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AHCA: Exercise Caution with Medicaid Managed Care

Managed care companies face many challenges with the complex needs of seniors in nursing centers, new report shows

Washington, DC – Citing the findings of a new analysis, the American Health Care Association (AHCA) today urged states to exercise caution with the implementation of Managed Long Term Services and Supports (MLTSS) – services offered by managed care companies throughout the nation. The Association warned that the managed long term care model has unclear cost savings outcomes, mixed quality outcomes, and issued principles to guide implementation in states.

“The lack of national quality standards and a clear monitoring system are just some of the issues that make the managed care approach risky for long term care residents and patients,” said Mark Parkinson, President and CEO of AHCA. “States should exercise caution. The principles we are releasing today focus on ensuring their access, improving quality and enhancing choice in a managed care environment.”

The results of the study indicate that states have limited experience with MLTSS and implementing such programs pose different challenges than those in existing managed acute care programs. Among these challenges are accurately setting capitation rates and ensuring adequate provider networks for the long term care population, which have more complex conditions than other Medicaid beneficiaries. Such individuals use a greater volume of services and see a wider range of providers than the typical Medicaid managed acute care enrollee. AHCA’s principles include:

- 1. States and plans should possess demonstrated experience before implementing or expanding MLTSS.** Of the handful of states with some form of managed MLTSS currently in operation, only half include long-stay nursing home care. When implementing or expanding such programs for the older adults, states and plans should meet federally established or approved benchmarks and *both* states and plans should undergo a federal readiness review.
- 2. Independent grievances and appeals processes for individuals and providers should be established and adequately funded.** States should maintain an Office of the

Managed Care Ombudsman with expertise in MLTSS and ensure capacity to support individuals and families in their interactions with plans. Additionally, the state Medicaid agency should maintain provider liaison functions for managed care network participants to support providers in plan interactions as they deliver critical services to individuals.

- 3. Care coordination should produce efficiencies while improving health care experiences.** When done properly, care coordination holds the potential to yield better outcomes and lower costs. Employing these practices is critical for patients and residents who use a variety of acute care specialists, multiple medications, and services. Roles and responsibilities should be clearly defined, particularly with managed care entities that have less proven experience serving this population at the point of care delivery.

The analysis further shows that while an increasing number of states are considering MLTSS, research on health care outcomes is limited. The Association released the principles and analysis in conjunction with a tool kit to help states design or enhance new or current MLTSS programs. The toolkit also includes suggestions for statutory, regulatory, or contractual agreement language.

View the MLTSS [toolkit](#), [guidelines](#), and full [analysis](#) of existing MLTSS programs on the AHCA website.

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ABOUT AHCA/NCAL

The American Health Care Association and National Center for Assisted Living (AHCA/NCAL) represent more than 11,000 non-profit and proprietary skilled nursing centers, assisted living communities, sub-acute centers and homes for individuals with intellectual and development disabilities. By delivering solutions for quality care, AHCA/NCAL aims to improve the lives of the millions of frail, elderly and individuals with disabilities who receive long term or post-acute care in our member facilities each day. For more information, please visit www.ahca.org or www.ncal.org.