



KEY TAKEAWAYS FROM NHFPI 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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NEW HAMPSHIRE LONG-TERM CARE SUMMIT

AUGUST 21, 2023

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 clinically in need of care at the level provided in a nursing facility
- Other Medicaid waivers for individuals with intellectual or developmental disabilities or acquired brain disorders

FUNDING FOR NURSING FACILITIES

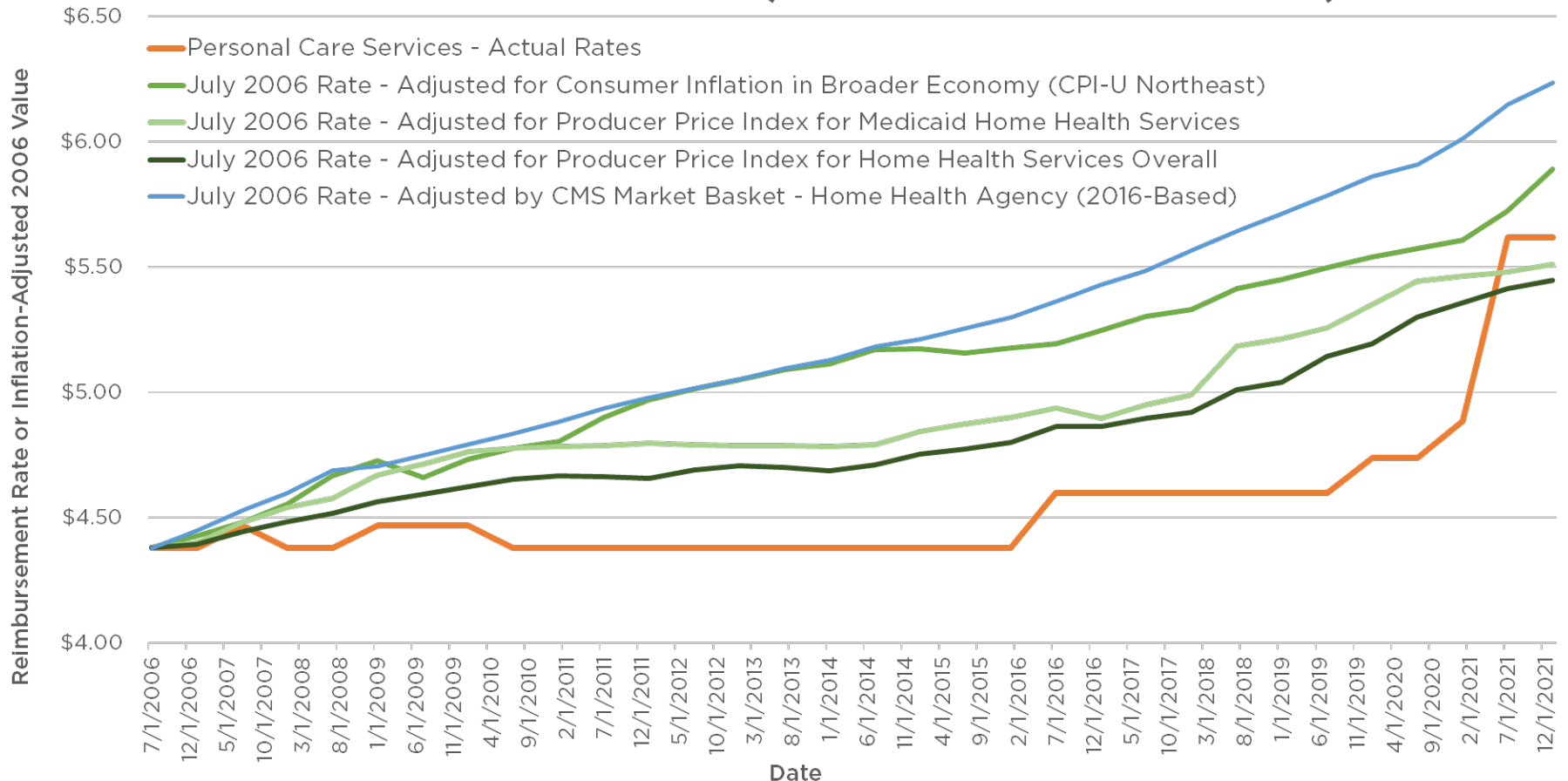
- Funding calculated based on cost reports, accounting for patient enrollment and acuity
- Key cost components, including certain facility and capital costs, accounted for in per diem reimbursements specifically for each facility, with regular updates to patient acuity data
- U.S. Centers for Medicare 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

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 frequently authorized CFI services funded in State Fiscal Year 2018, nine fell behind the CMS Market Basket for Home Health Agencies inflation measure from July 2006 to January 2022

SOME CFI REIMBURSEMENT RATES BOOSTED SIGNIFICANTLY IN 2022-2023 BUDGET

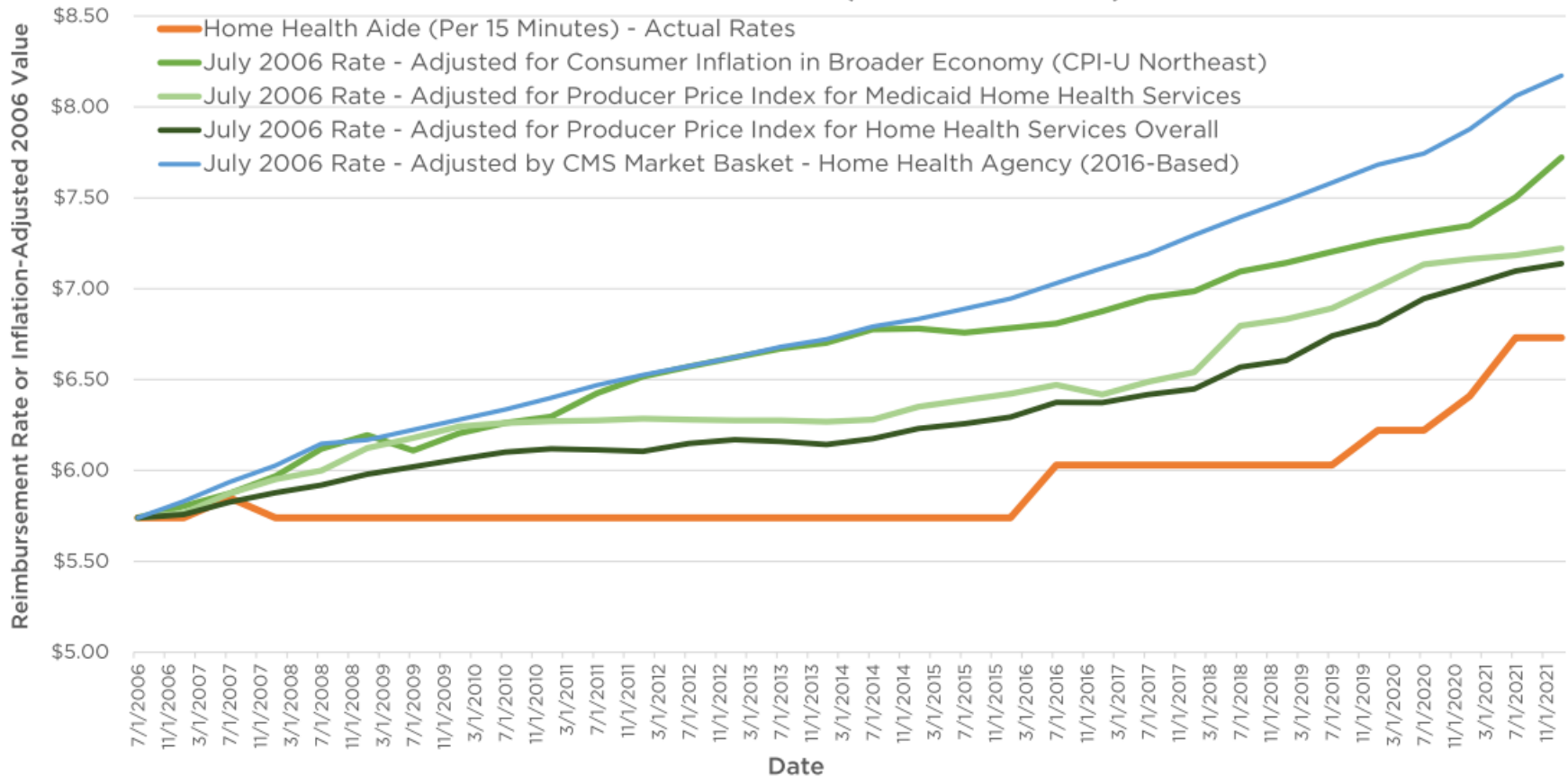
**NEW HAMPSHIRE MEDICAID REIMBURSEMENT RATES RELATIVE TO INFLATION
CFI - PERSONAL CARE SERVICES (AGENCY AND CONSUMER-DIRECTED)**



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 FELL SIGNIFICANTLY BEHIND INFLATION

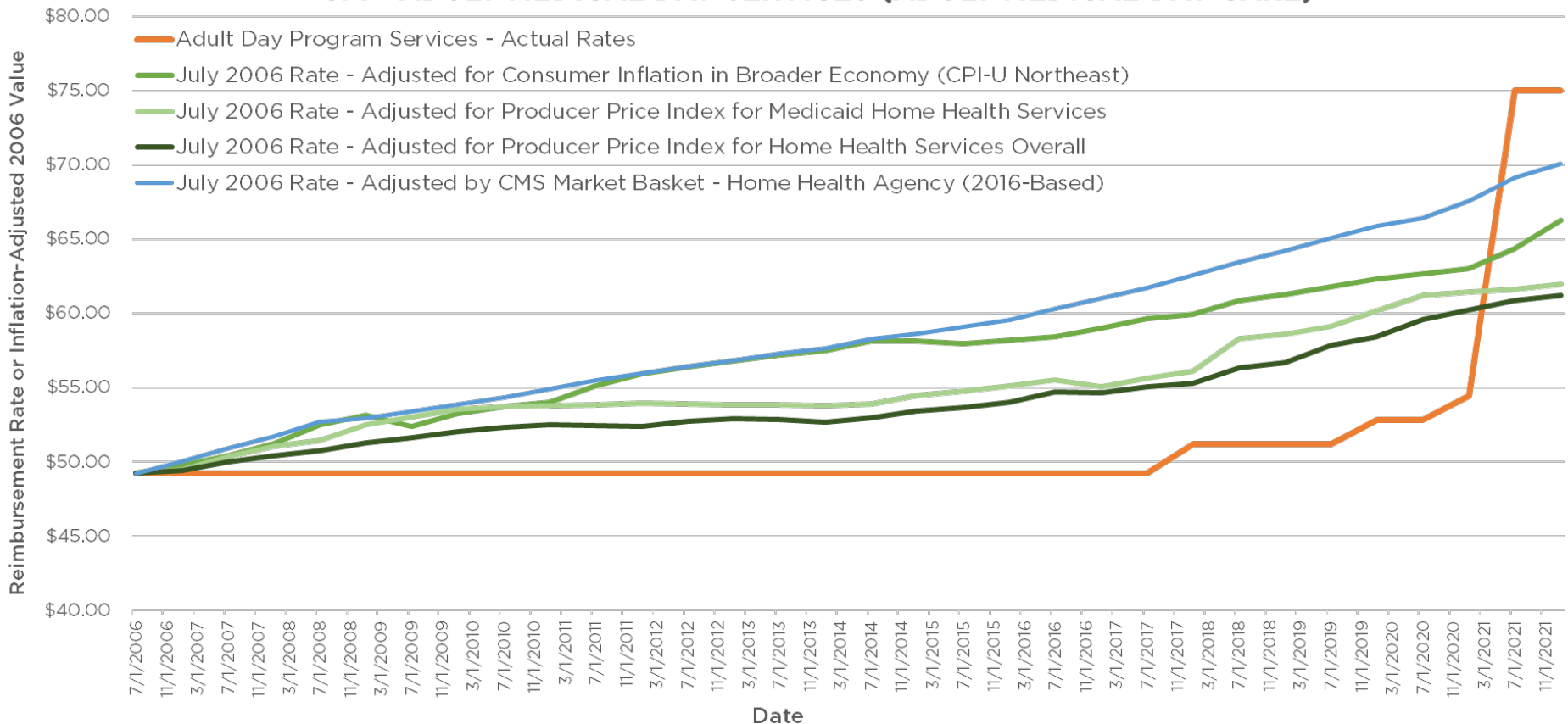
**NEW HAMPSHIRE MEDICAID REIMBURSEMENT RATES RELATIVE TO INFLATION
CFI - HOME HEALTH AIDE (15 MINUTE UNITS)**



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

ADULT MEDICAL DAY RATE BOOST IN LAST BUDGET REACHED INFLATION BENCHMARKS

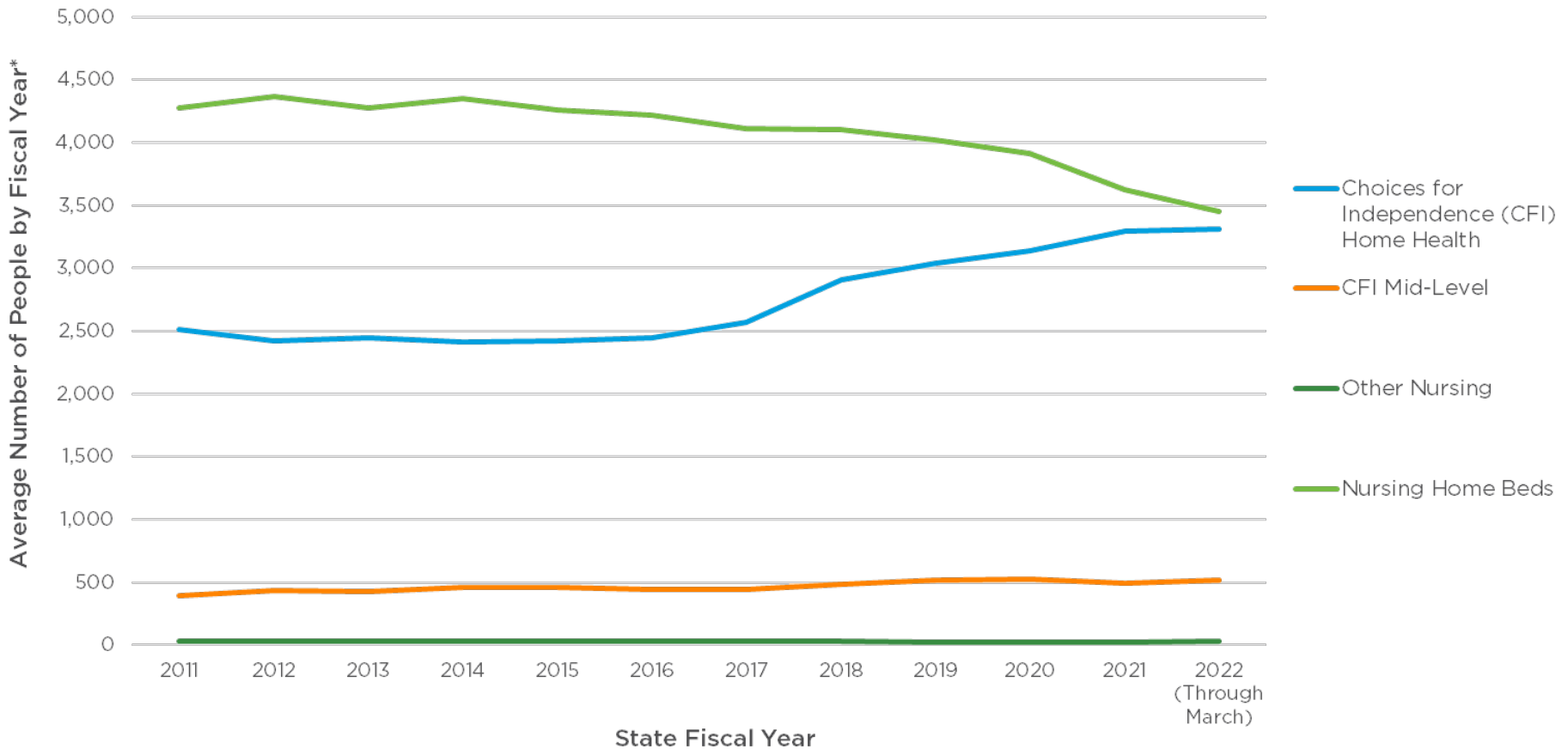
**NEW HAMPSHIRE MEDICAID REIMBURSEMENT RATES RELATIVE TO INFLATION
CFI - ADULT MEDICAL DAY SERVICES (ADULT MEDICAL DAY CARE)**



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

NURSING FACILITY ENROLLMENT DECLINED, CFI ENROLLMENT INCREASED OVER TIME

ENROLLMENT IN NEW HAMPSHIRE MEDICAID NURSING CARE BY TYPE



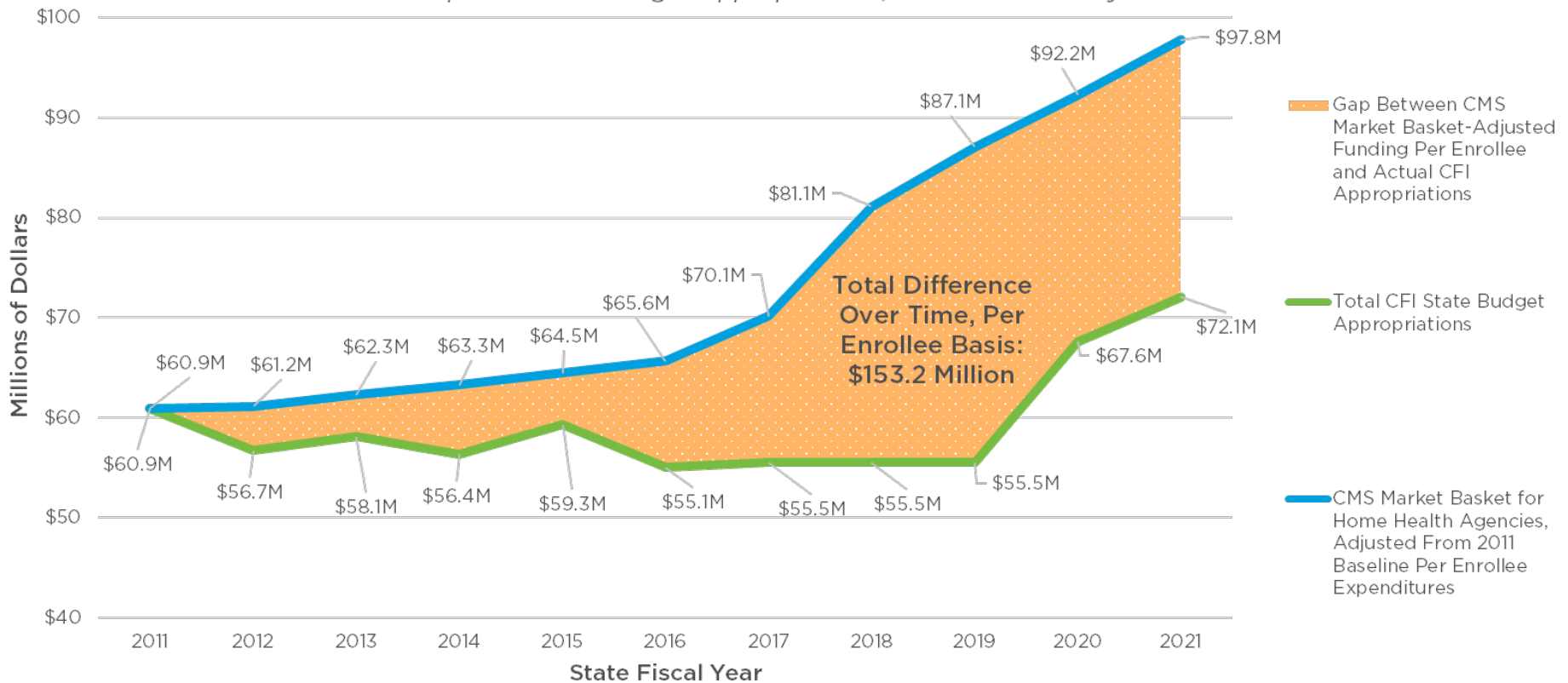
*Note: Annual average based on the 12-month average of rolling three-month averages.

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

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

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 common 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
- Cost increases in recent years, including pandemic-related costs, appear to have had widespread impacts on 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 ARPA funds that can be used through 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

Available online at www.nhfpi.org.

Publication Date: July 18, 2022

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*New Hampshire Legal Assistance
Presentation Slides for
Long-Term Care Summit
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LONG-TERM SERVICES AND SUPPORTS FUNDING IN THE NEW STATE FISCAL YEARS 2024-2025 STATE BUDGET

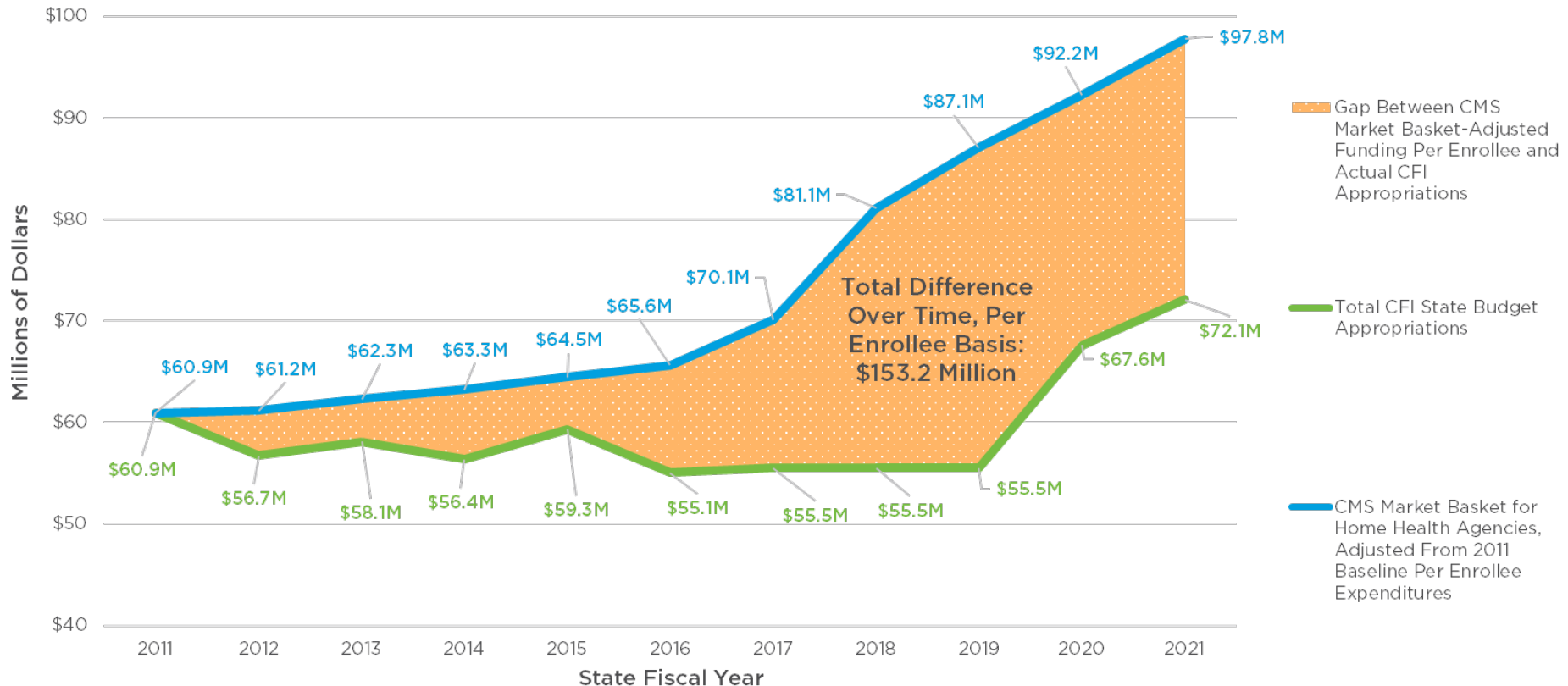
NURSING HOMES AND CFI BOTH BOOSTED

- House Bill 1 budget lines include increase of \$13.0 million (1.7 percent) in new SFYs 2024-2025 biennium over prior budget for nursing facilities (payments, ProShare, and Medicaid Quality Incentive Payments), biennial total of \$770.3 million
- House Bill 1 also includes \$36.2 million (23.1 percent) increase for CFI services, bringing biennium total to \$192.7 million
- House Bill 2 includes additional CFI funding and specific rate increases for nursing facilities and general CFI funding; assuming 50 percent federal match, total (HB 1 + 2) increases:
 - Nursing home increase: \$41.1 million (5.4 percent)
 - CFI increase: \$79.3 million (50.7 percent)
- Separate rate increases that do not specify CFI for:
 - Assisted living facilities (\$4.3 million with federal 50 percent match)
 - Home health aides (\$2.9 million with federal 50 percent match)
 - 1915(c) Waiver Case Management Services (\$1.0 million with match)

CFI FUNDING FELL BELOW INFLATION, ENROLLMENT CHANGES SINCE FISCAL 2011

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

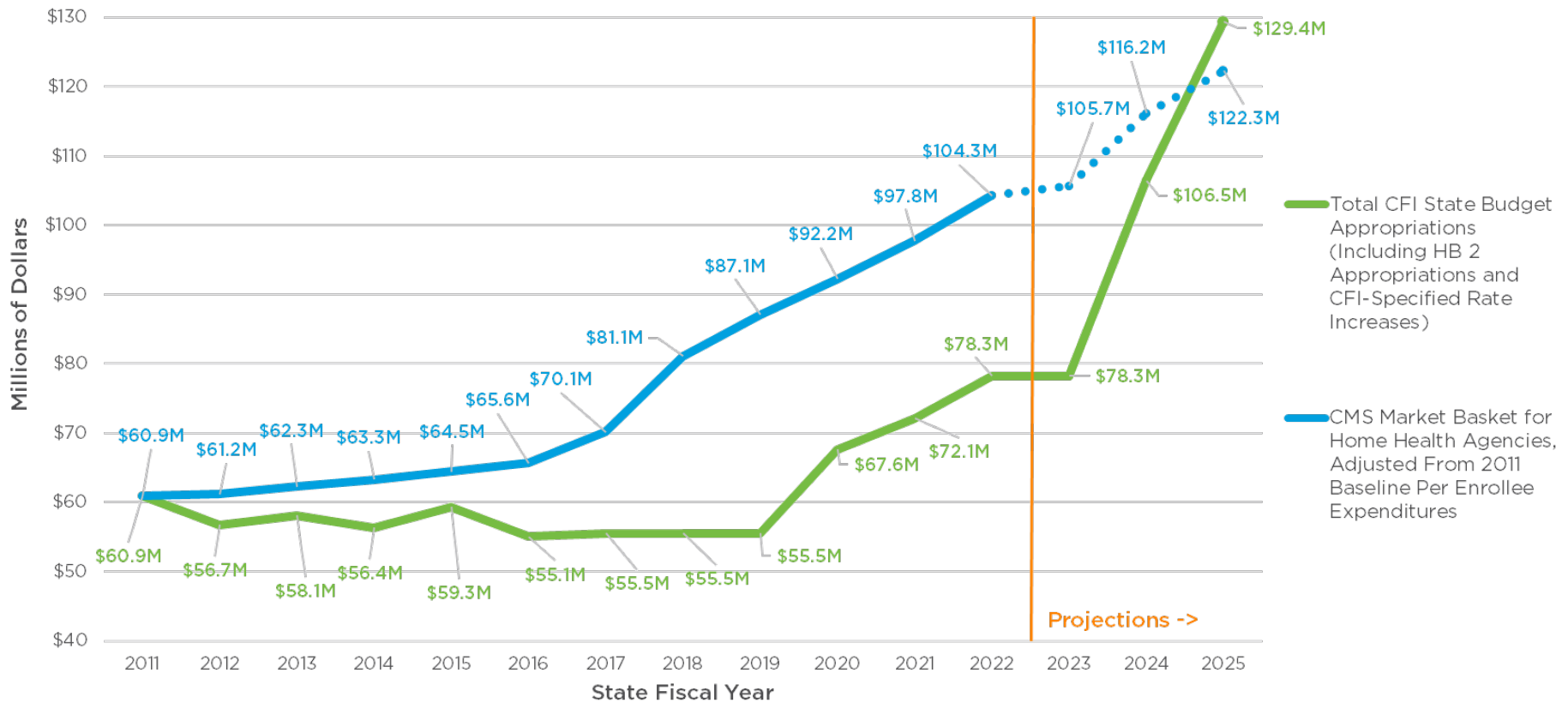


Sources: New Hampshire Office of Legislative Budget Assistant; U.S. Centers for Medicare and Medicaid Services

PROPOSED APPROPRIATIONS MAY CLOSE GAP, DEPENDING ON FUTURE ENROLLMENT

TOTAL FUNDING FOR CHOICES FOR INDEPENDENCE RELATIVE TO FEDERAL INFLATION MEASURE, PER ENROLLEE EXPENDITURE BASIS SINCE 2011, WITH 2025 PROJECTIONS

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



Notes: Projections constructed using Centers for Medicare and Medicaid Services projected Market Basket values for home health agencies and ordinary least squares trendlines for enrollment in CFI home health and midlevel care based on enrollment from State Fiscal Years 2011 through SFY 2023.

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

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*New Hampshire Department of Health
and Human Services
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