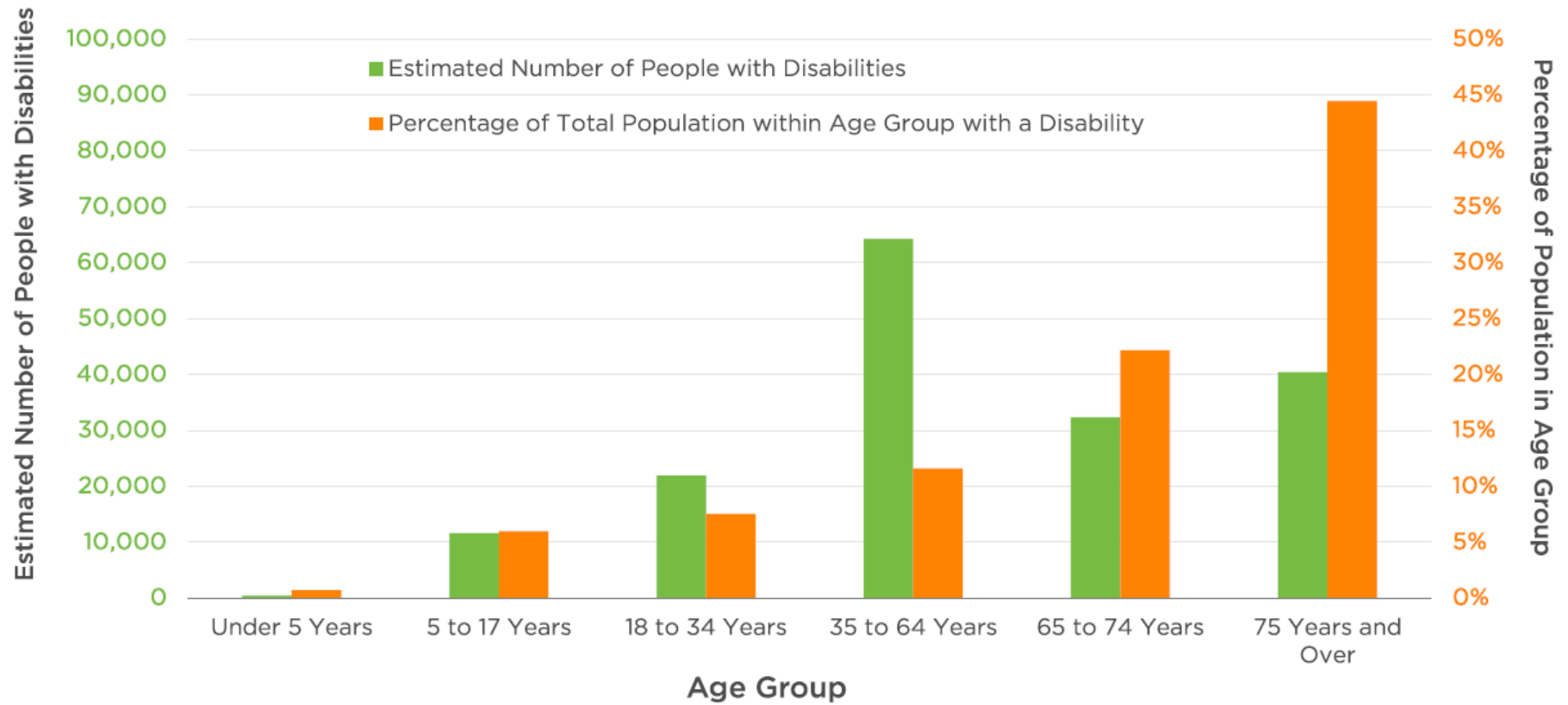


Source: New Hampshire Employment Security

OLDER ADULTS MORE LIKELY TO EXPERIENCE SOME FORM OF DISABILITY

NEW HAMPSHIRE INDIVIDUALS WITH DISABILITIES BY AGE GROUP

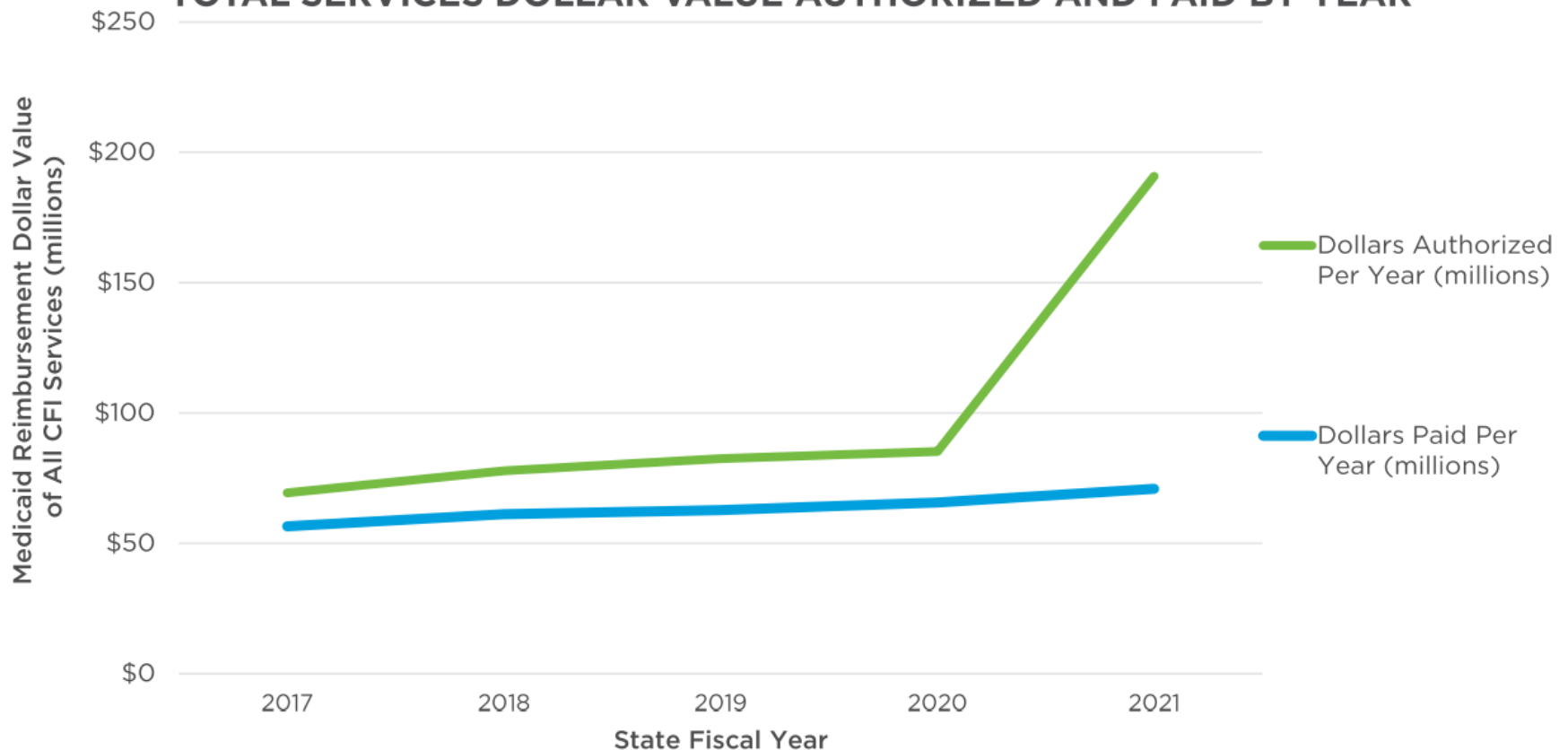
U.S. Census Bureau Survey Data, 2016-2020



Source: U.S. Census Bureau, American Community Survey Five-Year Estimates, 2016-2020

PROGRAM CHANGES MAY HAVE REVEALED MORE CURRENT NEED FOR CFI SERVICES

**NEW HAMPSHIRE CFI WAIVER SERVICES FUNDING,
TOTAL SERVICES DOLLAR VALUE AUTHORIZED AND PAID BY YEAR**



Source: New Hampshire Department of Health and Human Services, Data Through December 28, 2021

LOW WAGES RELATIVE TO OTHER STATES MAY CONSTRAIN HCBS WORKFORCE

ESTIMATED HOURLY WAGES FOR HOME HEALTH AND PERSONAL CARE AIDES BY STATE AND RELATIVE WAGE LEVEL, MAY 2021

Relative Wage Level	Maine	Massachusetts	New Hampshire	Vermont
10th Percentile	\$13.65	\$14.28	\$11.56	\$13.32
25th Percentile	\$13.94	\$14.81	\$13.52	\$14.07
50th Percentile (Median)	\$14.28	\$17.45	\$14.12	\$14.44
75th Percentile	\$17.23	\$17.68	\$16.40	\$17.98
90th Percentile	\$18.03	\$18.08	\$18.14	\$22.57

Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics, May 2021.

KEY AREAS OF CONCERN

MEDICAID APPLICATION DIFFICULTIES AND DELAYS IN SERVICES

- Interviewed participants in Medicaid LTSS described challenges applying for and accessing services, with significant wait times and difficulties submitting needed documentation
- October 2021 median processing cycle time: 45 days for CFI, 36 days for nursing facilities; nursing facility applicants may have had faster access to services due to retroactive payments
- Limited knowledge of existing navigation, ServiceLink services
- Interviewees identified inconsistencies in application processes
- The State-contracted report with Guidehouse, Inc. found many of the same challenges in the application process reported to NHFPI, and examined long delays in application processing
- Survey data from hospitals identified Medicaid eligibility determination as a key reason why individuals remained in hospitals after being medically cleared for discharge, although less significant than lack of access to available care

FUNDING CONSTRAINTS EXACERBATE WORKFORCE SHORTAGE, LIMIT SERVICES

- CFI reimbursement rates that have not kept up with inflation in the long term may have limited the ability of HCBS providers to attract and retain staff
- Recent cost increases and costs associated with the pandemic appear to have widespread impacts for care providers
- Fixed reimbursement rates may lead to reduced ability to respond to fast changes in the labor market
- In Guidehouse's survey research, of 47 key informant respondents, 84 percent did not believe HCBS reimbursement rates were adequate, and 75 percent did not believe there were sufficient direct service providers for HCBS needs
- Reimbursement rates for CFI falling below inflation-adjusted costs over a substantial time period likely contributed to long-term underinvestment in system infrastructure

RECOMMENDATIONS

MEDICAID ELIGIBILITY PROCESS RECOMMENDATIONS

1. Use flexible federal funds provided through the American Rescue Plan Act (ARPA) to hire public benefit navigators to help people applying for Medicaid services.
2. Consider additional, systemic help for people accessing services beyond the existing frameworks for LTSS in New Hampshire.
3. Support home care providers with a form of payment, or commitment of future payment, prior to the formal establishment of Medicaid eligibility, or implement a form of presumptive eligibility.
4. Reduce wait times for providing certain services by designating approved service providers with a pre-approved range of costs for service provision.
5. Consider updates to the NH Easy system for applying for services and provide additional trainings for professionals who frequently assist people applying for services.
6. Establish a centralized information portal or dashboard for providers, case managers, and navigators to quickly understand which services are available to help connect people to services faster.

FUNDING REIMBURSEMENTS AND SUPPORTING THE WORKFORCE

7. Consider a long-term program to provide a stipend or other additional funding for workforce supports to Medicaid providers, potentially funded with flexible federal funds that can be used through the end of 2026.
8. Include flexibility in public wage enhancement programs for Medicaid providers to reflect related costs.
9. Establish a set and more sophisticated methodology for estimating CFI waiver service delivery costs that will help inform decisions regarding reimbursement rates and help to better align future investment levels with cost changes.
10. Use flexible federal funds and other resources to establish and support initiatives to grow and develop the workforce for nursing facilities and home and community-based services.

READ THE FULL REPORT

LONG-TERM SERVICES AND SUPPORTS IN NEW HAMPSHIRE: A REVIEW OF THE STATE'S MEDICAID FUNDING FOR OLDER ADULTS AND ADULTS WITH PHYSICAL DISABILITIES

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