Meeting the Benchmark: Summary of Survey Findings

June 17, 2015

Balancing Incentive Program states are required to meet the "balancing benchmark", i.e., spend a certain percentage of total LTSS dollars on community LTSS by the end of the Program. In May 2015, CMS polled participating states on strategies used to meet this Program requirement.

Overall Strategy

- Eleven of the 18 participating states are meeting the benchmark by reducing growth in institutional expenditures *and* increasing community LTSS expenditures; seven states are only increasing community LTSS.

- Of the 11 states that are decreasing growth in institutional expenditures, half (6 states) are experiencing *absolute* decreases in expenditures.

- Most of the decrease is attributed to fewer people in institutional care (6 states) as opposed to lower costs per person (3 states).

Institutional Expenditures

Table 1: Use and Impact of Strategies to Reduce Institutional Expenditures (# of States)

Strategy	Use of Strategy		Perceived Impact		
	Implem.	Planned	High	Moderate	Low
Supporting transitions out of institutions into the community through MFP	18		10	5	
Supporting transitions through other programs	15		8	5	1
Adjusting institutional rates based on client acuity	9	4	2	6	
Certificate of need required before institutions offer new or expanded services	11		4	3	1
Forecasting the need for LTSS and determining appropriate numbers of institutions	5	4	2	5	
Managed care monthly capitation rates that incentivize institutional diversions/transitions	7	2	6	2	
Closure of Intermediate Care Facilities (ICFs)	7	1	4	3	
Helping entities change their business models to community LTSS from institutional care	5	3	3	2	1
Conducting rate studies to set appropriate rates for institutions	6	2	2	3	
Establishing new fee for service methodologies for institutional rates	4	2	1	2	1
Closure of state mental hospitals	2	2		3	
Changing financial incentives for maintaining empty institutional beds, instead of downsizing	2	2	2		
Closure of nursing facilities	2	1	2	1	
Conversion of double occupancy rooms to single rooms	2	1	1		
Institutional bed buybacks			1		
Institutional bed lay-aways	1		1		

- Transitioning individuals out of institutions is by far the most common strategy (all states). More than half of states using this strategy felt it was highly effective in reducing institutional costs.

- While certificate of need was also common (11 states), only about a third of states felt it was highly effective.

- States are also adjusting reimbursement to institutions either through managed care monthly capitation rates (9 states) or to better reflect client acuity of need (13 states). Of these two strategies, adjusting managed care capitation rates is perceived as more effective.

- Most states are challenged by powerful nursing facility lobbies (11 states) and the supply of nursing facilities (11 states).

Community LTSS Expenditures

Table 2: Use and Impact of Strategies to Increase Community LTSS Expenditures (# of States)

Strategy	Use of Strategy		Perceived Impact		
	Implem.	Planned	High	Moderate	Low
NWD system	13	4	10	2	
Additional waiver slots for the elderly population	9	5	6	3	2
Additional waiver slots for the ID/DD population	11	3	9	3	1
Health Homes	9	5	6	1	1
Additional waiver slots for other populations	7	3	6	2	
New services (e.g., crisis reduction services, assistive technologies, substance abuse services)	10		5	3	
Conducting rate studies to set appropriate rates for community LTSS providers	7	3	5	5	2
Managed care (MLTSS)	8	2	5	1	
Forecasting the need for LTSS and determining appropriate numbers of community LTSS providers	3	5	4	5	
Community First Choice	2	5	3	1	
Creation or expansion of 1915(i) for the mental health population	2	4		2	
Modifying the needs-based criteria for service eligibility	3	2	2	3	2
Creation or expansion of 1915(i) for other populations	3	1	1	2	

- Almost all states are implementing NWD systems to increase community LTSS (17). More than half feel the NWD system is a highly effective strategy.

- While additional waiver slots for the elderly and ID/DD populations are common (14 states), states perceive that slots for the ID/DD population are more effective.

- States are challenged by fragmented and/or slow enrollment processes (9 states), a shortage of community LTSS providers (8 states), and insufficient funding for community LTSS initiatives (7 states).

State Profiles

- On average, states implemented slightly more community LTSS strategies (7.2 community LTSS strategies versus 6.7 institutional strategies).

- While most states tend to implement 5 to 8 community LTSS strategies, on the institutional side, states are more evenly distributed (i.e., there are states with very few strategies and many strategies).

Figure 1: Number of States that Fall into Each Category of Strategies Implemented or Planned